PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 13, 2019

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

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

$400,000,000*
SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
TAX ANTICIPATION NOTES, SERIES 2019

Dated: Date of Delivery **Due: June 15, 2020***

The Tax Anticipation Notes, Series 2019 (the "Notes") are being issued by the School District of Miami-Dade County, Florida (the "District") to provide interim funds for the payment of operating expenses of the District for its Fiscal Year commenced July 1, 2019 and ending June 30, 2020 (the "2019-2020 Fiscal Year"), in anticipation of the receipt of the ad valorem taxes as herein described. The Notes are not subject to redemption prior to their maturity.

The Notes and the interest thereon will be limited obligations of the District, payable from and secured by a pledge of the ad valorem taxes levied and collected for the benefit of the District during its 2019-2020 Fiscal Year for operating purposes (excluding certain millage levies) and amounts on deposit in a sinking fund (the "Sinking Fund") (collectively, the "Pledged Revenues"); all as defined and described in Resolution No. 19-039, authorizing issuance of the Notes (the "Resolution") adopted by The School Board of Miami-Dade County, Florida (the "Board" or "School Board") on June 19, 2019. If necessary, the Notes are additionally payable from, but are not secured by, all legally available funds of the District derived from sources other than ad valorem taxation (the "Non-Ad Valorem Funds").

The Notes and the interest thereon do not constitute a general obligation or indebtedness of, or pledge of the faith and credit of the Board, the District, Miami-Dade County, Florida (the "County"), the State of Florida (the "State") or any political subdivision thereof, within the meaning of any constitutional or statutory provisions or limitations, but shall be payable solely from the Pledged Revenues and, if necessary, the Non-Ad Valorem Funds deposited by the District in the Sinking Fund. No holder of the Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the Board, the District, the County, the State or any political subdivision thereof for payment of the Notes or the interest thereon. The Notes and the obligation evidenced thereby shall not constitute a lien upon any property of or in the District, other than the Pledged Revenues in the manner and to the extent provided in the Resolution.

The Notes will be issued in fully registered form in denominations of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co. as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). The Notes will be deposited with DTC, which will be responsible for maintaining a book-entry-only system for recording the interests of its participants, which in turn will be responsible for maintaining records with respect to beneficial ownership interests of individual purchasers of the Notes. Purchasers of the Notes (the "Beneficial Owners") will not receive physical delivery of note certificates. As long as Cede & Co. is the registered owner of the Notes, principal and interest payments will be made by the Board, as Registrar and Paying Agent, directly to such owner. DTC will in turn remit such payments to its participants for subsequent disbursement to the Beneficial Owners.

Interest Rate	Yield	Price	CUSIP
___%	___%	______	__________

ELECTRONIC BIDS ONLY FOR THE NOTES PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE WILL BE RECEIVED BY THE SCHOOL BOARD, BEGINNING AT 10:30 A.M., EASTERN TIME, UNTIL 11:00 A.M., EASTERN TIME, ON AUGUST 20, 2019 PURSUANT TO THE FACILITIES OF GRANT STREET GROUP'S "MUNIAUCTION" WEBSITE, ACCESSIBLE AT WWW.GRANTSTREET.COM OR WWW.MUNIAUCTION.COM. THIS PRELIMINARY OFFICIAL STATEMENT SHALL BE "DEEMED FINAL" BY THE DISTRICT AS OF ITS DATE FOR PURPOSES OF AND EXCEPT FOR CERTAIN OMISSIONS PERMITTED BY SEC RULE 15c2-12(b)(1).

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

The Notes are offered, in full book-entry form, when, as and if issued subject to the approval of their legality by Greenberg Traurig, P.A., Miami, Florida, Note Counsel. Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is serving as Disclosure Counsel to the District. Certain legal matters will be passed upon for the District by the School Board Attorney, Walter J. Harvey, Esquire. PFM Financial Advisors LLC, Coral Gables, Florida is serving as Financial Advisor to the District. It is expected that the Notes will be available for delivery through DTC in New York, New York, on or about September 3, 2019.

Dated: August ___, 2019

* Preliminary, subject to change.

SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA

Miami-Dade County Public Schools
1450 N.E. 2nd Avenue, Room 615
Miami, Florida 33132

BOARD MEMBERS

Perla Tabares Hantman, Chair
Dr. Martin S. Karp, Vice Chair
Dr. Dorothy Bendross-Mindingall
Susie V. Castillo
Dr. Lawrence S. Feldman
Dr. Steve Gallon, III
Lubby Navarro
Dr. Marta Pérez
Mari Tere Rojas

DISTRICT OFFICIALS

Superintendent of Schools
Alberto M. Carvalho

Chief Financial Officer
Ron Y. Steiger

Treasurer
Phong T. Vu

School Board Attorney
Walter J. Harvey, Esquire

NOTE COUNSEL

Greenberg Traurig, P.A.
Miami, Florida

DISCLOSURE COUNSEL

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

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Coral Gables, Florida

Certain of the information contained herein has been obtained from the District, DTC and other sources, which are believed to be reliable. Such information is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of the District since the date hereof.

No dealer, broker, salesman or other person has been authorized by the District or any underwriter to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The delivery of this Official Statement at any time does not imply that any information herein is correct as of any time subsequent to its date.

The Notes have not been registered under the Securities Act of 1933 nor has the Resolution been qualified under the Trust Indenture Act of 1939. The Notes are offered pursuant to an exemption from registration under the Securities Act of 1933, as amended.

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

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

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

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

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

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

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OFFICIAL STATEMENT

$400,000,000*
SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
TAX ANTICIPATION NOTES, SERIES 2019

INTRODUCTORY STATEMENT

The purpose of this Official Statement, which includes the cover page and the appendices hereto, is to provide information concerning the School District of Miami-Dade County, Florida (the "District"), and its Tax Anticipation Notes, Series 2019 (the "Notes"), in the aggregate principal amount shown above.

Capitalized terms used, but not otherwise defined herein, shall have the meaning assigned thereto in the Resolution (as defined below) included as "APPENDIX C – COPY OF RESOLUTION" hereto.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Notes, the security for the payment of the Notes, and the rights and obligations of holders thereof. This Official Statement is a disclosure document only and does not constitute a contract with the holders of the Notes.

The information contained in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

PURPOSE OF THE NOTES

The Notes are being issued pursuant to Chapters 1011.13, Florida Statutes, and other applicable provisions of law, and Resolution No. 19-039 of The School Board of Miami-Dade County, Florida (the "Board" or "School Board") as the governing body of the District, adopted on June 19, 2019 (herein, the "Resolution"). The Note proceeds will be used by the District to provide interim funds for the payment of current operating expenses of the District incurred during its Fiscal Year commenced July 1, 2019 and ending June 30, 2020 (the "2019-2020 Fiscal Year"), in anticipation of the receipt of ad valorem taxes levied and collected for operating purposes for such Fiscal Year.

SECURITY FOR THE NOTES

General

The Notes and interest thereon will be limited obligations of the District, payable solely from and secured by (a) receipts of ad valorem taxes collected by the Tax Collector of Miami-Dade County (the "County Tax Collector") for the benefit of the District during the 2019-2020 Fiscal Year for operating purposes (excluding ad valorem taxes collected to pay the principal of and interest on bonds of the District issued pursuant to Sections 1010.40-1010.55, Florida Statutes, or to pay the principal of and interest on any obligations issued by the Board pursuant to Section 1011.14, Florida Statutes; or otherwise levied pursuant to Section 1011.71(2), Florida Statutes), and (b) amounts on deposit in a sinking fund (the

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* Preliminary, subject to change.

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

The Notes and the interest thereon shall not constitute a general obligation or indebtedness of, or pledge of the faith and credit of, the Board, the District, Miami-Dade County, Florida (the "County"), the State of Florida (the "State") or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation, but shall be payable from and secured solely by a lien upon and pledge of the Pledged Revenues, and if necessary, are additionally payable from, but not secured by, the Non-Ad Valorem Funds deposited in the Sinking Fund. No holder of the Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the Board, the District, the County, the State or any political subdivision thereof for the payment of the Notes or the interest thereon, except for the Pledge Revenues for the 2019-2020 Fiscal Year.

The Notes and the obligation evidenced thereby shall not constitute a lien upon any property of or in the District, other than the levy with respect to the Pledged Revenues in the manner and to the extent provided in the Resolution.

The Sinking Fund

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

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

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

The proceeds of the Notes are not pledged as security for payment of principal and interest on the Notes and will be expended by the District to pay the obligations created by the District in accordance with its operating budget for the 2019-2020 Fiscal Year. The Noteholders will have no responsibility for use of the proceeds of the Notes, and the use of such proceeds by the District will in no way affect the rights of such Noteholders.

Permitted Investments

The Board is authorized to invest the amount on deposit in the Sinking Fund in investments specified by Sections 1010.53(2) and 218.415, Florida Statutes, as amended from time to time pursuant to Board policy.

Defeasance

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

DESCRIPTION OF THE NOTES

General

The Notes will be issued in fully registered, book-entry-only form in the denominations of $5,000 each or integral multiples thereof; and will be dated and will bear interest at the annual rate specified on the cover page of this Official Statement, commencing as of the date of delivery. Principal and interest on the Notes will be payable at maturity. Interest will be calculated on a 360-day year basis comprised of twelve 30-day months. Both the principal of and interest on the Notes shall be payable upon presentation and surrender to the Board in its capacity as Registrar and Paying Agent.

No Early Redemption

The Notes are not subject to redemption prior to maturity.

Book-Entry Provisions

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

The Depository Trust Company ("DTC") New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for the Notes, in the aggregate principal amount of the Notes and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as defaults and proposed amendments to the documents securing the Notes. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of notices are provided directly to them.

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

Payments with respect to the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, as Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent or the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

Neither the Board nor the District can give any assurances that Direct Participants, Indirect Participants or others will distribute payments of debt service on the Notes made to DTC or its nominee as the registered owner, or any notices to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service or act in a manner described in this Official Statement.

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

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

Revisions of Book-Entry System; Replacement Notes

In the event that DTC determines not to continue to act as securities depository for the Notes, the District may in its discretion attempt to establish a securities depository, book-entry relationship with another securities depository. If the District does not do so, or is unable to do so, and after the Registrar and Paying Agent has made provisions for notification of the Beneficial Owners by appropriate notice to DTC, the District and the Registrar and Paying Agent will authenticate and deliver replacement Notes in the denomination of $5,000 or any integral multiple of $5,000 to, or at the direction of, any persons requesting such issuance.

Transfer of Book-Entry Interests in the Notes

The rights of Beneficial Owners and the manner of transferring or pledging their interests are subject to applicable state law. Beneficial Owners may want to discuss the manner of transferring or pledging their book-entry interest in such Notes with their legal advisors.

APPLICATION OF NOTE PROCEEDS

The Noteholders will have no responsibility for the use of the proceeds of the Notes, and the use of the Note proceeds by the District will in no way affect the rights of the Noteholders. The costs of preparation and issuance of the Notes will be paid from proceeds of the Notes to the extent not paid from other legally available funds of the District. The remaining proceeds from the sale of the Notes will be used by the District to pay the lawful operating expenses of the District as the Board shall direct.

MIAMI-DADE COUNTY, FLORIDA

Each county in Florida constitutes a school district for the control, organization and administration of the public schools therein. The boundaries of the District are coterminous with the boundaries of Miami-Dade County. Miami-Dade County is the largest county in the southeastern United States in both land area and population with a current population of approximately 2.8 million and a land area of 2,209 square miles. The District services the unincorporated areas of the County and all 36 municipalities within the boundaries of the County, including the cities of Miami, Miami Beach, Coral Gables, Doral, Hialeah and Pinecrest.

For general information concerning Miami-Dade County, see "Appendix A - Economy and Descriptive Statistics of Miami-Dade County, Florida," herein.

AD VALOREM TAX RELATED MATTERS

The following information is provided in view of the fact that a large portion of the Board's revenues are derived from ad valorem taxation.

Property Assessment and County Property Appraiser

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

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

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

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

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

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

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

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Assessed Value of Taxable Property

The following table sets forth the assessed and estimated actual value of taxable property in the District for the last ten Fiscal Years:

SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
ASSESSED VALUE OF TAXABLE PROPERTY (IN THOUSANDS)
LAST TEN FISCAL YEARS*

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Real & Personal Property Exemptions	Net Assessed Property Value[(1)]
2019	$343,169,579	$19,705,225	$49,131,518	$313,743,286
2018	326,718,442	19,085,700	47,979,107	297,825,035
2017	305,831,866	18,647,896	46,157,232	278,322,530
2016	280,722,514	18,116,114	44,035,717	254,802,911
2015	253,669,137	17,724,445	42,344,971	229,048,611
2014	232,920,392	16,923,589	41,239,222	208,604,759
2013	224,490,491	15,258,069	41,604,134	198,144,426
2012	219,712,965	15,217,124	41,991,505	192,938,584
2011	222,892,565	15,343,608	42,095,110	196,141,063
2010	250,026,628	15,512,732	41,438,793	224,100,567

(1) The basis of assessed value is approximately 100% of actual value. For each Fiscal Year ending June 30, property is valued as of January 1 of the preceding calendar year.

* Unaudited.

SOURCE: The School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2018. 2019 Fiscal Year figures provided by the Miami-Dade County, Florida Property Appraiser.

Millage Set by Local Governing Body

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

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

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. State law requires the Board to adopt and maintain a balanced tentative budget and a balanced final budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. The Board is required to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following receipt from the Property Appraiser of the preliminary certificate of taxable value. The Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement, and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed in September of each year, following a final public hearing and in accordance with statutory timelines. The Superintendent is responsible for preparing the preliminary and tentative budgets for recommendation to the Board. Generally, the final budget is substantially the same as the tentative budget since the Board's hiring plans and materials purchases have been determined before the final Budget is adopted. The Board adopted the tentative budget for the 2019-2020 Fiscal Year on July 24, 2019, and expects to adopt the final budget for the 2019-2020 Fiscal Year on September 4, 2019.

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

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District Millage Rates. The following table sets forth the amounts of ad valorem millage levied by the District and other entities from 2010 through 2019:

SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
DISTRICT AND MIAMI-DADE COUNTY PROPERTY TAX RATES (IN MILLS)
DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Fiscal Year[(1)]	District General Fund	District Local Option	District Debt Service	District Subtotal	County-Wide Millage	County-Wide Debt Service	Other[(2)]	Total[(2)]
2019	5.004	1.500	0.229	6.733	4.667	0.464	0.767	12.631
2018	5.274	1.500	0.220	6.994	4.667	0.400	0.809	12.870
2017	5.638	1.500	0.184	7.322	4.667	0.400	0.863	13.252
2016	5.852	1.561	0.199	7.612	4.667	0.450	0.887	13.616
2015	6.214	1.561	0.199	7.974	4.667	0.450	0.919	14.010
2014	6.083	1.561	0.333	7.977	4.704	0.422	0.946	14.049
2013	6.204	1.561	0.233	7.998	4.704	0.285	0.963	13.950
2012	6.165	1.600	0.240	8.005	4.805	0.285	0.971	14.066
2011	6.314	1.550	0.385	8.249	5.428	0.445	1.159	15.281
2010	5.998	1.700	0.297	7.995	4.838	0.285	1.159	14.277

(1) District Fiscal Year ends June 30; County Fiscal Year ends September 30.
(2) Includes only millages applicable to the entire County. Municipalities or other County areas have additional or different millages.

SOURCE: Miami-Dade County Property Appraiser.

See "GENERAL FUND OPERATIONS AND REVENUE SOURCES - Local Sources" herein for additional information on the various operating millages authorized to be levied by the school districts.

In addition to the millage levies for operating purposes, pursuant to Section 1011.71, Florida Statutes, school boards may set an additional non-voted millage known as the "Capital Improvement Tax" for capital outlay and maintenance purposes of up to 1.50 mills. If the revenues generated from the Capital Improvement Tax are insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount equal to the revenue generated from 0.50 mills of the operating millage levy may be used to make such lease payments. If the revenue from the 1.5 mills is insufficient to make payments due under a lease purchase agreement entered into prior to June 30, 2009, or to meet other critical school district fixed capital outlay needs, a school board may levy up to an additional 0.25 mills of Capital Improvement Tax in addition to the 1.5 mills, in lieu of levying an equivalent amount of the discretionary mills for operations. Prior to July 1, 2012, payment from the Capital Improvement Tax for lease-purchase agreements for educational facilities and sites were not permitted to exceed three-fourths of the proceeds of the Capital Improvement Tax. However, effective July 1, 2012, the 75% limitation on the use of Capital Improvement Tax revenues for lease-purchase agreements originally entered into prior to June 30, 2009 was waived. See also, "RECENT LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES - Distribution of Capital Outlay Funds to Charter Schools" for information regarding recent legislation requiring school districts to share Capital Improvement Tax revenues with charter schools in such school districts.

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

Tax Collection and Distribution by Tax Collector

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

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

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

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

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

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

Exemptions from Ad Valorem Taxation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Legislation Relating to Ad Valorem Taxation

<u>Recent Amendments Relating to Ad Valorem Taxation</u>. In recent legislative sessions, several legislative proposals and constitutional amendments were passed affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing that just value of real property shall be determined in the first tax year for income restricted persons age 65 or older who have maintained such property as the permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

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

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Ad Valorem Tax Levies and Collections

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

SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS (IN THOUSANDS)
LAST TEN FISCAL YEARS*

		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	**Taxes Levied for the Fiscal Year[(1)]**	**Amount**	**Percentage of Levy**	**Prior Year Collections[(2)]**	**Amount**	**Percentage of Levy**
2019	$2,082,553	$2,056,326[(4)]	98.7%	N/A	$2,056,326[(3)]	98.7%
2018	2,048,688	2,015,402[(4)]	98.4	N/A	2,015,402	98.4
2017	2,085,643	1,952,360[(4)]	93.6	N/A	1,952,360	93.6
2016	1,995,314	1,874,710[(4)]	94.0	N/A	1,874,710	94.0
2015	1,872,320	1,751,666	93.6	$7,969	1,759,635	94.0
2014	1,647,236	1,601,597	97.2	13,501	1,615,098	98.0
2013	1,584,376	1,495,134	94.4	3,523	1,498,657	94.6
2012	1,525,140	1,509,025	98.9	24,972	1,533,997	100.0
2011	1,614,699	1,586,242	98.2	32,056	1,618,298	100.0
2010	1,805,599	1,770,657	98.1	47,047	1,817,704	100.0

N/A = Not Applicable (no prior year taxes collected during the Fiscal Year).
(1) Property Taxes Levied reflected at 100% of the total levy; however the District is required by the State to budget at 96% of the total levy.
(2) Prior Year Collections reflect collections for taxes levied in prior Fiscal Years.
(3) Collections through July 3, 2019.
(4) Collected within the Fiscal Year, includes $0 for the prior year levy.
*Unaudited.
SOURCE: The School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2018. Figures for the 2019 Fiscal Year provided by the School District of Miami-Dade County, Florida.

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Principal Taxpayers

The following table sets for the Principal Property Taxpayers in Miami-Dade County in 2009 and 2018:

MIAMI-DADE COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
(IN THOUSANDS)*

	2009			2018		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Florida Power & Light Company	$3,012,789	1	1.20%	$5,676,412	1	1.91%
BellSouth Telecommunication LLC	595,914	2	0.24	637,344	2	0.21
Aventura Mall Venture	316,800	7	0.13	496,549	3	0.17
SDG Dadeland Associates Inc.	341,200	6	0.14	416,000	4	0.14
The Graham Companies	369,637	5	0.15	402,488	5	0.14
Ponte Gadea Biscayne LLC				400,008	6	0.13
Fontainebleau Florida Hotel LLC				390,699	7	0.13
Dolphin Mall Assoc LTD Partnership	259,200	10	0.10	328,593	8	0.11
Brickell City Centre Retail LLC				273,900	9	0.09
MB Redevelopment Inc.	280,000	9	0.11	233,000	10	0.08
200 S Biscayne	304,500	8	0.12			
Teachers Insurance	451,354	3	0.18			
Century Grand LLP	408,438	4	0.16			
TOTAL	$6,339,832		2.53%	$9,254,993		3.11%

* Unaudited.
SOURCE: The School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

SCHOOL DISTRICT AND SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

The District

The District is organized under Section 4, Article IX of the Constitution of Florida and Chapter 1001, Florida Statutes. The District is the fourth largest school system in the nation as measured by student enrollment. Located at the hub of the southeast coast of Florida and in the most populous area of the State, the geographic boundaries of the District are coterminous with those of the County, Florida. The County is the largest county in the southeastern United States in both land area and population with a current population of approximately 2.8 million and a land area of 2,209 square miles. The District services the unincorporated areas of the County and all 36 municipalities within the boundaries of the County, including the cities of Miami, Miami Beach, Coral Gables, Hialeah, Doral and Pinecrest.

For the 2018-2019 Fiscal Year, the District consisted of 476 schools and vocational/technical centers (including 134 charter schools), with approximately 350,040 students and approximately 37,830 full- and part-time employees, including 19,530 full-time instructional staff and 2,684 full-time paraprofessional staff. Management of the District is independent of the various municipal governments of the County, including the County itself. The County Tax Collector collects the ad valorem school tax for the District, but the County exercises no control over its expenditure.

The District achieved a 2018-2019 district-wide grade of 'A' for the second year in a row and had no 'F'-rated traditional schools for the third consecutive year. The District continues to see improvement in overall student achievement and a reduction in achievement gaps among ethnic groups and between high- and low- income students. District students have outperformed students in many other major US cities in the National Assessment of Educational Progress (NAEP) Trial Urban District Assessment (TUDA) in science, mathematics and reading. In recognition of its efforts for improving student achievement, the District was awarded the Broad Prize for Urban Education in 2012, which honors urban school districts across the country that are making the greatest progress in raising student achievement. For the 2018-2019 school year, the District continued its efforts to improve education by adding new magnet programs that offer students a variety of educational choices. The District now has more than 380 magnet programs, which are tailored to meet students' interests, talents and individualized needs. For the eighth consecutive year, the District has received more National Magnet Schools of America Awards than any other school district. In addition, the District has embarked on a digital convergence program, which has brought Wi-Fi capability to all schools, along with interactive boards, tablets and laptops.

Administration

<u>The Board</u>. The Board is a public corporation existing under the laws of the State of Florida, particularly Section 1001.40, Florida Statutes, and is the governing body of the District. The School Board consists of nine members elected from single member districts for staggered four-year terms. The District switched to this form of governance in November 1996.

Under existing statutes, the Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools, and programs for gifted students and handicapped students, including students in residential care facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision of adequate instructional aids; and the establishment of a system to transport students to school or school-related activities.

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

The Chair of the Board and the Vice Chair of the Board are elected by the members of the Board annually. The Superintendent of Schools (the "Superintendent") is the ex-officio Secretary of the Board.

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Board Members. The members of the Board, their respective offices and the expirations of their respective terms are as follows:

Member	Office	Expiration of Current Term
Perla Tabares Hantman	Chair	November 2022
Dr. Martin S. Karp	Vice Chair	November 2020
Dr. Dorothy Bendross-Mindingall	Member	November 2022
Susie V Castillo	Member	November 2020
Dr. Lawrence S. Feldman	Member	November 2020
Dr. Steve Gallon, III	Member	November 2020
Lubby Navarro	Member	November 2020
Dr. Marta Pérez	Member	November 2022
Mari Tere Rojas	Member	November 2022

Biographical Information for Certain Administrators

The Superintendent of Schools is appointed by, and serves as ex-officio Secretary to, the Board. The Superintendent oversees operations of the school system, makes policy recommendations to the Board, and performs the duties assigned to him 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 necessary to operate schools, is responsible for all financial transactions of the District, keeps such records as approved by the Board, provides for the investment of available District funds and is responsible for debt issuance plans of the District.

The following is biographical information for certain administrators of the District:

ALBERTO M. CARVALHO, SUPERINTENDENT OF SCHOOLS, has served as Superintendent of the nation's fourth largest school system since September 2008. He is a nationally recognized expert on education transformation, finance and leadership development who successfully transformed the District's business operations and financial systems with the implementation of a streamlined Strategic Framework, aligning resources to classroom priorities through a strict adherence to values based budgeting. This paradigm shift resulted in a dramatic increase in reserves, a stable bond rating and a remarkable improvement in student achievement. The District is now widely considered the nation's highest performing urban school system as reflected by winning the 2012 Broad Prize for Urban Education. As a result of his skillful use of data to drive decision-making and resource allocation, the Florida Department of Education selected him as the 2012 District Data Leader of the Year. On November 6, 2012, following four years of extraordinary improvement in District performance and public accountability, the community confirmed its faith in its public school system and its Superintendent by passing a $1.2 billion Bond Referendum for school construction. The District was identified by the Advance Placement College Board as first in the nation for Hispanic students scoring highly on Advanced Placement exams, and seventh in the country for African American students; and was named as the 2014 College Board Advanced Placement Equity and Excellence District of the Year.

A versatile leader, Mr. Carvalho is the self-appointed principal of the award-winning iPrep Academy, which has been a model of robust 21st century learning in the age of innovation and technology. He has received numerous honors and awards both for humanitarianism, as well as groundbreaking work in the field of education and business management. He has been honored by the National Child Labor Committee with the 2013 Ron H. Brown Award and has been recognized as Visionary Leader of the Year by the Greater Miami Chamber of Commerce, the March of Dimes' Humanitarian of the Year, South Florida's Ultimate CEO and for Leadership in Government by the Miami Chapter of the American Institute of Architects. He is a member of Florida's Council of 100, the Honorable Order of Kentucky Colonels and has been honored by the President of Portugal with the

"Ordem de Mérito Civil." He has been featured as part of *Education Nation*, on *CNN*, *NBC*, and *ABC*, and in publications such as *The New York Times*, *District Administration Magazine*, *The Christian Science Monitor* and *Nightly Business Report*. Mr. Carvalho was named as Florida's 2014 Superintendent of the Year, as well as the National Superintendent of the Year. In addition, he has been named by Scholastic Administrator as one "The Fantastic Five" educators making a difference in America, and is the 2016 winner of the 2016 Harold W. McGraw, Jr. Prize in Education, as well as the Magnet Schools of America 2016 Superintendent of the Year. He has recently been appointed by the U.S. Secretary of Education to serve a four-year term on the National Assessment Governing Board.

RON Y. STEIGER, CHIEF FINANCIAL OFFICER, joined the District in 2005 as Executive Director, Office of Financial Operations. Since that time, he has served in the Superintendent's Office of Special Projects, as well as Assistant Chief Budget Officer and Chief Budget Officer. On June 9, 2017, Mr. Steiger was promoted from his former position as Chief Budget Office to Chief Financial Officer replacing Mrs. Judith Marte who left the District to join The School Board of Broward County as its CFO. His current assignment as CFO includes responsibility for traditional finance functions, in addition to procurement and risk management. Mr. Steiger received a Master in Business Administration from the Kellogg School of Management at Northwestern University and a Bachelor in Business Administration from the University of Michigan. He is also a graduate of the esteemed Broad Residency in Urban Education and from the Council of Great City Schools' Urban School Executives program.

PHONG "TONY" VU, TREASURER, joined the District in 2017 as Treasurer after having served on the District’s Treasury Advisory Committee since 2014. Prior to joining the school district, he held the role of University Treasurer for Florida International University and continues there as an adjunct lecturer for the school's Honors College. In addition to lecturing on portfolio theory and management, Mr. Vu has participated on various industry panels. He currently serves on the FLCLASS Board of Trustees, a local government investment pool with over $2 billion in assets. Mr. Vu holds both a Bachelor of Science in Business Administration and a Master of Business Administration from the University of Florida and is pursuing a Ph.D. in Public Administration.

Employee Relations, Retirement Programs and Other Post-Employment Benefits

Employee Relations. For the 2018-2019 Fiscal Year, the District had approximately 37,830 full- and part-time employees. The Board negotiates contracts with five exclusive bargaining agents representing five unions: (i) United Teachers of Dade ("UTD"); (ii) American Federation of State, County and Municipal Employees ("AFSCME"), Local 1184; (iii) Dade County School Maintenance Employee Committee ("DCSMEC"); (iv) Florida State Lodge, Fraternal Order of Police (representing the District's law enforcement officers) ("FOP"); and (v) the Dade County Schools Administrators Association ("DCSAA") representing the District's professional and technical employees.

On November 15, 2017, the School Board ratified the 2017-2020 Successor Contract with the UTD effective July 1, 2017 through June 30, 2020. The UTD Successor Contract provides eligible UTD teachers with salary increases ranging from 2.00% to 2.67%, with a starting 10-month salary of $41,000. The UTD Successor Contract also provides a salary increase of 2.0% of current base salary for all other members (non-instructional) of UTD. All UTD increases were effective July 1, 2017. On December 6, 2017, the School Board ratified the 2017-2018 Contract Addenda with DCSMEC and DCSAA effective July 1, 2017 through June 30, 2018 which provides eligible DCSMEC and DCSAA unit members an increase of 2.0% effective July 1, 2017. On January 17, 2018, the School Board ratified the 2017-2018 Contract Addendum with AFSCME effective July 1, 2017 through June 30, 2018. Eligible employees in the AFSCME bargaining unit received an increase of 2.8% effective July 1, 2017. On February 21, 2018, the School Board ratified the 2017-2018 Contract Addendum with the FOP, which provides all eligible employees represented by FOP a step increase, averaging 4%, effective July 1, 2017.

On September 3, 2014, in response to a Request for Proposals and ensuing negotiations, the Board awarded its Medical ASO contract, for a term not to exceed five years, effective January 1, 2015, to Cigna at a per-employee, per month fee, inclusive of associated credits in connection with Cigna also providing Stop Loss and Pharmacy benefits for an initial three-year term. The new contract will reduce the District's current health insurance plan costs. The Board also awarded group term life insurance and flexible benefits to various companies for benefit eligible employees and dependents for terms not to exceed five years, effective January 1, 2015. Companies awarded the flexible benefits have guaranteed the 2015 rates for their plans for a minimum of three years, although in some plans the 2015 rate is guaranteed for up to four or five years.

The School Board also ratified the Memorandum of Understanding for the 2018 Health Insurance Plan for all unions, to include the same three options (OAP 10, OAP 20 and Local Plus) as in 2017, with Local Plus remaining a free option for employee only health care. Additional health insurance negotiations are underway for 2019-2020 with the unions as part of the respective reopener contracts.

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

The information relating to the FRS contained herein has been obtained from the FRS Annual Report for the Fiscal Year ended June 30, 2018, which is available by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, by phoning (850) 488-5706 or visiting the following website: www.dms.myflorida.com/workforce_operations/retirement/publications/ annual_ reports. No representation is made by the Board as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.

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

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

The SBA administers the FRS Investment Plan, a defined contribution plan available to eligible FRS members as an alternative to the FRS Pension Plan. Retirement benefits are based upon the value of the member's account upon retirement. Regardless of membership class, FRS Investment Plan contributions vest after one year of service. A member vests immediately in all employee contributions paid to the FRS Investment Plan. If a member elects to transfer amounts from the FRS Pension Plan to that member's FRS Investment Plan account, the member must meet the eight-year vesting requirement (or six-year vesting requirement if enrolled prior to July 1, 2011) for any such transferred funds and associated earnings. The FRS Investment Plan is funded by employer contributions that are based on salary. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Administration costs of the FRS Investment Plan are funded through a 0.06% employer contribution and forfeited benefits. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the FRS Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

Since July 1, 2001, the FRS Pension Plan has provided for vesting of benefits after six years of creditable service. Members not actively working in a position covered by the FRS on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2001, through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the various plan requirements applicable to each class of membership. Regardless of class, a member may take early retirement any time after vesting within 20 years of normal retirement age; however, there is a 5% benefit reduction for each year prior to normal retirement age.

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

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

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

Subject to provisions of Section 121.091, Florida Statutes, the Defined Retirement Option Program (the "DROP") permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months while the member's benefits accumulate in the FRS Trust Fund. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. As of June 30, 2018, the FRS Trust Fund held $2,432,971,600 in accumulated benefits for 36,001 DROP participants, including retirees with a DROP payment pending. Of those 36,001 DROP Participants, 34,173 were active in DROP (including elected officials with a different DROP termination date after June 30, 2018) with balances totaling $2,185,360,679. The remaining participants were no longer active in the DROP and had balances totaling $247,610,920 to be processed after June 30, 2018.

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

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. Beginning July 1, 2015, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

Participating employers must comply with the statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Florida Legislature. Statutes require that any unfunded actuarial liability ("UAL") be amortized within 30 plan years and any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves at June 30, 2018 was $161,196,880,609. These funds were reserved to provide for total current and future benefits, refunds and administration of the FRS Pension Plan.

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions to the FRS Pension Plan, FRS Investment Plan and the HIS Plan for the Fiscal Year ended June 30, 2018, totaled $142.6 million, which was equal to the required contribution for such Fiscal Year.

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

The scope of GASB Statements Nos. 68 and 71 (collectively, the "Statements") address accounting and financial reporting for pensions that are provided to employees of state and local governmental employers that meet certain characteristics. These Statements establish standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expense/expenditures. For defined benefit pensions such as the FRS plans, GASB Statements Nos. 68 and 71 identify methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Pursuant to these Statements, the District is required to record a liability for its proportionate share of pension liabilities as reported by the FRS plans. While these Statements require recognition and disclosure of the unfunded pension liability, there is no requirement that such liability be funded. Accordingly, a deficit in unrestricted net position should not be considered, solely, as evidence of financial difficulties. The adoption of GASB Statements Nos. 68 and 71 resulted in a material increase in the District's liabilities and a material decrease in the District's net position. The beginning net position of the District at July 1, 2014 was decreased by $1.2 billion due to adoption of the Statements. The District's proportionate share of the net pension liabilities of the FRS Pension Plan totaled $1,190.7 million at June 30, 2018. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2016-2017 Fiscal Year contributions relative to the 2016-2017 Fiscal Year contributions of all participating members. At June 30, 2017, the District's proportionate share was 4.03%, which was a decrease of 0.07% from its proportionate share measured as of June 30, 2016.

At June 30, 2018, the District reported a net pension liability of $577.5 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2016-2017 Fiscal Year contributions relative to the total 2016-2017 Fiscal Year contributions of all participating members. As of June 30, 2017, the District's proportionate share was 5.40%, which was a decrease of 0.09% from its proportionate share measured as of June 30, 2016.

The Board established a supplemental early retirement plan in 1984 (the "Supplemental Plan") in order to supplement an early retiree's benefits by the amount of reduction imposed by the FRS. The plan is a single employer, non-contributory defined benefit plan administered by an independent trustee and investments in the plan are managed by the District, through a third party asset manager. The District closed the Supplemental Plan to new employees on July 1, 2000, with no additional employees vesting after July 1, 2003. The Supplemental Plan's benefits and all other requirements are established by Section 1012.685, Florida Statutes. The Board's funding policy provides for actuarially determined periodic contributions sufficient to pay benefits provided by this plan as they come due. Total contributions to the Supplemental Plan for the 2016-2017 and 2017-2018 Fiscal Years totaled approximately $2,167,000 and $2,156,000, respectively. See APPENDIX B hereto, including the Management's Discussion and Analysis, Notes 1.S. and 17 to the Basic Financial Statements and the Required Supplementary Information, for additional information relating to the District's implementation of GASB Statements Nos. 68 and 71.

Other Post-Employment Benefits. In addition to its contributions under the FRS and the Supplemental Plan, the District provides other post-employment benefits ("OPEB") for certain of its retired employees. Employees who took advantage of the retirement incentive programs offered by the Board from 1991 through 2005 are eligible for enhanced insurance benefits consisting of health and term life insurance subsidies for up to ten years. Benefits accrued under these programs during the 2016-2017 and 2017-2018 Fiscal Years totaled approximately $1.5 million and $1.6 million, respectively. In addition, employees who retire in the first year of eligibility under the Florida Retirement System or who retire under the Supplemental Plan can receive reimbursement for a certain portion of their health insurance premiums. Further, the District provides OPEB for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans requiring the use of a single "blended" rate for both active and retired employees. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes.

In June 2015, the Governmental Accounting Standards Board issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB No. 75"), which was adopted by the District for the year ended June 30, 2018 and which replaced GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("GASB 45"). GASB No. 75 addresses accounting and financial reporting for OPEB provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about their OPEB liability.

This implementation of GASB Statement No. 75 described above, required the District to restate Net Position in the government-wide financial statement to report the District's net OPEB liability and related deferred inflows/outflows of resources. Accordingly, Beginning Net Position has been restated as follows:

SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
RESTATEMENT OF TOTAL NET POSITION UNDER GASB STATEMENT NO. 75

	Government-Wide Financial Statements (in thousands)
Total Net Position, July 1, 2017, as reported	$ 186,831
Impact of Implementation of GASB Statement No. 75	(157,191)
Total Net Position, July 1, 2017, as restated	$ 29,640

SOURCE: The School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

The implementation of GASB No. 75 resulted in the District recording deferred outflows of $8.3 million and increasing its net OPEB liability from $44.6 million to $210.1 million as of July 1, 2017, due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75.

The Districts total OPEB liability of $211.9 million was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date. Below are the details regarding the total OPEB liability from June 30, 2017 to June 30, 2018:

SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
CHANGE IN TOTAL OPEB LIABILITY

	Amount (in thousands)
Balance at June 30, 2017, as Restated	$210,080
Changes for the year:	
Service Cost	11,360
Interest	6,197
Changes in assumptions or other inputs[1]	(7,759)
Contributions from the employer	(8,333)
Administrative Expense	306
Net Changes	1,771
Balance at June 30, 2018	$211,851

[1] Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% at June 30, 2016 to 3.58% at June 30, 2017.

SOURCE: The School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

For the 2017-2018 Fiscal Year, the District Recognized OPEB expense of approximately $16.7 million.

Additional information regarding other post-employment benefits is included in Note 17 and the Required Supplementary Information to the audited financial statements for the Fiscal Year ended June 30, 2018, attached hereto as APPENDIX B.

Indebtedness

Set forth below is selected information regarding certain outstanding long-term debt of the District. For more detailed financial information concerning the District's outstanding indebtedness, see Notes 9, 10 and 11 in "APPENDIX B – EXCERPTED PAGES FROM THE GENERAL PURPOSE FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2018 AND INDEPENDENT AUDITORS' REPORT."

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SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
OUTSTANDING LONG-TERM DEBT (IN THOUSANDS)
AS OF JUNE 30, 2018

Description	Principal Amount Outstanding[6]
Self-Supporting State Bonds[1]	$ 10,021
General Obligation Bonds [2]	892,960
Certificates of Participation[3][4]	2,445,143
Capital Leases[5]	44,316
TOTAL LONG-TERM DEBT OUTSTANDING	$3,392,440

(1) Bonds are issued by the State Board of Education on behalf of the District and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax, as well as a pledge of the State's full faith and credit.
(2) The issuance of the general obligation bonds was approved by the qualified electors of the District at a referendum held on November 6, 2012. The bonds are secured by a lien and a pledge of proceeds of the levy and collection of ad valorem school district taxes on all taxable real and personal property, excluding homestead exemption as required by Florida law, without limitation as to rate or amount. As of June 30, 2018, five separate series of general obligation bonds have been issued pursuant to this referendum.
(3) Subject to annual appropriation. Includes Certificates of Participation, Qualified School Construction Bonds, Build America Bonds and Qualified Zone Academy Bonds.
(4) On March 25, 2019, the District issued (a) $87,265,000 aggregate principal amount of its Certificates of Participation, Series 2019A to (i) currently refund $39,150,000 outstanding principal amount of its Certificates of Participation, Series 2002A and $39,345,000 outstanding principal amount of its Certificates of Participation, Series 2002B and (ii) pay related swap termination fees and (b) $54,630,000 aggregate principal amount of its Certificates of Participation, Series 2019B to (i) currently refund $47,280,000 outstanding principal amount of its Certificates of Participation, Series 2008C and (ii) pay related swap termination fees, none of which are reflected in the table above.
(5) Represents the present value of minimum lease payments under various capital lease agreements for the acquisition of certain property, vehicles and equipment.
(6) Rounded to nearest thousand.

SOURCE: The School District of Miami-Dade County, Florida.

Budget Process

Florida 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 Florida law, on the application of millage levies to 96% of the non-exempt assessed valuation of property in Miami-Dade County.

The Superintendent is responsible for recommending the tentative budget to the Board. Florida 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 of Miami-Dade County (the "County 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 County Property Appraiser, usually in mid-August, of the date, time and place of the hearing on the final budget; the proposed millage rate; and the millage rate which would have had to be levied to raise the same ad valorem property tax revenue as was raised in the preceding year.

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

In no event may the millage rate adopted at the final budget hearing exceed the millage rate adopted at the tentative budget hearing unless each taxpayer within the District is sent notice by mail of the taxes under the tentative adopted millage rate and the taxes under the higher rate to be adopted at the final budget hearing. The final budget is submitted to the Department of Education of the State of Florida. After the final budget hearing, the School Board must certify the final millage rate to the County Tax Collector, the County Property Appraiser and the State Department of Revenue. The District prepared its tentative 2019-2020 Fiscal Year budget, which was approved at a public hearing held on July 24, 2019. The final budget for the 2019-2020 Fiscal Year is expected to be adopted by the Board on September 4, 2019. The District may make revisions to its adopted budgets in accordance with Florida Law.

GENERAL FUND OPERATIONS AND REVENUE SOURCES

The District's general fund revenues are derived from federal and State appropriations and local sources of funds.

State Sources

The District's two major sources of funds from the State are funding under the Florida Education Finance Program ("FEFP") and the State's Categorical Education Program.

Florida Educational Finance Program. The major portion of State support is distributed under the provisions of the FEFP, which was enacted by the State legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent student ("FTE") basis and through a formula that takes into account (i) varying program costs, (ii) cost differentials between districts, (iii) differences in per-student costs due to the density of student population, and (iv) the required level of local support. Program cost factors are determined by the State Legislature. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in variables comprising the formula.

To participate in FEFP funding, the District must levy a minimum millage for operating purposes which is set by the State Department of Education. See " - Local Sources" below. The FEFP State revenues received by the District for the 2016-2017 and 2017-2018 Fiscal Years were approximately \$615.6 million and \$654.6 million, respectively. The estimated FEFP State revenues for the 2018-2019 Fiscal Year were \$650.1 million and the tentatively budgeted FEFP State revenues for the 2019-2020 Fiscal Year are \$710.8 million.

State Categorical Programs. These are special educational program lump-sum appropriations which supplement local school district revenues in order to enhance educational and support services. Among the categorical programs for which the largest appropriations are made are Class Size Reduction, Instructional Materials, Instructional Technology and Transportation. Allocations for these categorical appropriations are based on funding formulae and discretionary State Department of Education grants. The Class Size Reduction program was created in order to implement two amendments to the Florida Constitution approved by the voters of the State of Florida. See "RECENT GOVERNMENTAL

ACTIONS AFFECTING DISTRICT REVENUES - Constitutional Amendments Related to Class Size Reduction." The majority of funds available from these programs require actual appropriation by the Board for the purposes for which they were provided. The bulk of these funds were comprised of Class Size Reduction, School Recognition and Workforce Development, which totaled $492.2 million in the 2016-2017 Fiscal Year and $516.0 in the 2017-2018 Fiscal Year (including $23.6 million for the Best and Brightest Teacher Scholarship Program), are estimated to be $536.2 million in the 2018-2019 Fiscal Year and are tentatively budgeted to be $506.0 million in the 2019-2020 Fiscal Year.

Total operational funding received by the District from the State, including FEFP, categorical programs and Discretionary District Lottery Funds, for the 2016-2017 and 2017-2018 Fiscal Years was approximately $1,136.1 million and $1,189.5 million, respectively. The District estimated receiving approximately $1,186.3 million from the State for the 2018-2019 Fiscal Year and is tentatively budgeted to receive $1,216.8 million from the State in the 2019-2020 Fiscal Year.

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

On May 4, 2019, the Florida Legislature adopted a State education budget for the State 2019-2020 fiscal year providing for an approximately $687.6 million or 4.20% increase in State and local FEFP funding for K-12 public schools over the State 2018-2019 fiscal year reflecting a per-pupil increase of approximately $243 per student or 3.27% over the State 2018-2019 fiscal year. The Governor approved the State fiscal year 2019-2020 budget on June 21, 2019. The estimated increase for the District is approximately $61.1 million in State and local FEFP funds over the 2018-2019 Fiscal Year. However, there can be no assurance that funding for K-12 public schools will increase exactly as provided for in the approved budget. See also, "RECENT LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES – Other Proposals Affecting District Finances – Public Safety Mandate" herein.

Local Sources

Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. The Florida Constitution limits the non-voted millage rate that school boards may levy for all school purposes on an annual basis to 10 mills ($10 per $1,000 of taxable real and personal property value). The millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds or for certain other short-term voter approved levies. Section 1011.71, Florida Statutes, further limits the millage levy for operational purposes to an amount established each year by the State appropriations act and finally certified by the Commissioner of the State of Florida Department of Education. Within this operational limit, each school district desiring to participate in the State's appropriation of FEFP funds for current operations must levy the millage certified by the Commissioner of the State of Florida Department of Education as the "required local effort," which is set each year by the State Legislature. For the 2018-2019 Fiscal Year, the District's required local effort millage was 4.157 mills and is tentatively budgeted to be 4.027 mills for the 2019-2020 Fiscal Year. In addition to the "required local effort," school districts are entitled to levy up to 0.748 mills as non-voted current operating discretionary millage and up to 1.50 mills for capital outlay and maintenance of school facilities. However, a school district may levy up to 0.25 mills for capital outlay and maintenance of school facilities in lieu of a like amount of operating discretionary millage. The District levied 0.748 mills for operating discretionary millage for the 2018-2019 Fiscal Year and is tentatively budgeted to levy 0.748 mills for the 2019-2020 Fiscal Year. The District did not levy any capital outlay discretionary millage in the 2018-2019 Fiscal Year and is not tentatively budgeted to levy any capital outlay discretionary millage in the 2019-2020 Fiscal Year.

The District, pursuant to authority granted in Section 1011.71(9), Florida Statutes, sought voter approval for the levy of an additional 0.75 mills for operating purposes for a period of four years commencing with the 2019-20 Fiscal Year and continuing through the 2022-23 Fiscal Year. The voters approved such levy at the November 2018 general election. For Fiscal Year 2019-20, the District is tentatively budgeted to receive $244.5 million from such additional levy. See "AD VALOREM TAX PROCEDURES - Millage Set by Local Governing Body - District Millage Rates" herein.

The District levied a millage of 5.004 mills against the cap of 10 mills for the 2018-2019 Fiscal Year for general operations, inclusive of a Prior Period Funding Adjustment Millage of 0.099 mills and is tentatively budgeted to levy a millage of 5.525 mills for the 2019-2020 Fiscal Year for general operations, inclusive of a Prior Period Funding Adjustment Millage of 0.1030 mills. Such Prior Period Funding Adjustment Millage is levied when the preliminary taxable value for the prior year is greater than the final taxable value for such year, thereby resulting in lower than expected revenues from the required local effort millage. The total millage levied for the 2018-2019 Fiscal Year was 6.733 mills, including 0.229 mills for debt service, and the District is tentatively budgeted to levy a total millage of 7.148 mills for the 2019-2020 Fiscal Year, inclusive of 0.123 mills for debt service. See "AD VALOREM TAX RELATED MATTERS - Millage set by Local Governing Body - District Millage Rates" herein.

Ad Valorem tax revenues for operating purposes were $1,541.7 million for the 2016-2017 Fiscal Year, $1,515.7 million for the 2017-2018 Fiscal Year. Ad Valorem tax revenues for operating purposes are estimated to be $1,547.7 million for the 2018-2019 Fiscal Year and are tentatively budgeted to be $1,801.2 million for the 2019-2020 Fiscal Year. It is estimated that the ad valorem taxable value for the District for the 2019-2020 Fiscal Year will increase by approximately 8.2% over the 2018-2019 Fiscal Year. In addition, the District earns interest on cash invested and collects other miscellaneous revenues. See "AD VALOREM TAX RELATED MATTERS" herein.

Federal Sources

Federal revenue sources received by the District and deposited in the General Fund were $14.8 million in the 2016-2017 Fiscal Year and $23.6 million in the 2017-2018 Fiscal Year. For the 2018-2019 Fiscal Year, the District estimated receiving approximately $38.1 million in federal revenue sources that were deposited to the General Fund and is tentatively budgeted to receive $10.0 million of such federal revenue sources for deposit in the General Fund in the 2019-2020 Fiscal Year. In addition to these revenues, the District receives federal food services and federal grants for specific contracted programs.

The following tables summarize General Fund operations for the three audited Fiscal Years ending June 30, 2016 through 2018, estimated amounts for the Fiscal Year ended June 30, 2019, and the tentative General Fund operating budget for the Fiscal Year ending June 30, 2020.

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SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
GENERAL FUND RESULTS OF OPERATION FOR FISCAL YEARS ENDING JUNE 30
(IN THOUSANDS)

	Audited 2015-2016	Audited 2016-2017	Audited 2017-2018	Estimated 2018-2019	Tentative Budget 2019-2020[1]
Beginning Fund Balance:					
Designated[2]	$ 25,354	$ 54,923	$ 73,543	$ 90,787	$ 129,462
Undesignated[3]	99,200	120,377	148,726	158,377	94,306
Total Beginning Fund Balance	$ 124,554	$ 175,300	$ 222,269	$ 249,164	$ 223,768
Revenues:					
Federal	$ 1,795	$ 1,765	$ 2,044	$ 2,044	$ 1,775
Federal through State	16,007	13,026	21,569	36,017	8,229
State	1,144,212	1,136,163	1,189,472	1,186,320	1,216,829
Local	1,513,073	1,585,368	1,592,107	1,624,564	1,872,418
Non-Revenue and Transfers	139,383	163,174	147,222	195,483	189,036
TOTAL REVENUES	$2,814,470	$2,899,496	$2,952,414	$3,044,428	$3,288,287
Expenditures:					
Instructional Services	$1,875,186	$1,939,465	$1,990,170	$2,073,150	$2,393,045
Instructional Support Services	157,819	155,430	156,306	165,821	173,796
Instr & Curric Dev Services	24,394	27,449	31,937	44,742	27,165
Instructional Staff Training	3,587	3,552	3,327	4,130	1,750
Pupil Transportation Services	72,443	73,607	73,337	79,972	70,284
Operations/Maintenance of Plant	354,853	365,557	374,028	409,735	405,375
School Administration	160,374	163,954	164,613	168,895	182,429
General Administration	77,808	78,509	84,682	86,326	84,790
Community Services	28,768	28,934	28,775	31,253	29,435
Capital Outlay	7,498	14,640	16,223	-	-
Debt Services	994	1,430	2,121	5,800	9,200
TOTAL EXPENDITURES	$2,763,724	$2,852,527	$2,925,519	$3,069,824	$3,377,269
Ending Fund Balance:					
Other Reserves	$ 54,923	$ 73,543	$ 90,787	$ 129,462	$ 40,480
Unassigned	120,377	148,726	158,377	94,306	94,306
Total Ending Fund Balance	$ 175,300	$ 222,269	$ 249,164	$ 223,768	$ 134,786

(1) Subject to change in final adopted budget. See "SCHOOL DISTRICT AND SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA - Budget Process" herein.
(2) Consists of Nonspendable, Restricted and Assigned Funds.
(3) Consists of Unassigned Funds.
SOURCE: The School Board of Miami-Dade County, Florida.

General Fund Balance Guidelines

Section 1011.051, Florida Statutes, entitled "Guidelines for general funds" requires that if a school district's General Fund ending balance not classified as restricted, committed or nonspendable in the approved operating budget is projected to fall below 3% of projected General Fund revenues, the Superintendent shall provide written notification to the district school board and the Commissioner. The section further requires that if the General Fund ending balance not classified as restricted, committed or nonspendable is projected to fall below 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 an ending balance below 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.

At June 30, 2018, the combined assigned and unassigned General Fund balance totaled $230.8 million or 7.8% of General Fund revenues net of charter schools' revenues.

SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
CHANGES IN GENERAL FUND ACTIVITY
FOR FISCAL YEARS 2017-2018 AND 2016-2017
(IN THOUSANDS)

Categories	2017-2018	2016-2017	Difference Increase (Decrease)	% Increase (Decrease)
Revenue	$2,805,192	$2,736,322	$68,870	2.5%
Other Financing Sources	167,896	167,836	60	0.1
Beginning Fund Balance	222,269	175,300	46,969	26.8
Total	$3,195,357	3,079,458	$115,899	3.8
Expenditures	$2,925,519	$2,852,527	$72,992	2.6%
Other Financing Uses	20,674	4,662	16,012	343.5
Ending Fund Balance	249,164	222,269	26,895	12.1
Total	$3,195,357	$3,079,458	$115,899	3.8

SOURCE: The School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

The 2017-2018 Fiscal Year General Fund ending balance of $249.2 million represents an increase of $26.9 million from the 2016-2017 General Fund ending balance of $222.3 million. Revenues increased by $68.9 million, or 2.5% due primarily to an increase in the Base Student Allocation, Best and Brightest funding from the State and an increase in the collection of property taxes. Expenditures increased by $73.0 million, or 2.6% as a result of an increase in payments to charter schools, payment of Best and Brightest Teachers/Principals Scholarships and other operational costs.

See "APPENDIX B - EXCERPTED PAGES FROM THE GENERAL PURPOSE FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2018 AND INDEPENDENT AUDITORS' REPORT" including the "Management's Discussion and Analysis (MD&A)" and the table entitled "Fund Balances – Governmental Funds Last Ten Fiscal Years" therein for a further description of the School Board's General Fund and historic changes to the fund balance including recent reductions thereto.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
GENERAL FUND CASH FLOW – ACTUAL
Fiscal Year July 1, 2018 through June 30, 2019
(In Thousands)

	Jul-18	Aug-18	Sep-18	Oct-18	Nov 1-20	Nov 21-30	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Estimated Jun-19	Totals
Beginning Balance	$397,300	$305,121	$186,873	$85,149	$ (72,075)	$ (181,257)	$176,551	$849,187	$764,300	$644,992	$487,891	$355,032	$182,896	$397,300
RECEIPTS														
FEFP	102,941	97,676	97,026	97,026	64,684	32,342	97,146	92,656	88,625	89,667	88,728	86,745	151,059	1,186,320
Ad Valorem Tax	-	5,512	1,547	8,938	-	414,744	807,998	59,376	50,833	32,749	67,356	21,693	34,231	1,504,979
Other Governmental Funds	9,053	9,523	16,768	32,449	5,596	2,798	12,491	4,197	9,024	38,329	7,574	9,844		157,646
Transfers In (SAP #4625)	2,576	7,127	38,773	4,478	4,688	-	33,939	1,501	7,449	39,447	4,613	3,332	47,559	195,482
TOTAL RECEIPTS	114,571	119,838	154,114	142,891	74,968	449,884	951,573	157,730	155,932	200,192	168,271	121,615	232,849	3,044,427
DISBURSEMENTS														
Salaries and Benefits	(115,757)	(141,609)	(148,251)	(179,788)	(105,624)	(52,812)	(160,453)	(156,201)	(176,462)	(241,228)	(205,483)	(169,018)	(145,545)	(1,998,232)
Vendor Payments	(90,993)	(96,477)	(107,586)	(120,326)	(78,527)	(39,264)	(118,483)	(86,416)	(98,777)	(116,066)	(95,647)	(124,733)		(1,173,295)
TOTAL DISBURSEMENTS	(206,750)	(238,086)	(255,838)	(300,114)	(184,151)	(92,075)	(278,937)	(242,617)	(275,239)	(357,294)	(301,130)	(293,751)	(145,545)	(3,171,527)
Pre-Issuance Balance	305,121	186,873	85,149	(72,075)	(181,257)	176,551	849,187	764,300	644,992	487,891	355,032	182,896	270,200	270,200
Note Proceeds/(Repayment)		344,400											(344,400)	-
Interest Income/(Expense)		287	287	287	191	96	287	287	287	287	287	287	(4,558)	(1,688)
Ending Balance	$305,121	$531,560	$430,123	$273,186	$164,195	$631,091	$837,118	$752,518	$633,497	$476,682	$344,111	$172,262	$ (89,391)	$268,513

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
GENERAL FUND CASH FLOW – PROJECTED
Fiscal Year July 1, 2019 through June 30, 2020
(In Thousands)

	Jul-19	Aug-19	Sep-19	Oct-19	Nov 1-20	Nov 21-30	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Totals
Beginning Balance	$268,513	$173,344	$51,533	$(53,766)	$(215,563)	$(327,680)	$117,584	$959,359	$871,197	$747,944	$585,698	$448,500	$271,705	$268,513
RECEIPTS														
FEFP	103,971	98,652	97,996	97,996	65,331	32,665	98,117	93,582	89,512	90,564	89,615	87,613	152,570	1,198,183
Ad Valorem Tax	-	5,567	1,563	9,027	-	503,689	981,280	59,970	51,342	33,077	68,030	21,910	34,573	1,770,028
Other Governmental Funds	9,144	9,618	16,936	32,773	5,652	2,826	12,615	4,239	9,114	38,712	7,650	9,943	-	159,223
Transfers In	2,602	7,198	39,161	4,523	4,735	-	34,278	1,516	7,523	39,842	4,659	3,365	48,035	197,437
TOTAL RECEIPTS	115,717	121,036	155,655	144,319	75,718	539,181	1,126,291	159,307	157,491	202,194	169,954	122,831	235,178	3,324,871
DISBURSEMENTS														
Salaries and Benefits	(118,072)	(144,441)	(151,216)	(183,384)	(107,736)	(53,868)	(163,662)	(159,325)	(179,992)	(246,052)	(209,593)	(172,399)	(148,456)	(2,038,196)
Vendor Payments	(92,813)	(98,406)	(109,738)	(122,733)	(80,098)	(40,049)	(120,853)	(88,144)	(100,752)	(118,387)	(97,560)	(127,228)	-	(1,196,761)
TOTAL DISBURSEMENTS	(210,885)	(242,847)	(260,954)	(306,117)	(187,834)	(93,917)	(284,516)	(247,469)	(280,744)	(364,440)	(307,152)	(299,626)	(148,456)	(3,234,957)
Pre-Issuance Ending Balance	173,344	51,533	(53,766)	(215,563)	(327,680)	117,584	959,359	871,197	747,944	585,698	448,500	271,705	358,427	358,427
Note Proceeds/(Repayment)*			400,000										(400,000)	-
Interest Income/(Expense)*			333	333	167	167	333	333	333	333	333	333	(4,731)	(1,731)
Ending Balance	$173,344	$51,533	$346,567	$185,103	$73,154	$518,584	$915,262	$827,433	$704,514	$542,601	$405,736	$229,274	$(88,734)	$356,696

* To be deposited in the Sinking Fund for the Notes.

RECENT LEGISLATIVE CHANGES AFFECTING DISTRICT REVENUES

General

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

Constitutional Amendments Related to Class Size Reduction

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

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

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

Through the 2009-2010 Fiscal Year, the District complied with the requirements of the Class Size Legislation which was based on average class size at each school. Beginning in the 2010-2011 Fiscal Year, the requirements were based on the number of students in each individual classroom and subsequently, schools that provided choice (e.g., charter, magnet, career and technical, etc.) continued to be required to meet average class size at each school. During this period, the District's compliance rate has been slightly less than 100% which, in some cases, resulted in small financial penalties that were less than the cost of full compliance with the requirements of the Class Size Legislation. The District did not incur any financial penalties in the 2017-2018 Fiscal Year or the 2018-2019 Fiscal Year.

Legislative Changes Relating to School Choice

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

HB 7029 also revises the method for enforcing compliance with the Class Size Legislation to clarify that for purposes of enforcing compliance, the calculating is based upon the statutory formula used to determine the reduction in class size categorical funding for noncompliance. At present, such Class Size Legislation compliance enforcement provisions of HB 7029 have not had a significant impact on the District's finances.

Distribution of Capital Outlay Funds to Charter Schools

During the Florida Legislature's 2017 Regular Session, the Florida Legislature passed HB 7069 ("HB 7069") which, among other things, requires school districts to distribute local capital outlay funds from the Capital Improvement Tax to charter schools. HB 7069 establishes the calculation methodology to determine the amount of local capital outlay funds from the Capital Improvement Tax a school district must distribute to each eligible charter school. Such calculation provides that the amount of local capital outlay funds from the Capital Improvement Tax a school district must distribute to each eligible charter school will be reduced by the school district's annual debt service obligation incurred as of March 1, 2017, and required the first payment to charter schools as of February 1 of each year, commencing February 1, 2018.

On March 11, 2018, then Governor Rick Scott approved Committee Substitute for House Bill 7055 ("CS/HB 7055"). CS/HB 7055, among other things, revises certain of the requirements of HB 7069 relating to the required sharing of the Capital Improvement Tax revenues with charter schools. CS/HB 7055, among other things, specifies that charter school capital outlay funds shall consist of State funds when such funds are appropriated. However, if in any given year, the amount of State funds is not equal to, or is less than, the average charter school capital outlay funds per unweighted FTE student for the 2018-2019 Fiscal Year, multiplied by the estimated number of charter school students for the applicable fiscal year and adjusted for inflation from the previous year, charter school capital outlay funds shall also consist of the Capital Improvement Tax revenue. CS/HB 7055 also seeks to clarify that the debt service obligation that can be reduced from the distribution to charter schools is the debt service obligation incurred as of March 1, 2017, which has not been subsequently retired, and also requires each school district to annually certify to the State of Florida Department of Education the amount of the debt service obligation that can be reduced from the distribution to charter schools. The provisions of HB 7069 are subject to lawsuits filed by certain affected school boards, including the School Board. To date, the provisions of HB 7069 have been upheld at the trial court in one of the lawsuits filed by the School Board and other plaintiff school boards. That case has been appealed by the Board and the other plaintiff school boards and consolidated with another case brought by many of the same plaintiff school boards, including the Board. The other lawsuit challenging HB 7069 has been stayed by the trial court pending the appeal of the other case. The final outcome of those lawsuits cannot be determined at this time. At this time, the School Board cannot determine the long-term impact of HB 7069, as revised by CS/HB 7055, on the amount of revenues available to the School Board from the Capital Improvement Tax. For the 2017-2018 Fiscal Year, the impact of HB 7069 on the District reduced its capital budget by $16.9 million. For the 2018-2019 Fiscal Year, there is no impact on the District as the 2018-2019 Fiscal Year provides the baseline State funding for determining whether charter schools receive any Capital Improvement Tax revenues in future years. The State 2019-2020 fiscal year education budget also provides for sufficient State charter capital outlay funds per FTE student such that the District will not be required to share any Capital Improvement Tax revenues with charter schools in the District in the 2019-2020 Fiscal Year. However, no assurance can be given that the State will continue to allocate sufficient State funds in future years.

Schools of Hope

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

In addition, HB 7069 also (a) provides Schools of Hope with certain statutory authority, including, but not limited to, allowing a School of Hope to be designated as a local educational agency for the purposes of receiving federal funds; (b) provides that Schools of Hope are exempt from Chapters 1000-1013, Florida Statutes, and all school board policies, except any laws related to (i) the student assessment program and school grading system, (ii) student progression and graduation, (iii) provisions of services to students with disabilities, (iv) civil rights, (v) student health, safety, and welfare, (vi) public meetings, (vii) public records, and (viii) the code of ethics for public officers and employees.; (c) provides provisions for facilities for Schools of Hope; (d) provides provisions for funding Schools of Hope, including that they be funded in accordance with the statutory provisions relating to funding for charter schools and be considered a charter schools for purposes of charter school capital outlay; (e) establishes the School of Hope Program to cover specified operational expenses for Schools of Hope; and (f) establishes the Schools of Hope Revolving Loan Program to help Schools of Hope cover school building construction and startup costs.

The District does not currently have any schools that are considered "persistently low-performing schools" under HB 7069. The establishment of the "schools of hope" provisions of HB 7069 are also subject to legal challenge by certain school boards in the State. At this time, the School Board cannot determine what impact HB 7069, if ultimately upheld, will have if any of the District's schools were to become persistently low-performing schools.

Public Safety Mandate

In 2018, the Florida Legislature passed Senate Bill 7026 ("SB 7026") which, among other things, includes provisions designed to: enhance school safety policies, procedures, and personnel at the State and local level; improve and expand mental health services; and revise laws and empower law enforcement and the courts to limit access to firearms by young adults or by individuals exhibiting a risk of harming themselves or others. Specifically, SB 7026 requires each school board and superintendent to partner with law enforcement agencies to establish or assign one or more safe-school officers at each school facility within the district by implementing any combination of the following options: (a) establish school resource officer programs through cooperative agreements with law enforcement agencies; (b) commission one or more school safety officers for the protection and safety of school personnel, property, and students within the school district; (c) at a school district's discretion, and if established by the sheriff's office, participate in the Guardian Program, which allows certain school employees (but not employees who exclusively perform classroom duties as classroom teachers) to carry a firearm on school grounds if such employee volunteers and completes the statutorily required training. During the 2019 Legislative session, the State Legislature passed CS/CS/SB 7030 ("SB 7030") which the Governor has signed into law and among other things, removes the prohibition on individuals who perform exclusively classroom duties as a teacher from participating in the Guardian Program. However, the decision to allow teachers to be armed guardians remains with each individual school board. At present, the District does not participate in the Guardian Program and has no plans to allow teachers to be armed guardians. The District has added 160 new positions to provide school resource officers at each District operated school. The School Board also has entered into contracts with the Miami-Dade County Sheriff's Office and other local law enforcement agencies to supplement existing school resource officers until all positions are filled. The estimated cost to the District for the 2019-2020 Fiscal Year is expected to be approximately $16.5 million.

LITIGATION

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

Various suits and claims arising in the ordinary course of Board operations are pending against the District. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of the Board Attorney, the liabilities that may arise from such actions would not result in losses that would materially adversely affect the financial position of the District or the Board or results of operations of the District.

TAX EXEMPTION

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

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

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

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

Possibility of Future Changes in Tax Law

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

Tax Treatment of Note Premium

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

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

Information Reporting and Backup Withholding

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

APPROVAL OF LEGALITY

Legal matters incident to the authorization and issuance of the Notes are subject to the legal opinion of Greenberg Traurig, P.A., Note Counsel. Certain legal matters will be passed upon for the District by Walter J. Harvey, Esq., School Board Attorney. Copies of such opinions will be available at the time of delivery of the Notes.

The proposed text of the legal opinion of Note Counsel is set forth as Appendix D hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Note Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that 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 the District served only as a conduit issuer). The District is not and has not since December 31, 1975, been in default as to payment of principal and interest on its bonds, notes, or other debt obligations.

CONTINUING DISCLOSURE

Rule 15c2-12 (the "Rule") under the Securities and Exchange Act of 1934, as amended, promulgated by the Securities and Exchange Commission (the "Commission"), prohibits underwriters from purchasing or selling municipal securities unless such underwriters have reasonably determined that the issuer and any "obligated person" with respect thereto, have undertaken to provide continuing disclosure with respect to its securities subject to certain exemptions. Because the Notes have a stated maturity of 18 months or less, the District, as an "obligated person" with respect to the Notes, is exempt from the continuing disclosure requirements of the Rule. However, the District is required to provide notice of the occurrence of certain events, as provided in a Material Events Notice Certificate to be dated as of the date of the Notes and incorporated by reference in the Notes. See "APPENDIX E - FORM OF MATERIAL EVENTS NOTICE CERTIFICATE" attached hereto.

Pursuant to the Material Events Notice Certificate, the District will undertake to provide the following continuing disclosure with respect to the Notes:

The District will provide in a timely manner not in excess of ten (10) business days after the occurrence of the event to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA"), notice of the occurrence of any of the following events with respect to the Notes: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, IRS notices or events affecting the tax-exempt status of the Notes; (g) modification of rights of registered owners of the Notes, if material; (h) Note calls, if material; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes; (k) rating changes; (l) bankruptcy, insolvency, receivership or a similar event of the District; (m) events relating to mergers, consolidations or acquisitions of an obligated person with respect to the Notes, if material; (n) appointment of successor or additional trustee, if material; (o) tender offers; (p) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and (q) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

The District from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, if in its judgment such other event is material with respect to the Notes, but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

The obligations of the District described above will remain in effect, subject to the following paragraph, so long as the Notes are outstanding in accordance with their terms.

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

The purpose of the District's undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights for the original purchasers of the Notes, any registered owner or beneficial owner of the Notes, the Commission or any other person. The sole remedy in the event of any actual or alleged failure by the District to comply with any covenant of the Material Events Notice Certificate shall be an action for the specific performance of the District's obligations thereunder and not for money damages in any amount. Any failure by the District to comply with any provision of such undertaking shall not constitute an event of default with respect to the Notes.

The Treasurer of the District shall be the contact person on behalf of the District from whom the foregoing notices may be obtained. The name, address and telephone number of the contact person is: Mr. Phong T. Vu, Treasurer, Office of Treasury Management, Room 615, School Board Administration Building, 1450 NE Second Avenue, Miami, Florida 33132 (Phone: 305-995-1684; Fax: 305-995-1614).

NOTEHOLDERS' RISKS

The Notes are limited obligations of the District payable from the Pledged Revenues as described herein, and are not secured by the full faith, credit and taxing power of the District. Because the Notes are limited obligations, the sources of money pledged to secure payment of the Notes may be insufficient therefor, and the Noteholders would not be able to compel the levy of taxes (other than the taxes levied for operating purposes for the 2019-2020 Fiscal Year) or the institution of foreclosure proceedings against any property of the District to provide for payment of the Notes and the interest thereon. Certain factors may affect the adequacy of the Pledged Revenues to provide for payment of the Notes, and there can be no assurance that the Pledged Revenues will be adequate to provide for payment of the Notes and the interest thereon.

In particular, the adequacy of the Pledged Revenues to provide for repayment of the Notes depends upon (1) the ability of taxpayers in Miami-Dade County to pay the ad valorem taxes levied in 2019, (2) the percentage of collection of ad valorem taxes for the 2019-2020 Fiscal Year, (3) the receipt by the District of the federal and State funds upon which it depends, in part, for the funding of its operations for the current year, and (4) the absence of the need for extraordinary, unforeseen expenditures during the 2019-2020 Fiscal Year. These matters are largely dependent upon factors beyond the control of the District, and any adverse developments with respect to these or other factors could affect the ability of the District to pay the principal of and interest on the Notes.

NOTE RATING

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

UNDERWRITING

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

FINANCIAL ADVISOR

PFM Financial Advisors LLC, Coral Gables, Florida, Financial Advisor, is serving as financial advisor (the "Financial Advisor") to the District. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

INDEPENDENT AUDITORS

The General Purpose Financial Statements of the School Board as of and for the year ended June 30, 2018 included in this Official Statement have been audited by RSM US LLP, independent auditors, as stated in their report appearing in "APPENDIX B – EXCERPTED PAGES FROM THE GENERAL PURPOSE FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2018 AND INDEPENDENT AUDITORS' REPORT" herein. Such financial statements are the most recently audited financial statements of the District. The independent auditors did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to the independent auditor and the independent auditor's opinion, insofar as it relates to the amounts included for discretely presented component units, is based solely on the reports of other auditors. RSM US LLP has not participated in the offering of the Notes.

FORWARD LOOKING STATEMENTS

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

MISCELLANEOUS

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

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

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

Further information regarding the District is available upon request from Mr. Phong T. Vu, Treasurer, Office of Treasury Management, Room 615, School Board Administration Building, 1450 NE Second Avenue, Miami, Florida 33132 (Phone: (305) 995-1684; Fax: (305) 995-1614) or during the offering period for the Notes, from the Financial Advisor: PFM Financial Advisors LLC, Coral Gables, Florida (Phone: (305) 448-6992; Fax: (305) 448-7131).

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AUTHORIZATION OF AND CERTIFICATION
CONCERNING OFFICIAL STATEMENT

This Official Statement has been authorized by the Board. Concurrently with the delivery of the Notes, the Board will furnish its certificate to the effect that, to the best of its knowledge, this Official Statement did not as of its date, and does not as of the date of delivery of the Notes, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which this Official Statement is to be used, or which is necessary in order to make the statements therein, in the light of the circumstances in which they were made, not misleading (excluding the information relating to DTC and its book-entry system of registration, as to which no opinion will be expressed).

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

By:____
Chair

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APPENDIX A

ECONOMY AND DESCRIPTIVE STATISTICS OF MIAMI-DADE COUNTY, FLORIDA

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ECONOMY AND DESCRIPTIVE STATISTICS OF MIAMI-DADE COUNTY, FLORIDA

The following highlights the economy of Miami-Dade County.

Population

The following table reflects historical trends and forecasts future population growth in Miami-Dade County:

Historical and Projected Population in Miami-Dade County, Florida

Year	Total Population	Percent Growth in Total Population
Trends[1]		
2018	2,761,581	0.4
2017	2,751,796	1.4
2016	2,712,945	0.7
2015	2,693,117	0.9
2014	2,668,903	1.0
2013	2,641,928	1.2
2012	2,611,183	1.2
2011	2,580,077	3.4
2010	2,496,435	1.3
2009	2,463,943	1.1
2008	2,436,062	0.8
2007	2,415,576	0.4
2006	2,405,911	0.8
2005	2,385,872	1.2
2004	2,358,684	1.0
2003	2,336,070	0.9
2002	2,315,747	1.2
2001	2,287,458	1.5
2000	2,253,362	16.3
1990	1,937,194	19.2
1980	1,625,509	28.2
1970	1,267,792	N/A
Projections[2]		
2045	3,523,516	2.8
2040	3,427,202	3.4
2035	3,315,891	3.9
2030	3,190,242	4.9
2025	3,040,292	6.2
2020	2,861,579	N/A

SOURCE: [1] Florida Research and Economic Information Database Application.
[2] University of Florida, Bureau of Economic and Business Research, *Population Projections by Age, Sex, Race and Hispanic Origin*, June 2018.

The following table presents a breakdown of Miami-Dade County's population by age since 2010 and forecasts population within each age category through 2045.

Estimated and Projected Population by Age
Miami-Dade County, Florida
(2010 to 2045)

	Census	Estimates	Projections					
Age	**2010**	**2018**	**2020**	**2025**	**2030**	**2035**	**2040**	**2045**
Total	2,496,457	2,779,322	2,861,579	3,040,292	3,190,242	3,315,891	3,427,202	3,523,516
0-4	149,939	156,052	158,474	165,727	168,932	169,216	170,135	172,849
5-17	395,794	415,903	424,057	440,144	451,933	462,966	469,886	472,858
18-24	247,342	249,241	249,205	257,204	270,427	272,763	279,231	286,661
25-54	1,079,491	1,165,280	1,185,823	1,229,359	1,261,107	1,308,751	1,339,961	1,352,372
55-64	271,875	344,611	366,770	391,228	384,482	375,513	379,289	411,423
65-79	254,118	321,912	342,391	401,171	470,883	510,764	535,183	522,978
80+	97,898	126,323	134,859	155,459	182,478	215,918	253,517	304,375

SOURCE: University of Florida, Bureau of Economic and Business Research, *Population Projections by Age, Sex, Race and Hispanic Origin*, June 2018.

Largest Employers

The District is southeast Florida's largest single employer and Florida's second largest employer, public and private. The following is a listing of Miami-Dade County's principal employers:

Miami-Dade County, Florida
Principal Employers
(Last Year and Nine Years Ago)
(Unaudited)

	2017[1]			2009		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Miami-Dade County Public Schools	38,324	1	2.87%	38,819	1	3.18%
Miami-Dade County	25,502	2	1.91	29,000	2	2.38
U.S. Federal Government	19,200	3	1.44	19,900	3	1.63
Baptist Health Systems of South Florida	18,400	4	1.38	12,000	6	0.98
Florida State Government	17,100	5	1.28	16,100	4	1.32
University of Miami	15,091	6	1.13	12,000	7	0.98
Florida International University	12,194	7	0.91	8,000	10	0.66
American Airlines	11,031	8	0.83	9,000	9	0.74
Jackson Health System	9,797	9	0.73	12,468	5	1.02
Miami Dade College	6,838	10	0.51			
Publix Super Markets				11,625	8	0.95
Miami-Dade College						
	173,477		12.99%	168,912		13.84%

[1] Information is based on data from year 2017. The data for year 2018 is not yet available.
SOURCE: The School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

Miami-Dade County, Florida
Comparison of Unemployment Rates
Miami-Dade County, the State of Florida, the United States
(2009 to 2018)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Miami-Dade County	10.4%	11.1%	9.4%	8.3%	7.4%	6.7%	5.8%	5.1%	4.6%	3.9%
Florida	10.4	11.1	10.0	8.5	7.2	6.3	5.5	4.8	4.2	3.6
United States	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4	3.9

SOURCE: Florida Research and Economic Information Database Application.

Miami-Dade County, Florida
Construction and Property Value (Unaudited)
(Last Ten Fiscal Years)

	Commercial Construction(1)		Residential Construction(1)		Real Property Value(2)		
Year	Number of Buildings	Value (in thousands)	Number of Units	Value (in thousands)	Commercial (in thousands)	Residential (in thousands)	Nontaxable (in thousands)
2009	202	$263,754	556	$55,417	$21,389,310	$256,121,227	$49,938,388
2010	231	184,566	1,453	129,129	45,391,928	204,558,802	48,598,065
2011	120	54,001	1,963	182,480	61,227,950	160,866,687	48,224,847
2012	95	130,148	1,535	187,533	55,104,068	157,542,515	47,440,391
2013	105	81,734	2,387	309,243	56,439,801	160,175,268	46,727,536
2014	137	242,138	1,932	265,791	57,759,674	168,994,844	46,306,532
2015	94	74,157	3,472	451,617	61,020,542	196,063,548	46,546,919
2016	83	176,969	2,064	324,500	68,425,909	225,419,272	47,172,355
2017	92	408,257	2,259	467,543	74,772,583	251,922,449	48,888,519
2018(3)	117	173,258	2,886	638,408	81,589,778	268,024,739	50,750,564

(1) Unincorporated Miami-Dade County only.
(2) Miami-Dade County, Office of the Property Appraiser.
(3) Real Property Value, total actual and assessed values For FY 2018 reflect the Final 2017 Tax Roll certified on June 26, 2018.

SOURCE: Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

Miami-Dade County, Florida
Demographic and Economic Information (Unaudited)
(Last Ten Calendar Years)

Year	Population	Total Personal Income (In 000's)	Per Capita Personal Income	Civilian Labor Force	Median Age
2009	2,398,245	90,915,774	37,909	1,218,871	39
2010	2,563,885	92,227,399	35,972	1,257,324	38
2011	2,516,515	97,815,794	38,870	1,300,030	38
2012	2,551,255	100,688,604	39,466	1,290,751	39
2013	2,565,685	104,373,301	40,680	1,289,617	39
2014	2,586,290	111,528,866	43,123	1,282,854	39
2015	2,653,934	116,553,169	43,917	1,321,033	40
2016	2,696,353	123,276,064	45,440	1,334,404	40
2017	2,743,095	126,715,595	46,048	1,375,376	40
2018	2,779,322	N/A	N/A	1,363,766	N/A

N/A = Not Available
SOURCE: Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

APPENDIX B

EXCERPTED PAGES FROM THE GENERAL PURPOSE FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2018 AND INDEPENDENT AUDITORS' REPORT.

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THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018

MIAMI-DADE COUNTY
giving our students the world
PUBLIC SCHOOLS

RSM US LLP

Independent Auditor's Report

Honorable Chairperson and Board Members of
The School Board of Miami-Dade County, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The School Board of Miami-Dade County, Florida (the School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board'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 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 of 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of The School Board of Miami-Dade County, Florida, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1 to the financial statements, the School Board adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. The net position of the governmental activities of the School Board as of July 1, 2017, has been restated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, budgetary comparison schedules, schedules of the proportionate share of net pension liability, schedule of changes in the net pension liability and related ratios, schedule of investment returns, schedules of contributions, and schedule of changes in the total other post-employment benefits liability and related ratios,* 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The *introductory section, combining and individual fund financial statements and other supplementary information,* and *statistical section* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual fund financial statements and other supplementary information* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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. In our opinion, the *combining and individual fund financial statements and other supplementary information* is fairly stated, in all material respects, in relation to the basic financial statements taken 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, under separate cover, our report dated November 19, 2018 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida
November 19, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2018
(Unaudited)

The Management's Discussion and Analysis (MD&A) of The School Board of Miami-Dade County, Florida (the District), is intended to provide an overview of the District's financial position and changes in financial position for the fiscal year ended June 30, 2018.

Since the focus of the Management's Discussion and Analysis (MD&A) is on the current year activities, resulting changes and currently known facts, it should be read in conjunction with the District's financial statements, including the accompanying notes. Additionally, as a required part of the MD&A, comparative information for the current year and the prior year is presented for financial analysis to enhance the understanding of the District's financial performance.

Financial Highlights

At June 30, 2018, the General Fund had a total fund balance of $249.2 million. This fund balance was comprised of $7.9 million of non-spendable funds, $10.4 million of restricted funds, $72.5 million of assigned funds and $158.4 million of unassigned funds.

General Fund fund balance increased by $26.9 million or 12.1% from the previous year primarily due to an increase in revenues, as well as continued efforts to curtail expenditures.

Special Revenue funds ended the year with a fund balance of $43.0 million, an increase of $10.6 million or 32.8% from the previous year primarily due to increases in revenues.

Debt Service funds ended the year with a fund balance of $93.8 million, an increase of $28.8 million or 44.3% from the previous year primarily due to increases in the collection of taxes.

Capital Projects funds ended the year with a fund balance of $548.4 million, a decrease of $(112.9) million or (17.1)% from the previous year primarily due to the accelerated pace of the General Obligation Bond (GOB) program.

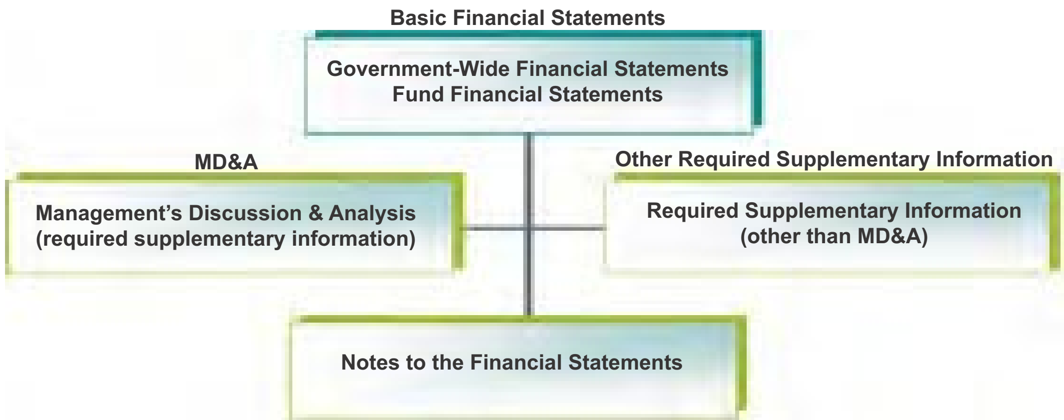
The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015, which replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended. This Statement is effective for fiscal years beginning after June 15, 2017. The adoption of GASB 75 is reflected in the 2017-18 fiscal year financial statements. Its intent is to improve accounting and financial reporting by requiring an Other Postemployment Benefits (OPEB) liability to be reported on the face of the financial statements rather than in the accompanying notes. The implementation of GASB 75 resulted in an increase in the District's OPEB liability and a decrease in the District's Net Position.

During the 2017-18 fiscal year, the District refunded an outstanding Certificate of Participation (COP) bond that provided substantial net present value savings and cash flow savings, which reduced future debt service by over $10.0 million.

Standard & Poor's (S&P) rating agency maintained the District's rating of "AA-/stable" for GOB and "A+/stable" for COP bonds based in part on good financial management practices and policies. Moody's Investors Service also maintained its rating of GOB and COP at "Aa3/stable" and "A1/stable, respectively noting the District's strong management.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is comprised of different sections. The following graphic is provided to facilitate the understanding of the format and its components:



OVERVIEW OF THE FINANCIAL STATEMENTS

The District's Comprehensive Annual Financial Report consists of a series of financial statements and accompanying notes, with the primary focus being on the District as a whole. The Statement of Net Position and the Statement of Activities are government-wide financial statements that provide both short-term and long-term information about the District's overall financial position. The fund financial statements report the District's operations in more detail by providing information as to how services are financed in the short-term, as well as the remaining available resources for future spending. Additionally, the fund financial statements focus on Major Funds rather than fund types. The proprietary fund statements offer short-term and long-term financial information about the activities of the District as it relates to the group health insurance program. The remaining statements, the Fiduciary Funds Statements, provide financial information for those activities in which the District acts solely as a trustee or agent for the benefit of others. The accompanying notes provide essential information that is not disclosed on the face of the financial statements. Consequently, the notes are an integral part of the basic financial statements.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities - Most of the activities of the District are reported in these statements, including instruction, instructional support services, operations and maintenance, school administration, general administration, pupil transportation, and food service. Additionally, all state and federal grants, as well as capital and debt financing activities are reported in these statements.

The Statement of Net Position and the Statement of Activities present a view of the District's financial operations as a whole, reflect all financial transactions and provide information helpful in determining whether the District's financial position has improved or deteriorated as a result of the current year's activities. The implementation of GASB Statement No. 75 had a significant impact on the reporting of the District's liabilities as it relates to Other Postemployment Benefits (OPEB) and consequently a material impact to the District's Net Position. Both of these statements are prepared using the accrual basis of accounting similar to that used by most private-sector companies. The Statement of Net Position includes assets plus deferred outflows of resources, and liabilities, less deferred inflows of resources, both short and long term.

The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid. The two government-wide statements report the District's Net Position and the changes that resulted from the District's operations. The relationship between revenues and expenses indicates the District's operating results. Over time, increases and decreases in the District's Net Position are an indicator of whether the District's financial position is improving or deteriorating. However, as a governmental entity, the District's activities are not geared towards generating profits as are the activities of commercial entities. Other factors, such as the safety of schools and quality of education, must be considered in order to reasonably assess the District's overall performance, particularly because of the limited resources available.

Fund Financial Statements

The District's fund financial statements provide a detailed short-term view of the District's operations, focusing on its most significant or "major" funds. Certain funds are required by law while others are created by legal agreements, such as bond covenants. The District establishes other funds to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. The District has three kinds of funds - governmental funds, a proprietary fund and fiduciary funds.

Governmental Funds - The accounting for most of the District's basic services is included in the governmental funds. The measurement focus and basis of accounting continue to be reported using the modified accrual basis of accounting, which measures inflows and outflows of current financial resources and the remaining balances at year-end that are available for spending. Furthermore, under this basis of accounting, changes in net spendable assets normally are recognized only to the extent that they are expected to have a near-term impact. Inflows of financial resources are recognized only if they are available to liquidate liabilities of the current period. Similarly, future outflows are typically recognized only if they represent a depletion of current financial resources. The District's major governmental funds are the General Fund, General Obligation School Bonds Funds, and Capital Improvement-Local Optional Millage Levy (LOML) Funds. The differences in the amounts reported between the fund statements and the government-wide financial statements are explained in the reconciliations provided on Pages 25 and 28.

Proprietary Fund - The District maintains an Internal Service Fund as its only proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses the internal service fund to report the activities of the group health self-insurance program. Since these services predominantly benefit governmental rather than business-type functions, the internal service fund has been included within governmental activities in the government-wide financial statements. The District's proprietary fund activity is reported in the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows - Proprietary Funds on Pages 29 through 31.

Fiduciary Funds - The District is the trustee, or fiduciary, for resources held for the benefit of others, such as the student activities fund and the pension trust fund. The District's fiduciary activities are reported in the Statement of Fiduciary Net Position on Page 32 and the Statement of Changes in Fiduciary Net Position on Page 33. The resources accounted for in these funds are excluded from the government-wide financial statements because these funds are not available to finance the District's operations. Consequently, the District is responsible for ensuring that these resources are used only for their intended purposes.

Notes to the Financial Statements

The notes provide disclosures and additional information that are essential to a full understanding of the financial information presented in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information, as well as combining and individual fund statements and schedules beginning on Page 92.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following table provides a comparative analysis of the District's Net Position for the fiscal years ended June 30, 2018 and 2017.

CONDENSED STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2018 and 2017
($ in millions)

Categories	2017/18	2016/17	Difference Increase (Decrease)	% Increase (Decrease)
Current and Other Assets	$ 1,315.5	$ 1,361.2	$ (45.7)	(3.4) %
Capital Assets, Net	4,436.8	4,457.7	(20.9)	(0.5) %
Total Assets	$ 5,752.3	$ 5,818.9	$ (66.6)	(1.1) %
Deferred Outflows of Resources				
Accumulated decrease in fair value hedging derivatives	$ 13.9	$ 20.4	$ (6.5)	(31.9) %
Deferred Loss on Refundings, Net	91.4	106.1	(14.7)	(13.9) %
Pensions	736.8	647.4	89.4	13.8 %
OPEB	6.3	-	6.3	- %
Total Assets and Deferred Outflows of Resources	$ 6,600.7	$ 6,592.8	$ 7.9	0.1 %
Current Liabilities	$ 514.7	$ 508.8	$ 5.9	1.2 %
Long-term Liabilities	5,845.6	5,796.0	49.6	0.9 %
Total Liabilities	$ 6,360.3	$ 6,304.8	$ 55.5	0.9 %
Deferred Inflows of Resources				
Pensions	$ 176.5	$ 101.2	$ 75.3	74.4 %
OPEB	6.5	-	6.5	- %
Total Liabilities and Deferred Inflows of Resources	$ 6,543.4	$ 6,406.0	$ 137.4	2.1 %
Net Position				
Net Investment in Capital Assets	$ 1,302.5	$ 1,352.0	$ (49.5)	(3.7) %
Restricted	245.9	115.9	130	112.2 %
Unrestricted (deficit)	(1,491.2)	(1,281.1)	(210.1)	(16.4) %
Total Net Position	$ 57.2	$ 186.8	$ (129.6)	(69.4) %

The District's total assets plus deferred outflows of resources were $6.6 billion and total liabilities and deferred inflows of resources were $6.5 billion at the end of the current fiscal year.

The District's net position totaled $57.2 million at June 30, 2018. The largest portion of the District's net position, $1.3 billion, reflects its investment in capital assets (land, buildings, furniture, fixtures & equipment), net of depreciation and less any outstanding debt used to construct or acquire those assets. Restricted net position in the amount of $245.9 million is reported separately to show legal constraints, from debt covenants and enabling legislation. The $130 million increase in restricted net position resulted primarily from unspent cash and investment balances in the Capital Improvement-Local Optional Millage Levy (LOML) funds. The $(1.5) billion unrestricted deficit in net position reflects the shortfall the District would face in the event it would have to liquidate all of its non-capital liabilities, including insurance claims payable, compensated absences, pensions and other post-employment benefits, at June 30, 2018. Consequently, these long term considerations have a significant impact on the resulting net position. The significant increase in the unrestricted deficit of $(1.5) billion resulted primarily from the implementation of GASB Statement No. 75. This GASB Statement required the District to record an other postemployment benefits (OPEB) liability on the financial statements. A deficit in unrestricted net position should not be considered, solely, as evidence of economic financial difficulties, but rather as a result of different measurement focuses; long term compared to short term perspectives.

Statement of Activities

The following table summarizes the changes in the District's Net Position from its activities for the fiscal years ended June 30, 2018 and 2017.

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES
For Fiscal Years Ended June 30, 2018 and 2017
($ in millions)

Revenues	**2017/18**	**2016/17**	**Difference Increase (Decrease)**	**% Increase (Decrease)**
Program Revenues:				
Charges for Services	$ 44.5	$ 49.0	$ (4.5)	(9.2) %
Operating Grants & Contributions	1,030.0	988.9	41.2	4.2 %
Capital Grants & Contributions	56.5	63.2	(6.7)	(10.6) %
Total Program Revenues	$ 1,131.0	$ 1,101.1	$ 29.9	2.7 %
General Revenues:				
Ad Valorem Taxes	$ 2,018.3	$ 1,946.7	$ 71.6	3.7 %
Grants & Contributions Not Restricted to Specific Programs	661.3	615.6	45.7	7.4 %
Investment Earnings	20.7	8.8	11.9	135.2 %
Miscellaneous Revenues	25.7	41.1	(15.4)	(37.5) %
Total General Revenues	$ 2,726.0	$ 2,612.2	$ 113.8	4.4 %
Total Revenues	**$ 3,857.0**	**$ 3,713.3**	**$ 143.7**	**3.9 %**
Expenses				
Instructional Services	$ 2,221.2	$ 2,137.0	$ 84.2	3.9 %
Instructional Support Services	301.2	293.4	7.8	2.7 %
Student Transportation	93.0	93.5	(0.5)	(0.5) %
Operations & Maintenance of Plant	378.8	366.5	12.3	3.4 %
Food Service	161.0	159.3	1.7	1.1 %
School Administration	167.6	163.3	4.3	2.6 %
General Administration	13.9	13.5	0.4	3.0 %
Business/Central Services	71.1	64.0	7.1	11.1 %
Facilities Acquisition and Construction	68.6	83.1	(14.5)	(17.4) %
Administrative Technology Services	3.4	2.9	0.5	17.2 %
Interest on Long-Term Debt	150.2	144.1	6.1	4.2 %
Community Services	31.0	30.3	0.7	2.3 %
Unallocated Depreciation	168.4	167.1	1.3	0.8 %
Total Expenses	**$ 3,829.4**	**$ 3,718.0**	**$ 111.4**	**3.0 %**
Increase (Decrease) in Net Position	**$ 27.6**	**$ (4.7)**	**$ 32.3**	**687.2 %**
Net Position, Beginning	**$ 186.8**	**$ 191.5**	**$ (4.7)**	**(2.5) %**
Prior year restatement (Note 1T)	**(157.2)**	**-**	**(157.2)**	**-**
Net Position, Ending	**$ 57.2**	**$ 186.8**	**$ (129.6)**	**(69.4) %**

Beginning Net Position has been restated due to the implementation of GASB Statement No. 75, that required the District to restate Net Position in the government-wide statements to report the District's net OPEB liability and related deferred outflows of resources, resulting in a reduction of Net Position of $157.2 million. This is the primary cause for the decrease in Net Position of $(129.6) million or (69.4)%.

Governmental Activities

The Statement of Activities reports gross expenses, offsetting program revenues and the resulting net expense (cost) by functions for the current year. The net cost of each of the District's functions represents the expenses that must be subsidized by general revenues, including tax dollars. As reflected in the Statement of Activities, total expenses for governmental activities excluding unallocated depreciation expense totaled $3,661.0 million, of which $1,131.0 million were financed by charges for services and other program revenues. The resulting net costs of $2,530.0 million, excluding unallocated depreciation expense, were financed primarily by Florida Education Finance Program (FEFP) dollars and property taxes.

The table below, presents a comparative analysis of the cost and the net cost of each of the District's functions: School Level Services include Instruction, Student Services (counselors, psychologists, and visiting teachers), Transportation, Custodial and Maintenance (including utilities), School Administration and Community Services; Instructional Support Services include Curriculum Development and Staff Training; Business/Central Services include Accounting, Budget, Payroll, Accounts Payable, Cash and Debt Management, Purchasing, Personnel, Data Processing, Risk Management, and Warehousing; General Administration; and Facilities Acquisition & Construction.

NET COST OF GOVERNMENTAL ACTIVITIES
For Fiscal Years Ended June 30, 2018 and 2017
($ in millions)

	2017/18	2016/17	Difference Increase (Decrease)	% Increase (Decrease)
Total Cost of Services				
School Level Services	$ 3,052.6	$ 2,950.0	$ 102.6	3.5 %
Instructional Support Services	301.2	293.4	7.8	2.7 %
Business/Central Services	224.7	210.9	13.8	6.5 %
General Administration	13.9	13.5	0.4	3.0 %
Facilities Acquisition & Construction	68.6	83.1	(14.5)	(17.4) %
Total Cost of Services *	**$ 3,661.0**	**$ 3,550.9**	**$ 110.1**	**3.1 %**
Net Cost of Services				
School Level Services	$ 1,960.1	$ 1,884.3	$ 75.8	4.0 %
Instructional Support Services	301.2	293.4	7.8	2.7 %
Business/Central Services	222.7	205.9	16.8	8.2 %
General Administration	13.9	13.5	0.4	3.0 %
Facilities Acquisition & Construction	32.1	52.7	(20.6)	(39.1) %
Net Cost of Services *	**$ 2,530.0**	**$ 2,449.8**	**$ 80.2**	**3.3 %**

* Excluding unallocated depreciation expense

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Financial information is presented separately in the Balance Sheet, and in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the District's major funds: General Fund, General Obligation School Bonds Funds and Capital Improvement-Local Optional Millage Levy (LOML) Funds. Financial information for the non-major governmental funds is aggregated and presented in a single column. Individual fund data for each of the non-major governmental funds is presented in the combining statements beginning on Page 104.

GENERAL FUND

The General Fund is the primary operating fund for the District. Presented below is an overall analysis of the General Fund as compared to the prior year.

CHANGES IN GENERAL FUND ACTIVITY
For Fiscal Years 2017/18 and 2016/17
($ in thousands)

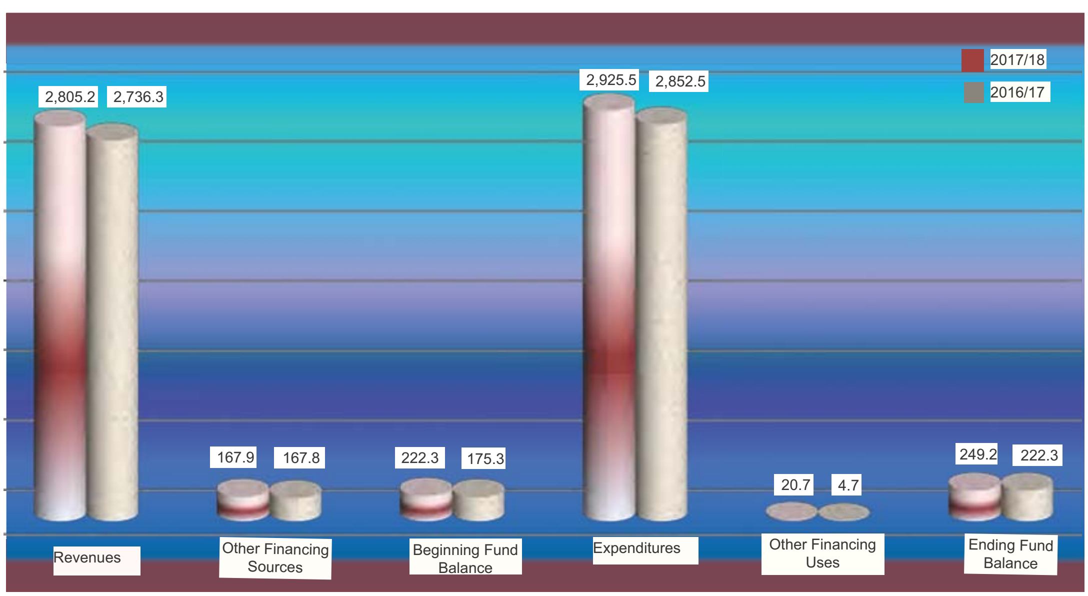
Categories	2017/18	2016/17	Difference Increase (Decrease)	% Increase (Decrease)
Revenues	$ 2,805,192	$ 2,736,322	$ 68,870	2.5 %
Other Financing Sources	167,896	167,836	60	0.1 %
Beginning Fund Balance	222,269	175,300	46,969	26.8 %
Total	**$ 3,195,357**	**$ 3,079,458**	**$ 115,899**	**3.8 %**
Expenditures	$ 2,925,519	$ 2,852,527	$ 72,992	2.6 %
Other Financing Uses	20,674	4,662	16,012	343.5 %
Ending Fund Balance	249,164	222,269	26,895	12.1 %
Total	**$ 3,195,357**	**$ 3,079,458**	**$ 115,899**	**3.8 %**

The General Fund is the chief operating fund of the District. Overall Revenues increased by $68.9 million or 2.5% from the previous year. The increase is primarily due to an increase in the Base Student Allocation (BSA), Best & Brightest state funding, and an increase in the property tax collections.

Expenditures increased by $73.0 million or 2.6% from the previous year. The increase is primarily attributed to increased payments to charter schools, payment of Best & Brightest Teachers/Principals Scholarships and other operational costs.

Ending Fund Balance increased by $26.9 million or 12.1% primarily due to the increase in tax collections and sound financial management.

CHANGES IN GENERAL FUND ACTIVITY
For Fiscal Years 2017/18 and 2016/17
($ in millions)



GENERAL FUND (continued)

Revenues By Source

Revenues - Overall revenues increased by $68.9 million or 2.5% as follows:

REVENUES BY SOURCE
For Fiscal Years 2017/18 and 2016/17
($ in thousands)

Sources	2017/18	2016/17	Difference Increase (Decrease)	% Increase (Decrease)
Federal	$ 23,613	$ 14,791	$ 8,822	59.6 %
State	1,189,472	1,136,163	53,309	4.7 %
Local	1,592,107	1,585,368	6,739	0.4 %
Total	**$ 2,805,192**	**$ 2,736,322**	**$ 68,870**	**2.5 %**

Federal sources increased by $8.8 million or 59.6% from the prior year. This increase is primarily due to an increase in Medicaid reimbursement.

State sources increased by $53.3 million or 4.7% from the prior year. This increase is primarily due to an increase in FEFP funding and the Best & Brightest state funding.

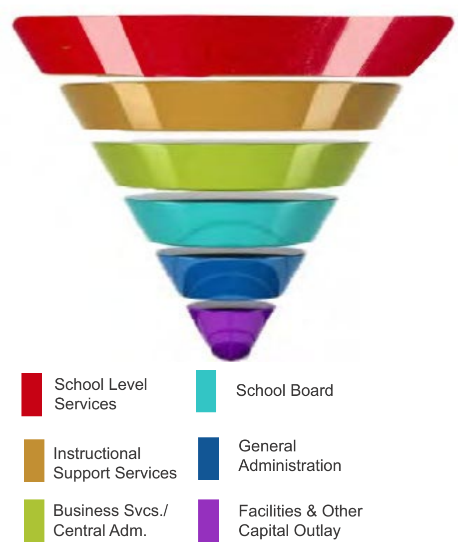
Local sources increased by $6.7 million or 0.4% from the prior year. This increase is primarily due to an increase in the collection of taxes as well as an increase in investment income offset by reductions in other local revenues.

Expenditures By Function

Expenditures - Overall expenditures increased by $73.0 million or 2.6% as follows:

EXPENDITURES BY FUNCTION
For Fiscal Years 2017/18 and 2016/17
($ in thousands)

Functions	2017/18	2016/17	Difference Increase (Decrease)	% Increase (Decrease)
School Level Services	$ 2,639,131	$ 2,578,040	$ 61,091	2.4 %
Instructional Support Services	196,056	187,011	9,045	4.8 %
Business Services/ Central Adm.	73,770	67,215	6,555	9.8 %
School Board	7,712	7,683	29	0.4 %
General Administration	5,878	5,698	180	3.2 %
Facilities & Other Capital Outlay	2,972	6,880	(3,908)	(56.8) %
Total	**$ 2,925,519**	**$ 2,852,527**	**$ 72,992**	**2.6 %**



Salaries and fringe benefits represent the most significant expenditures of the District specifically as it relates to school level expenditures. During the 2017-18 fiscal year, the administration continued to implement cost reduction strategies to meet the financial challenges of limited funding and increased costs.

GENERAL OBLIGATION SCHOOL BONDS

On November 6, 2012, Miami-Dade County voters approved a referendum authorizing the issuance of $1.2 billion of General Obligation Bonds (GOBs) for the modernization and construction of public school facilities, including educational technology upgrades. Thus far, five separate bond series have been issued pursuant to this referendum. As of June 30, 2018, $270.8 million bonds remain to be issued. Fiscal Year 2017-18 was another banner year for the GOB program, with close to 600 projects at various stages of development, from design to close out. The 2017-18 fiscal year ended with a total fund balance of $399.6 million.

CAPITAL IMPROVEMENT-LOCAL OPTIONAL MILLAGE LEVY (LOML)

Capital Improvement - Local Optional Millage Levy (LOML) funds constitute the primary source of revenue in the Capital Budget. The Florida Legislature decreased the maximum allowable millage to be used for capital purposes from 1.75 mills to 1.50 mills in the 2009-10 fiscal year with the flexibility of shifting 0.25 mills back from the operating budget. Total fund balance of $90.3 million represents an increase of $8.9 million or 11% from the previous year. The increase can be attributed primarily to an increase in the collection of taxes. The total $90.3 million fund balance is restricted for capital projects.

BUDGETARY HIGHLIGHTS

Most District operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature. The purpose is to substantially equalize educational funding among the sixty-seven school districts in Florida, irrespective of differences in wealth among the districts.

Each school district retains its local property taxes, which are reported as local revenues. However, the required local effort portion is deducted from the district revenue generated by the State FEFP formulas. The resulting net revenue is reported as state revenue.

Total General Fund revenues and other financing sources during 2017-18 were $50.9 million less than the originally adopted budget as follows:

Federal funds were $7.6 million higher than anticipated due primarily to an increase in Medicaid reimbursements of $7.1 million, with small increases/decreases in Impact Aid, R.O.T.C. and Other Federal through State sources.

State funds were $33.2 million less than the originally adopted budget primarily due to the elimination of McKay Scholarships of $42.8 million, a decrease in the FEFP funds received due to changes in enrollment of $12.5 million, a decrease in Class Size Reduction funds of $4.3 million, a decrease in Discretionary Lottery Funds of $5.4 million and a decrease of $1.9 million related to the Voluntary Pre-K program. These decreases were offset by the receipt of Best & Brightest Scholarship funds for $23.6 million, an increase in School Recognition funds for $4.5 million, an increase in the Declining Enrollment Supplement of $3.1 million, Schools of Hope grants funds for $1.8 million and miscellaneous small adjustments totaling a decrease of $0.7 million.

Local revenues were $13.8 million lower than the originally adopted budget. The decrease in local revenues is primarily due to reductions in net property taxes of $29.2 million, increases in interest and investment revenue of $7.9 million, decrease in E-Rate revenue of $4.0 million and increases in other accounts of $11.4 million.

Other Financing Sources decreased $11.5 million due to the decrease in transfers from other funds of $13.9 million and increases in other non-revenue sources of $2.5 million.

The most significant variance between the budget as originally adopted and the final amended budget is reflected in Instructional Services expenditures. This variance is primarily due to the fact that most of the district's budget is originally placed in Instructional Services as teacher salaries and fringes. During 2017-18, the District experienced a higher than budgeted vacancy rate across a multitude of positions. The rest of the variance in Instructional Services relates to the fact that once the school year commences the true needs of each respective school are determined based on actual FTE and other established allocation processes. Therefore, funds originally budgeted under Instructional Services are spent under other functions which explains the negative variances seen in the rest of the other expenditure functions. The increase in Operation and Maintenance of Plant functions is mostly due to the increase in expenditures caused by the occurrence of Hurricane Irma.

The variance between final amended budget and actual expenditures relates to amounts that were encumbered as of June 30, 2018.

Ending fund balance as of June 30, 2018 was $249.2 million comprised of nonspendable fund balances totaling $7.9 million, representing inventories and prepaid items, restricted fund balance totaling $10.4 million in state categorical programs, assigned fund balance of $72.5 million, which included rebudgets and outstanding purchase orders and unassigned fund balance totaling $158.4 million. This differs from the ending fund balance used for budgetary purposes since amounts encumbered are included as appropriations.

The District will continue to review the budget, focusing on maintaining essential educational services as it anticipates continuing revenue shortfalls and cost increases.

CAPITAL ASSETS AND DEBT ADMINISTRATION

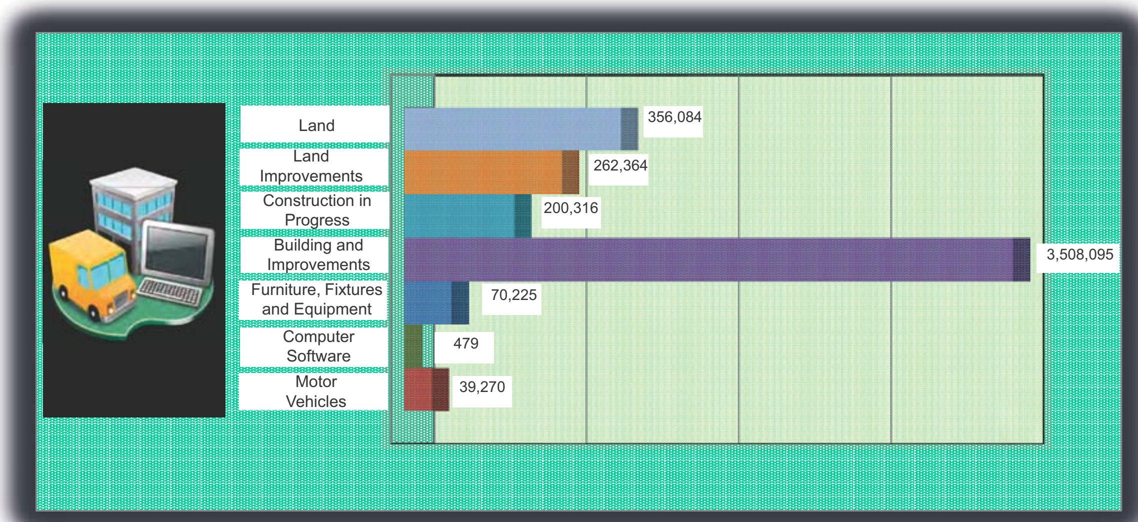
Capital Assets - At June 30, 2018, the District had $4.4 billion invested in different categories of capital assets, net of accumulated depreciation, as shown in the table below.

CAPITAL ASSET ACTIVITY
At June 30, 2018 and 2017
($ in thousands)

Categories	2017/18	2016/17	Difference Increase (Decrease)	% Increase (Decrease)
Land	$ 356,084	$ 355,490	$ 594	0.2 %
Land Improvements	262,364	259,528	2,836	1.1 %
Construction in Progress	200,316	181,134	19,182	10.6 %
Building and Improvements	3,508,095	3,538,790	(30,695)	(0.9) %
Furniture, Fixtures & Equipment	70,225	77,342	(7,117)	(9.2) %
Computer Software	479	695	(216)	(31.1) %
Motor Vehicles	39,270	44,686	(5,416)	(12.1) %
Total	**$ 4,436,833**	**$ 4,457,665**	**$ (20,832)**	(0.5) %

Detailed information reflecting the District's capital asset balances and activity for the fiscal year ended June 30, 2018 is provided in Note 4 to the Financial Statements.

CAPITAL ASSET ACTIVITY
At June 30, 2018
($ in thousands)



CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration - The following table represents the changes in the District's outstanding long-term liabilities at fiscal year end.

CHANGES IN LONG TERM LIABILITIES
At June 30, 2018 and 2017
($ in thousands)

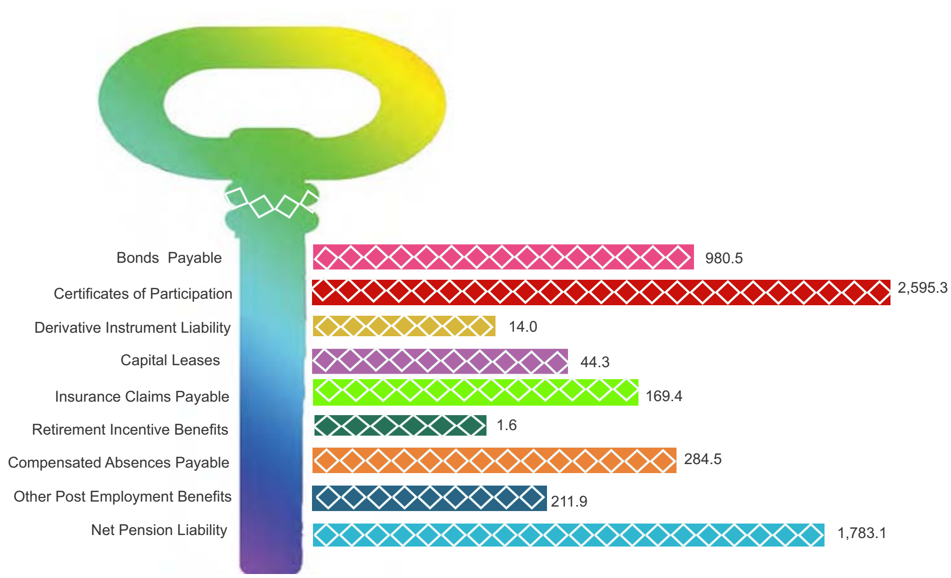
Categories	2017/18	2016/17		Difference Increase (Decrease)	% Increase (Decrease)
Bonds Payable	$ 980,501	$ 1,002,027		$ (21,526)	(2.1) %
Certificates of Participation Payable by the Foundation	2,595,271	2,730,245		(134,974)	(4.9) %
Derivative Instrument Liability	13,926	20,421		(6,495)	(31.8) %
Capital Leases	44,316	78,271		(33,955)	(43.4) %
Insurance Claims Payable	169,362	183,343		(13,981)	(7.6) %
Retirement Incentive Benefits	1,576	1,530		46	3.0 %
Compensated Absences Payable	284,507	287,177		(2,670)	(0.9) %
Other Post Employment Benefits Liability	211,851	210,080	*	1,771	0.8 %
Net Pension Liability	1,783,082	1,690,370		92,712	5.5 %
Total	**$ 6,084,392**	**$ 6,203,464**		**$ (119,072)**	**(1.9) %**

* Reflects restatement of balance to comply with GASB Statement No. 75.

Overall liabilities decreased by $(119.1) million or (1.9)% from the prior year. The most significant decreases are reflected in Certificates of Participation $(135.0) and Capital Leases $(34.0). These decreases are primarily due to repayment of debt.

Detailed information relating to changes in long-term liabilities for the fiscal year ended June 30, 2018 is provided in Note 14 to the Financial Statements.

LONG TERM LIABILITIES
At June 30, 2018
($ in millions)



ECONOMIC FACTORS

The State of Florida, by constitution, does not have a state personal income tax and therefore, the state operates primarily using sales, gasoline and corporate income taxes. Despite continued funding challenges, the District, through prudent fiscal management, maintains a healthy financial position to provide the quality education deserved by every child.

CONTACTING MANAGEMENT

The District's financial statements are designed to present citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Additional information can be requested at:

The School Board of Miami-Dade County
School Board Administration Building
Office of the Controller
1450 N.E. 2nd Avenue
Room 664
Miami, Florida 33132
or visit our website at:

http://www.dadeschools.net

BASIC FINANCIAL STATEMENTS


Florida
Miami-Dade
County

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2018
(amounts expressed in thousands)

	Primary Government Total Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 403,050
Investments	336,227
Cash and investments with fiscal agents	244
Total cash, cash equivalents, and investments (Note 3)	739,521
Taxes receivable, net (Note 16)	14,001
Accounts and interest receivable	3,664
Due from other governments or agencies (Note 6)	71,870
Inventories	10,275
Prepaid and other current assets	18,037
Total current assets	857,368
Non-current assets:	
Cash and investments (Note 3)	458,129
Capital assets (Note 4):	
Non-depreciable capital assets	818,764
Depreciable capital assets	6,516,230
Less accumulated depreciation	(2,898,161)
Total capital assets, net	4,436,833
Total non-current assets	4,894,962
Total assets	5,752,330
DEFERRED OUTFLOWS OF RESOURCES	
Accumulated decrease in fair value of hedging derivatives	13,926
Deferred loss on refunding of debt, net	91,386
Pensions (Note 17)	736,761
Other post employment benefits (Note 17)	6,341
Total deferred outflows of resources	$ 848,414

See accompanying notes to the basic financial statements

		Primary Government
		Total Governmental Activities
LIABILITIES		
Current liabilities:		
Accounts and contracts payable and accrued expenses	$	52,859
Accrued payroll payable		158,656
Due to other governments or agencies (Note 6)		4,403
Unearned revenue		4,431
Accrued interest payable		39,556
Retainage payable on contracts		16,057
Current portion of long-term liabilities (Note 14)		238,728
Total current liabilities		514,690
Non-current liabilities:		
Non-current portion of long-term liabilities (Note 14)		3,850,731
Net pension liability		1,783,082
Other post employment benefits liability		211,851
Total non-current liabilities		5,845,664
Total liabilities		6,360,354
DEFERRED INFLOWS OF RESOURCES		
Pensions (Note 17)		176,570
Other post employment benefits (Note 17)		6,567
Total deferred inflows of resources		183,137
NET POSITION		
Net investment in capital assets		1,302,566
Restricted for:		
State required carryover programs		10,436
Food service		42,649
Debt service		54,444
Capital projects		137,311
Other purposes		1,017
Unrestricted (deficit)		(1,491,170)
Total net position	$	57,253

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental Activities:			
Instructional services	$ 2,221,179	$ 10,891	$ 864,309
Instructional support services	301,196	-	-
Student transportation services	92,993	547	-
Operation and maintenance of plant	378,832	-	-
School administration	167,613	-	-
General administration	13,898	-	-
Business/central services	71,061	-	-
Administrative technology services	3,382	-	-
Food services	161,050	12,157	165,750
Community services	31,031	20,900	-
Facilities acquisition and construction	68,629	-	-
Interest on long-term debt	150,200	-	-
Unallocated depreciation/amortization (excludes direct depreciation expenses, Note 4)	168,389	-	-
Total governmental activities	$ 3,829,453	$ 44,495	$ 1,030,059

See accompanying notes to the basic financial statements

	Program Revenues	Net (Expenses) Revenues and Changes in Net Position
	Capital Grants and Contributions	Primary Government Total Governmental Activities
	$ -	$ (1,345,979)
	-	(301,196)
	-	(92,446)
	18,121	(360,711)
	-	(167,613)
	-	(13,898)
	-	(71,061)
	-	(3,382)
	-	16,857
	-	(10,131)
	36,508	(32,121)
	1,881	(148,319)
	-	(168,389)
	$ 56,510	(2,698,389)
General Revenues:		
Taxes (Note 16):		
Property Taxes, Levied for Operational Purposes		1,519,998
Property Taxes, Levied for Debt Service		63,545
Property Taxes, Levied for Capital Projects		434,762
Grants and Contributions Not Restricted to Specific Programs		661,347
Investment Earnings		20,673
Other		25,677
Total General Revenues		2,726,002
Change in Net Position		27,613
Net Position - Beginning of Year as restated (see note 1T)		29,640
Net Position - End of Year		$ 57,253

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018
(amounts expressed in thousands)

		General
ASSETS		
Cash and cash equivalents	$	163,080
Equity in pooled cash and investments		234,220
Cash and investments with fiscal agents (Note 12)		-
Total cash, cash equivalents, and investments (Note 3)		397,300
Taxes receivable, net (Note 16)		6,847
Accounts and interest receivable		1,489
Due from other governments or agencies (Note 6)		35,837
Due from other funds (Note 5)		344
Inventories		7,411
Prepaid and other assets		1,259
TOTAL ASSETS	$	450,487
LIABILITIES		
Accounts and contracts payable and accrued expenditures	$	30,316
Accrued payroll and compensated absences (Notes 8 and 14)		160,123
Due to other funds (Note 5)		-
Due to other governments or agencies (Note 6)		2,842
Unearned revenue		375
Estimated liability for claims (Notes 13 and 18)		2,295
Retainage payable on contracts		31
Total liabilities		195,982
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		5,341
Total deferred inflows of resources		5,341
FUND BALANCES		
Nonspendable		7,899
Restricted		10,436
Assigned		72,452
Unassigned		158,377
Total fund balances		249,164
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$	450,487

See accompanying notes to the basic financial statements

Exhibit 3

General Obligation School Bonds Funds	Capital Improvement LOML Funds	Non-major Governmental Funds	Total Governmental Funds
$ 208,335	$ 62,538	$ 59,432	$ 493,385
210,275	10,357	118,055	572,907
-	-	244	244
418,610	72,895	177,731	1,066,536
-	6,708	446	14,001
738	555	326	3,108
-	-	36,033	71,870
-	-	-	344
-	-	2,864	10,275
731	15,999	38	18,027
$ 420,079	$ 96,157	$ 217,438	$ 1,184,161
$ 8,098	$ 3,826	$ 10,353	$ 52,593
-	-	3,905	164,028
-	-	344	344
-	-	1,561	4,403
-	-	3,998	4,373
-	-	-	2,295
12,365	1,782	1,879	16,057
20,463	5,608	22,040	244,093
-	223	170	5,734
-	223	170	5,734
731	15,999	38	24,667
398,885	74,327	195,105	678,753
-	-	85	72,537
-	-	-	158,377
399,616	90,326	195,228	934,334
$ 420,079	$ 96,157	$ 217,438	$ 1,184,161

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018
(amounts expressed in thousands)

Total Fund Balances – Governmental Funds		**$ 934,334**
Amounts reported for governmental activities in the Statement of Net Position are different as a result of:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
Capital assets	$ 7,334,994	
Accumulated depreciation	(2,898,161)	4,436,833
Property taxes receivable not collected within 60 days of fiscal year-end are not available soon enough to pay for the current period's expenditures, and therefore are not recorded as revenue in the governmental funds.		5,734
An internal service fund is used by the District to charge the costs of health premiums to individual funds. The assets and liabilities of the internal service fund are included in governmental actitvities in the Statement of Net Position		
Assets	131,680	
Liabilities	(33,404)	
Net Position		98,276
Current liabilities which are accrued as a liability in the government-wide statements but are not recognized in the governmental funds until due:		
Benefits payable	(1,477)	
Interest payable	(39,556)	(41,033)
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 the following:		
Bonds payable	(980,501)	
Capital leases	(44,316)	
Compensated absences	(277,898)	
Retirement incentive benefits	(1,336)	
Certificates of participation	(2,595,271)	
Derivative instruments liability	(13,926)	
Net pension liability	(1,783,082)	
Other post employment benefits liability	(211,851)	
Claims payable	(133,987)	(6,042,168)
Deferred outflows (inflows) of resources are reported in the Statement of Net Position but are not recognized in the governmental funds:		
Accumulated decreases in fair value of hedging derivative instruments	13,926	
Net loss on debt refunding	91,386	
Net deferred outflows - pensions	560,191	
Net deferred inflows - other post employment benefits	(226)	665,277
Total Net Position – Governmental Activities		**$ 57,253**

See accompanying notes to the basic financial statements

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

		General
Revenues:		
Local sources:		
Ad valorem taxes (Note 16)	$	1,515,701
Food service sales		-
Interest income		12,037
Net increase (decrease) in fair value of investments		(269)
Local grants and other		64,638
Total local sources		1,592,107
State sources (Note 15):		
Florida education finance program		654,569
Public education capital outlay		-
Food services		-
State grants and other		534,903
Total state sources		1,189,472
Federal sources:		
Federal grants and other		23,613
Food services		-
Total federal sources		23,613
Total revenues		2,805,192
Expenditures:		
Current:		
Instructional services		
Basic programs		1,569,921
Exceptional child programs		344,220
Adult and vocational-technical programs		76,029
Total instructional services		1,990,170
Instructional support services		191,570
Student transportation services		73,337
Operation and maintenance of plant		374,028
School administration		164,613
General administration		84,682
Food services		-
Community services		28,775
Capital outlay		16,223
Debt service (Notes 9, 10, 11 and 12):		
Principal retirement		487
Interest and fiscal charges		1,634
Total expenditures		2,925,519
Excess (deficiency) of revenues over (under) expenditures		(120,327)
Other financing sources (uses):		
Transfers in (Note 5)		165,446
Transfers out (Note 5)		(20,674)
Issuance of debt for refunding (Notes 10 and 11)		-
Payments to refunded bond escrow agent		-
Proceeds from sale of capital assets		515
Proceeds from leases		1,935
Total other financing sources (uses)		147,222
Net change in fund balances		26,895
Fund balances - beginning of year		222,269
Fund balances - end of year	$	249,164

See accompanying notes to the basic financial statements

Exhibit 5

General Obligation School Bonds Funds	Capital Improvement LOML Funds	Non-major Governmental Funds	Total Governmental Funds
$ -	$ 436,255	$ 63,446	$ 2,015,402
-	-	12,157	12,157
5,713	982	1,344	20,076
265	(79)	680	597
-	-	30,153	94,791
5,978	437,158	107,780	2,143,023
-	-	-	654,569
-	-	6,125	6,125
-	-	1,881	1,881
-	-	27,233	562,136
-	-	35,239	1,224,711
-	-	323,564	347,177
-	-	153,102	153,102
-	-	476,666	500,279
5,978	437,158	619,685	3,868,013
-	-	125,020	1,694,941
-	-	33,674	377,894
-	-	12,723	88,752
-	-	171,417	2,161,587
-	-	100,200	291,770
-	-	14,154	87,491
-	-	563	374,591
-	-	49	164,662
-	-	11,393	96,075
-	-	162,437	162,437
-	-	1,315	30,090
131,098	53,472	48,735	249,528
-	-	169,986	170,473
2	119	156,801	158,556
131,100	53,591	837,050	3,947,260
(125,122)	383,567	(217,365)	(79,247)
-	-	288,569	454,015
-	(374,711)	(28,630)	(424,015)
-	-	119,995	119,995
-	-	(119,802)	(119,802)
-	-	-	515
-	-	-	1,935
-	(374,711)	260,132	32,643
(125,122)	8,856	42,767	(46,604)
524,738	81,470	152,461	980,938
$ 399,616	$ 90,326	$ 195,228	$ 934,334

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

Total Net Change in Fund Balances - Governmental Funds		$ (46,604)
Amounts reported for governmental activities in the Statement of Activities are different as a result of:		
Property taxes not collected within 60 days of fiscal year-end are not considered available and therefore are not recorded as revenues in the fund level statements. However, for the government-wide statements property tax revenues are recorded when there is an enforceable lien. Additionally, the governmental funds reflect revenues that correspond to the prior year.		
Prior year revenues recorded this year at the fund level	$ (2,831)	
Revenues not recorded this year in the fund level statements are recorded as revenue in the government-wide statements	5,734	2,903
An internal service fund is used by the District to charge the costs of health premiums to individual funds. The decrease in net position of the internal service fund is reported with governmental activities.		(15,512)
The changes in net pension liability and related deferred inflows and outflows are not reported in the fund statements and the net effect is to decrease net position.		(78,718)
The changes in other post employment benefits liability and related deferred inflows and outflows are not reported in the fund statements and the net effect is to decrease net position.		(10,330)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, recoveries, and donations) is to increase net position.		146
Capital outlay disbursements to purchase or build capital assets are reported as expenditures in the governmental funds. In the Statement of Net Position, these costs are capitalized and depreciated over their estimated useful lives. In the Statement of Activities the depreciation is reflected as an expense for the period.		
Capital outlay expenditures for the fiscal year	170,570	
Depreciation expense for the fiscal year	(191,549)	(20,979)
Proceeds from issuance of debt instruments are recorded as other financing sources in the governmental funds, however, in the government-wide statements they are recorded as additions to long-term liabilities. Proceeds from debt instruments were as follows:		
Proceeds from refunding of Certificates of Participation	(119,995)	
Proceeds from Leases	(1,935)	(121,930)
The governmental funds only include those liabilities that will be paid with current financial resources. Expenses recorded in the Statement of Activities exceed the amount recorded in the governmental funds due to the different measurement focus used.		
Decrease in compensated absences liability	2,479	
Decrease in accrued salaries and benefits	160	
Decrease in claims payable	17,367	20,006
Repayment of debt principal is reflected as an expenditure in the governmental funds, however, in the Statement of Net Position it is reflected as a reduction of liabilities and does not affect the Statement of Activities.		
Repayment of debt principal for Certificates of Participation	117,555	
Repayment of debt principal for General Obligation Bonds	15,655	
Repayment of debt principal for Capital Leases	35,891	
Repayment of debt principal for State Board of Education Bonds	1,372	170,473
Repayment to refund debt is reflected as an other financing use in the governmental funds, however, in the Statement of Net Position it is reflected as a reduction of liabilities and does not affect the Statement of Activities.		119,802
Interest on long-term debt differs from the amount reported in the governmental funds. In the governmental funds, interest on long-term debt is recorded as an expenditure when due and payable. In the Statement of Activities, interest is recorded as it accrues. In addition, premiums are amortized over the life of the debt, and are recorded as a decease to interest expense on the Statement of Activities. Losses incurred as a result of advance refundings are also amortized over the life of the debt and are recorded as an increase to interest expense on the Statement of Activities.		
Accrued interest payable	(39,556)	
Amortization of premium on State Board of Education Capital Outlay Bonds (SBEs)	332	
Amortization of premium on Certificates of Participation (COPs)	15,804	
Amortization of premium on General Obligation School Bonds (GOBs)	4,167	
Amortization of gain related to advance refunding of COPS	30	
Amortization of loss related to advance refunding of SBEs	(131)	
Amortization of loss related to advance refunding of COPs	(12,783)	
Prior year accrued interest paid during current fiscal year	40,493	8,356
Total Change in Net Position of Governmental Activities		$ 27,613

See accompanying notes to the basic financial statements

Exhibit 7

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018
(amounts expressed in thousands)

		Health Insurance Fund
ASSETS		
Cash and cash equivalents	$	97,700
Investments		33,414
Accounts and interest receivable		556
Prepaid and other assets		10
Total assets	$	131,680
LIABILITIES		
Accounts payable	$	266
Unearned revenue		58
Estimated unpaid health claims		33,080
Total liabilities		33,404
NET POSITION		
Unrestricted	$	98,276
Total net position	$	98,276

See accompanying notes to the basic financial statements

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

	Health Insurance Fund
OPERATING REVENUES	
Charges for services	$ 351,314
Other operating revenues	5,441
Total operating revenues	356,755
OPERATING EXPENSES	
Salaries	355
Employee benefits	163
Purchased services	398
Claims	333,193
Administrative fees and other	8,655
Total operating expenses	342,764
OPERATING INCOME	13,991
NONOPERATING REVENUES	
Interest revenue	497
Total nonoperating revenues	497
INCOME BEFORE OPERATING TRANSFERS	14,488
Transfers Out	(30,000)
CHANGE IN NET POSITION	(15,512)
NET POSITION - Beginning of year	113,788
NET POSITION - End of year	$ 98,276

See accompanying notes to the basic financial statements

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

	Health Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and interfund services provided	$ 351,309
Payments for claims	(329,506)
Payments to suppliers for goods and services	(8,917)
Payments to employees	(517)
Other receipts	5,113
Net cash provided by operating activities	17,482
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	(30,000)
Net cash used by noncapital financing activities	(30,000)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts from interest	558
Receipts from investments	63,540
Net cash provided by investing activities	64,098
Change in cash and cash equivalents	51,580
Cash and cash equivalents, beginning of year	46,120
Cash and cash equivalents, end of year	$ 97,700
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	$ 13,991
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(325)
Increase in prepaid items	(4)
Increase in accounts payable	136
Decrease in unearned revenues	(7)
Increase in estimated unpaid claims	3,691
Total adjusments	3,491
Net cash provided by operating activities	$ 17,482
Noncash Activities	
Net change in fair value of investments	$ (91)
Total noncash activities	$ (91)

See accompanying notes to the basic financial statements

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018
(amounts expressed in thousands)

	Pension Trust Fund	Agency Fund Schools' Internal Fund
ASSETS		
Cash and cash equivalents	$ 215	$ 6,902
Investments		
Bonds	-	12,710
Commercial paper	-	4,951
Fixed income mutual funds	9,265	-
Equity mutual funds	14,629	-
Money market mutual funds	487	-
Total cash, cash equivalents, and investments	24,596	24,563
Accounts receivable	-	673
Interest receivable	-	70
Total assets	24,596	25,306
LIABILITIES		
Accounts payable	-	172
Due to other governments or agencies	-	4,081
Due to student organizations	-	21,053
Total liabilities	-	$ 25,306
NET POSITION		
Restricted for pensions	24,596	
Total net position	$ 24,596	

See accompanying notes to the basic financial statements

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

		Pension Trust Fund
ADDITIONS:		
Employer contributions (Note 17)	$	2,156
Interest on investments		527
Net increase in the fair value of investments		1,544
Less investment expenses		(8)
Total additions		4,219
DEDUCTIONS:		
Retirement benefit payments		4,114
Trustee services		99
Total deductions		4,213
Change in net position		6
Net position restricted for pensions at beginning of year		24,590
Net position restricted for pensions at end of year	$	24,596

See accompanying notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

The School Board of Miami-Dade County, Florida (the "School Board," "Board," or the "District") is composed of nine members elected from single-member districts within the legal boundary of Miami-Dade County, Florida (the "County"). The appointed Superintendent of Schools is the executive officer of the Board. The School Board is part of the state system of public education under the general direction of the State Board of Education and is financially dependent on state support. However, the Board is considered a primary government for financial reporting purposes because it is directly responsible for the operation and control of District schools within the framework of applicable state law and State Board of Education rules and it is not considered to be an agency or component unit of the State of Florida.

The general operating authority of the School Board and the Superintendent is contained in Chapters 1000 through 1013, Florida Statutes. Pursuant to Section 1010.01, Florida Statutes, the Superintendent of Schools is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education.

The accompanying financial statements include those of the District (the primary government) and those of its component units. Component units are legally separate organizations which should be included in the District's financial statements because of the nature and significance of their relationship with the primary government.

GASB Codification of Governmental Accounting and Financial Reporting Standards Section 2100 modifies the existing criteria for reporting component units. The Codification provides guidance on the inclusion of a legally separate entity to be included as a component unit under the misleading to exclude criterion and the financial accountability concept, which requires that in addition to meeting the fiscal dependency criterion, a financial benefit or burden relationship be present in order for a potential component unit to be included in the financial reporting entity.

Based on the application of GASB Codification Section 2100, the District determined that charter schools do not meet the criteria to qualify as component units of the District; therefore, they are not included in the District's Comprehensive Annual Financial Report (CAFR). Audits of the Charter Schools are conducted by independent certified public accountants and are filed in the Charter Schools Support office located at 1450 N.E. 2nd Avenue, Room 806, Miami, Florida 33132.

The criteria for determining if other entities are potential component units that should be reported within the District's basic financial statements are identified and described in the GASB Codification Section 2100. The application of these criteria provides for identification of any entities for which the District is financially accountable and other organizations that the nature and significance of their relationship with the Board are such that exclusions would cause the District's basic financial statements to be misleading or incomplete.

Based on the application of GASB Codification Section 2100, the following component unit is included within the District's reporting entity:

Blended Component Unit

The Miami-Dade County School Board Foundation, Inc., a Florida not-for-profit corporation, was created solely to facilitate financing for the acquisition and construction of District school facilities and related costs. The members of the School Board serve as the Board of the Foundation, therefore, the School Board is considered financially accountable for the Foundation. The financial activities of the Foundation have been blended (reported as if it were part of the District) with those of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

B. Basis of Presentation

The District's accounting policies conform with accounting principles generally accepted in the United States applicable to state and local governmental units. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

Government-Wide Financial Statements – The Statement of Net Position and the Statement of Activities present information about the financial activities of the District as a whole, and its component unit, excluding fiduciary activities. Eliminations have been made from the statements to remove the "doubling-up" effect of interfund activity.

The Statement of Activities reports expenses identified by specific functions, offset by program revenues, resulting in a measurement of "net (expense) revenue" for each of the District's functions. Program revenues that are used to offset these expenses include charges for services, such as food service and tuition fees; operating grants, such as the National School Lunch Program, Federal Grants, and other state allocations; and capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues, property taxes, and other miscellaneous sources.

Fund Financial Statements – The fund financial statements provide information about the District's funds, including proprietary and fiduciary funds. Separate statements for governmental, proprietary and fiduciary funds are presented. The emphasis of the fund financial statements is on the major funds which are presented in a separate column with all non-major funds aggregated in a single column.

The District reports the following major governmental funds:

General Fund is the District's primary operating fund and accounts for all financial resources of the District, except those required to be accounted for in another fund.

General Obligation School Bonds Funds account for and report on resources from the issuance of GOBs approved by the Miami-Dade County voters on November 6, 2012, for the modernization, construction, expansion or otherwise improvement of school buildings, including technology upgrades.

Capital Improvement – Local Optional Millage Levy (LOML) Funds account for and report on funds levied by the District, as authorized by Capital Improvement, Section 1011.71, Florida Statutes mainly for capital outlay and maintenance purposes.

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

Internal Service Fund accounts for and reports on the activities of the District's group health self-insurance program.

Agency Fund – School's Internal Fund accounts for resources of the schools' Internal Fund which is used to administer monies collected at the schools in connection with school, student athletics, class, and club activities.

Pension Trust Fund accounts for resources used to finance the District's Supplemental Early Retirement Plan.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

C. Measurement Focus and Basis of Accounting - continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The 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 measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, as amended by GASB Statement No. 36, *Recipient Reporting for Certain Shared Non-Exchange Revenues*, which include, taxes, grants and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they become measurable and available. “Measurable” means the amount of the transaction can be determined; “available” means collectible within the current period or soon thereafter to be used to pay liabilities of the current period.

Property taxes, when levied for, and intergovernmental revenues when eligibility requirements have been met, are the significant revenue sources considered susceptible to accrual. The District considers property taxes, when levied for, as available if they are collected within 60 days after fiscal year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized as expenditures when due/paid; and (2) expenditures related to liabilities reported as general long-term obligations are recognized when due, such as compensated absences, Other Post Employment Benefits (OPEB), pensions, claims payables, bonds, loans and leases.

Proprietary Fund – Proprietary funds are accounted for in accordance with the Governmental Accounting Standards Board (GASB) requirements. The District established an Internal Service Fund to account for the group health self-insurance program. The Internal Service Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items.

The principal operating revenues of the District’s Internal Service Fund for self-insurance are charges to the District’s other funds for health insurance. The principal operating expenses include claims, administrative expenses and fees. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

The Fiduciary Funds are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and deferred outflows, and all liabilities and deferred inflows, associated with the operation of the funds are included on the Statement of Fiduciary Net Position. The Statement of Changes in Fiduciary Net Position presents additions and deductions to total net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

D. New Pronouncements – Adopted and Unadopted

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Other Than Pensions* in June 2015. This statement is effective for fiscal years beginning after June 15, 2017. The District adopted GASB 75 in the current fiscal year financial statements. The adoption of GASB 75 is reflected in the government-wide financial statements, in Notes 1(T) and 17, to the Financial Statements, as well as in the Required Supplementary Information Section.

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

The GASB issued Statement No. 85, *Omnibus 2017* in March 2017. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District adopted GASB 85 in the current fiscal year financial statements. The adoption of GASB 85 did not impact the District's financial position or results of operations.

The GASB issued Statement No. 86, *Certain Debt Extinguishment Issues* in May 2017. The requirements of this Statement are effective for periods beginning after June 15, 2017. The District adopted GASB 86 in the current fiscal year financial statements. The adoption of GASB 86 did not impact the District's financial position or results of operations.

The GASB issued Statement No. 87, *Leases* in June 2017. The requirements of this Statement are effective for periods beginning after December 15, 2019. The adoption of GASB 87 will have a material impact on the District's financial position and results of operations.

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* in March 2018. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The impact on the District's financial position or results of operations has not yet been determined for the unadopted standards.

E. Cash, Cash Equivalents, and Investments

The District maintains an accounting system in which substantially all general District cash, investments, and accrued interest are recorded and maintained in a separate group of accounts. Investment income is allocated based on budget, as well as the proportionate balances of each fund's equity in pooled cash and investments. The cash and investment pool is available for all funds, except the State Board of Education Bonds, Certificates of Participation and other debt related funds requiring separate accounts.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Florida Statutes, Chapter 280. Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/saving accounts.

Investments are categorized according to the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. Investments include U.S. Agency and U.S. Treasury obligations, Commercial Paper, and Money Market Mutual Funds which are recorded at fair value. Guaranteed Investment Contracts are recorded at the amount specified by the contracts at each year end. Pension Trust Fund investments are recorded at fair value based on quoted market prices and include: money market funds and fixed income/equity mutual funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

F. Inventory

Inventories consist of expendable supplies held for consumption in the course of the District's operations. Inventories are stated at cost, principally on a weighted average cost basis. Commodities from the United States Department of Agriculture are stated at their fair value as determined at the time of donation by the Florida Department of Agriculture and Consumer Services. Commodities inventory is accounted for using the "purchases" method that expense inventory when acquired and inventories on hand at fiscal year end are reported as an asset and restricted fund balance, net of amounts in accounts payable. Non-commodity inventory is accounted for under the consumption method and as such is recorded as an expenditure when used. Since inventories of commodities also involve purpose restrictions they are presented as restricted in the government-wide statement of net position.

G. Due From Other Governments or Agencies

Amounts due to the District by other governments or agencies relate to grants or programs for which the services have been provided to students of the District.

H. Prepaid Expenses and Other Assets

Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification.

I. Net Position

Net position reflects the net results of all transactions and represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net position is displayed in three components:

- Net Investment in Capital Assets - reports capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt and the related deferred inflows/outflows that are attributable to the acquisition, construction or improvement of capital assets.

- Restricted Net Position - reports amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position (Deficit) - this amount represents the accumulated results of all past year's operations not included in the above two components. The deficit in net position is due to its non-capital long-term liabilities, such as insurance claims payable, compensated absences, pensions and other post-employment benefits.

When both restricted and unrestricted resources are available for a specific purpose, it is the District's policy to use restricted resources first, until exhausted, before using unrestricted resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

J. Capital Assets

Capital assets which include, land, land improvements, construction in progress, buildings, building improvements, furniture, fixtures and equipment, computer software, and motor vehicles are reported in the Statement of Net Position in the government-wide statements. The District's capitalization thresholds are $1,000 or greater for furniture, fixtures and equipment and $50,000 for building improvements, additions, and other capital outlays that significantly extend the useful life of an asset. Other costs incurred for repairs and maintenance are expensed as incurred. Assets are recorded at historical cost. Assets purchased under capital leases are recorded at cost, which approximates fair value at acquisition date and does not exceed the present value of future minimum lease payments. Donated assets are recorded at the acquisition value at the time of receipt.

Certain costs incurred in connection with the development of internal use software are capitalized and amortized in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* and are reflected in the government-wide financial statements.

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

	Useful Life (Years)
Buildings and Improvements	20 – 50
Furniture, Fixtures and Equipment	5 – 20
Vehicles	7 – 18
Computer Software	5

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government-wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

K. Long-Term Obligations

The government-wide financial statements report long-term liabilities or obligations that are expected to be paid beyond a one-year period. Long-term liabilities reported include bonds, Certificates of Participation (COPs), derivative instrument liabilities, capital leases, self-insurance claims payable, retirement incentive benefits, compensated absences, other post employment benefits, and net pension liabilities. Bond premiums are amortized over the life of the bonds using the effective-interest method.

In the fund financial statements, debt premiums and discounts are recognized in the period the related debt is issued. Proceeds, premiums, and discounts are reported as other financing sources and uses. Principal payments and issuance costs are reported as debt service expenditures.

L. Risk Management

The District is self-insured for portions of its general and automobile liability insurance and workers' compensation. Claim activity (expenditures for general and automobile liability and workers' compensation) is recorded in the general fund as payments become due each period. The estimated liability for self-insured risks represents an estimate of the amount to be paid on claims reported and on claims incurred but not reported (see Note 13). For the governmental funds, in the fund financial statements, the liability for self-insured risks is considered long-term and therefore, is not a fund liability (except for any amounts due and payable at year end) and represents a reconciling item between the governmental fund level and government-wide presentations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

L. Risk Management - continued

The District provides medical and health coverage benefits for its employees and eligible dependents. The District has a self-insured plan, with individual, as well as aggregate stop loss coverage to protect the District against catastrophic claims in a calendar year. The District accounts for self-insured health insurance activity in an internal service fund established for this purpose. In the proprietary fund financial statements, the liability for self-insured health risks is recorded under the accrual basis of accounting.

M. State and Federal Revenue Sources

Revenues from state sources for current operations are primarily from the Florida Education Finance Program (FEFP), administered by the Florida Department of Education (FDOE), under the provisions of Section 1011.62, Florida Statutes. The District files reports on full-time equivalent (FTE) student membership with the FDOE. The FDOE accumulates information from these reports and calculates the allocation of FEFP funds to the District. Such revenues are recognized as revenues consistent with our policy in Note 1C. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its reviews, as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as adjustments of revenue in the year the adjustment is made by the Florida Department of Education.

The District receives revenue from state and federal agencies to administer certain educational programs. Revenues earmarked for these programs are 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. Revenue is recognized when all eligibility requirements have been met.

The state allocates gross receipt taxes, generally known as Public Education Capital Outlay (PECO) money, to the District on an annual basis for capital and other projects. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the FDOE.

N. Property Taxes - Revenue Recognition

In the government-wide financial statements, property tax revenue is recognized in the fiscal year when levied for. The receivable is recorded net of an estimated uncollectible amount, which is based on past collection experience. In the fund financial statements, property tax revenue is recognized in the fiscal year when levied for and if available.

O. Unearned Revenues

The unearned revenues primarily relate to the Doral ground lease amortized on a straight line basis over the life of the lease agreement and other lease payments received in advance.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets/deferred outflows and liabilities/deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement section, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until that time. The District currently reports accumulated decrease in fair value of hedging derivatives, the net deferred loss on refunding of debt, and deferred outflows related to pensions and OPEB in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement section, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District currently reports deferred inflows related to pensions and OPEB in the government-wide statements and unavailable revenue primarily related to taxes in the governmental funds.

R. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes accounting and financial reporting standards for governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the uses of those resources.

GASB Statement No. 54 requires the fund balance to be properly reported within one of the fund balance categories listed below:

Nonspendable – Fund balance amounts that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to be maintained intact. Examples of this classification are prepaid items, inventories not held for sale, and the principal of an endowment fund.

Spendable Fund Balance

Restricted – Fund balance amounts on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions or enabling legislation.

Committed – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action (Board Resolution) of the highest level of decision-making authority (The School Board). The amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same formal action (Board Resolution) it employed to commit the amounts.

Assigned – Fund balance amounts intended to be used for specific purposes but are neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by actions of the School Board or Superintendent as stated in School Board Policy 6220.01-Fund Balance Reserve.

Unassigned – Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued:

S. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS), Health Insurance Subsidy (HIS) defined benefit plans, and the Supplementary Early Retirement Plan (SERP) additions to/deductions from both Plans fiduciary net position have been determined on the same basis as they are reported by the Plans and are recorded in the government-wide financial statements. 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.

T. Restatement – Implementation of GASB Statement No. 75

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the 2017-18 fiscal year, which replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. This statement addresses accounting and financial reporting for Other Post Employment Benefits other than pensions (OPEB) provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses in the government's financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about their OPEB liability.

This implementation of GASB Statement No. 75 described above, required the District to restate Net Position in the government-wide financial statement to report the District's net OPEB liability and related deferred inflows/outflows of resources. Accordingly, Beginning Net Position has been restated as follows (in thousands):

	Government-Wide Financial Statements	
Total Net Position, July 1, 2017, as reported	$	186,831
Impact of Implementation of GASB Statement No. 75	$	(157,191)
Total Net Position, July 1, 2017, as restated	$	29,640

The implementation of GASB Statement No. 75 resulted in the District recording deferred outflows of $8,333 and increasing the net OPEB liability from $44,556 to $210,080 as of July 1, 2017, due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75.

2. BUDGETS COMPLIANCE AND ACCOUNTABILITY:

A. Legal Compliance

The annual budget is submitted to the Florida Commissioner of Education by major functional levels such as instructional, instructional support, general administration, maintenance of plant, etc. Expenditures may not exceed appropriations without prior approval of the School Board in the General Fund and Special Revenue Funds at the function level. Budgetary control is exercised at the fund level for all other funds.

Florida Statutes, Section 1013.61, requires that the capital outlay budget designate the proposed capital outlay expenditures by project for the year from all fund sources. Accordingly, annual budgets for the Capital Project Funds are adopted on a combined basis only.

Budgeted amounts may be amended by resolution of the Board at any Board meeting prior to the due date for the Annual Financial Report (State Report). General Fund budgetary disclosure in the accompanying financial statements reflects the final budget including all amendments approved at the School Board meeting of September 5, 2018 for the fiscal year ended June 30, 2018.

Appropriations lapse at fiscal year-end, except for unexpended appropriations of state educational grants, outstanding purchase orders, contracts, and certain available balances. These balances are reflected at year-end either as restricted or assigned fund balance, and are re-appropriated in the new fiscal year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted or assigned fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Comparison of Budget to Actual Results

The budgets for each of the Governmental Funds are accounted for on the modified accrual basis of accounting.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Deposits and Investments

The District's surplus funds are invested directly by the District's Office of Treasury Management. The District's State Board of Education (SBE) bond proceeds are held and administered by the SBE with any related investments made by the State Board of Administration.

As authorized under State Statutes the District has adopted Board Policy 6144 - Investments as its formal Investment Policy for all surplus funds, including the Supplemental Early Retirement Funds that are part of Board Policy 6535 - Supplemental Early Retirement Plan. Board Policy 6144, Investments policies permit the following investments and are structured to place the highest priority on the safety of principal and liquidity of funds:

- Time Deposits – District and State approved designated depository
- U.S. Government direct obligations
- Revolving Repurchase Agreements or similar investment vehicles for the investment of funds awaiting clearance with financial institutions
- Commercial Paper rated A1/P1/F1 or better
- Bankers Acceptances with the 100 largest banks in the world
- State Board of Administration Local Government Investment Pool
- Obligations of the Federal Farm Credit Bank
- Obligations of the Federal Home Loan Bank
- Obligations of the Federal Home Loan Mortgage Corporation
- Obligations of the Federal National Mortgage Association
- Obligations guaranteed by the Government National Mortgage Association
- Securities of any investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C.
- Corporate or Taxable Government Bonds rated investment grade
- Equity/Fixed Income Securities including index and actively managed mutual funds
- Guaranteed Investment Contracts as allowed by bond/lease purchase covenants.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS, Continued:

The District follows Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* and categorizes its investments according to the fair value hierarchy established by this Statement. The hierarchy is based on the valuation input used to measure the fair value of the asset with Level 1 assets being those where quoted prices in an active market for identical assets can be readily obtained and Level 2 assets valued using a matrix pricing technique of quoted prices for similar assets or liabilities in active markets.

As of June 30, 2018, the District's investments were categorized as follows ($ in thousands):

Investment Type	Amount	Level 1	Level 2	Weighted Average Maturity (Years)
Debt Securities				
Commercial Paper	$ 263,680	$ -	$ 263,680	0.04
State Board of Education – Bond Proceeds*	245		245	
U.S. Government Agency	168,405		168,405	0.29
U.S. Treasury Strips	53,335		53,335	9.09
U.S. Treasury Notes	74,880		74,880	0.18
Total Debt Securities	$ 560,545	$ -	$ 560,545	
Mutual Funds Securities				
Equity Securities	$ 15,493	$ 15,493		
Fixed Income Mutual Funds	8,888	8,888		8.02
Total Debt Securities	24,381	24,381	-	
Total Investments	$ 584,926			
Balances not measured at fair value				
Guaranteed Investment Contract (GIC)	$ 10,831			1.11
Money Market Mutual Funds	52,851			0.08
Cash and Cash Equivalents	598,202			
Total Cash, Cash Equivalents and Investments	**$ 1,246,810**			

* Bond proceeds held and administered by the State Board of Education (SBE) and weighted average maturity information is not available.

At June 30, 2018, $422.5 million in cash and investments relates to unspent debt proceeds pertaining to various financings including General Obligation Bonds, Certificates of Participation (COPs), and Master Equipment Lease which are restricted assets whose use is limited to projects primarily related to the acquisition and construction of school facilities and equipment as authorized by Board Resolutions and Debt Covenants.

The total cash, cash equivalents and investments of $1,246.8 million at June 30, 2018, was comprised of $1,066.5 million in Governmental Funds, $131.1 million in Proprietary Fund - Health Insurance Fund, $24.6 million in Fiduciary Funds - Pension Trust Fund and $24.6 million in Fiduciary Fund - Agency Fund (Schools' Internal Fund).

The School Board of Miami-Dade County currently has 2 GIC's associated with its Qualified Zone Academy Bonds (QZAB's). These contracts total approximately $10.8 million with internal rates of return ranging from 3.53% to 4.25% and maturity dates from December 2018 through December 2022.

Interest Rate Risk: In accordance with its investment policy under Board Policy 6144, Investments, the District manages its exposure to declines in fair values by substantially limiting the weighted average maturity on all investments to one year or less. U.S. Government Agency Securities include $168.4 million in callable bonds that are assumed to be called on the next call date, and as such the weighted average maturity reflect the call date as the maturity date for these securities. The calculated weighted average maturity for all callable U.S. Government Agency Securities is 103 days.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS, Continued:

Credit Risk: In accordance with Board Policy 6144, the District manages its exposure to credit risk by limiting investments to the highest rated government backed securities such as Government Agencies and Treasury Notes. The policy also requires Commercial Paper to be rated A-1 or better, and Money Market Mutual Funds rated AAAm.

Investment Type	Rating *	Percentage of Investments	Amounts (in thousands)
Commercial Paper	A-1+	21.57%	$ 139,839
Commercial Paper	A-1	19.10%	123,841
Federal Farm Credit Bank Agency	AA+	0.15%	1,000
Federal Home Loan Bank Agency	AA+	20.61%	133,655
Federal Home Loan Mortgage Corporation	AA+	5.21%	33,750
Guaranteed Investment Contract	Not Rated	1.67%	10,831
Money Market Mutual Funds	AAAm	8.15%	52,851
State Board of Education – COBI	Not Rated	0.04%	245
U.S. Treasury Note Strips	AAA	8.23%	53,335
U.S. Treasury Notes	AAA	11.55%	74,880
Mutual Funds – Pension Trust Fund	Not Rated	3.76%	24,381

* Standards & Poor's ratings as of June 30, 2018.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. In accordance with Board Policy 6144, the District permits investments of up to 7.5% of the total portfolio in Commercial Paper with a single issuer and 60% in total, 30% in Federal Farm Credit Bank, 30% in Federal Home Loan Bank, 30% in Federal Home Loan Mortgage Corporation, and unlimited U.S. Treasury Notes as well as Government Obligations Money Market Mutual Funds. The above listed concentration percentages are based on the total investments excluding all cash equivalent investments such as time deposits, although the District's policy permits investments concentration maximum threshold percentages to be calculated including all cash equivalent investments. Commercial paper investments, include concentrations of 6.91% in Toyota Motor Credit Corporation and 10.16% in JP Morgan Securities, LLC. All commercial paper, at time of purchase, met the District's 7.5% threshold per issuer.

Custodial Credit Risk: Custodial credit risk is the risk of losses due to the failure of a counterparty that is in possession of investment or collateral securities. All securities in accordance with the District's investment policy under Board Policy 6144, with the exception of time deposits and guaranteed investment contracts, are held by a third party custodian in an account separate and apart from the assets of the custodian and designated as assets of the District.

Cash/Deposits

The District's cash deposits include money market savings, demand deposits and petty cash. All bank balances of the District are fully insured or collateralized as required by Florida Statutes, Chapter 280. At June 30, 2018, the deposit's bank balances were $614,364 (in thousands).

4. CAPITAL ASSETS:

Capital asset balances and activity for the fiscal year ended June 30, 2018 are as follows (in thousands):

	Balance July 1, 2017	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2018
Non-Depreciable Capital Assets:				
Land	$ 355,490	$ 594	$ -	$ 356,084
Land Improvements	259,528	2,836	-	262,364
Construction-in-Progress	181,134	156,594	137,412	200,316
Total Non-Depreciable Capital Assets	$ 796,152	$ 160,024	$ 137,412	$ 818,764
Depreciable Capital Assets:				
Buildings and Improvements	$ 5,867,640	$ 134,839	$ 3,740	$ 5,998,739
Furniture, Fixtures, and Equipment	320,883	13,706	25,084	309,505
Computer Software	84,354	-	-	84,354
Motor Vehicles	130,006	2,201	8,575	123,632
Total Depreciable Capital Assets	$ 6,402,883	$ 150,746	$ 37,399	$ 6,516,230
Less Accumulated Depreciation/ Amortization for:				
Building and Improvements	$ 2,328,850	$ 165,534	$ 3,740	$ 2,490,644
Furniture, Fixtures, and Equipment	243,541	19,082	23,343	239,280
Computer Software	83,659	216	-	83,875
Motor Vehicles	85,320	6,717	7,675	84,362
Total Accumulated Depreciation/ Amortization	$ 2,741,370	$ 191,549	$ 34,758	$ 2,898,161
Net Capital Assets	**$ 4,457,665**	**$ 119,221**	**$ 140,053**	**$ 4,436,833**

4. CAPITAL ASSETS, Continued:

For fiscal year ended June 30, 2018, depreciation/amortization by function is as follows:

Functions	Amount ($ in thousands)
Instructional Services	$ 1,598
Instructional Support Services	1,026
Student Transportation Services	4,902
Operation and Maintenance of Plant	930
School Administration	133
General Administration	11
Business/Central Services	295
Food Services	1,275
Community Services	28
Facilities Acquisition and Construction	12,962
Unallocated to a specific function	168,389
Total Depreciation/Amortization	**$ 191,549**

Construction-in-progress, as of June 30, 2018, is comprised of the following (in thousands):

Locations	Incurred To Date
Elementary Schools	$ 129,850
Middle Schools	22,580
Senior High Schools	44,268
Special Schools	2,909
Administration/Other	709
TOTAL	**$ 200,316**

As part of its capital outlay program, the District has entered into various construction contracts. At June 30, 2018, the District had construction commitments of approximately $120.2 million.

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

Interfund receivables and payables consisted of the following balances as of June 30, 2018 (in thousands):

	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	$ 344	$ -
Non-major Funds	-	344
Total Governmental Funds	**$ 344**	**$ 344**

Interfund receivables/payables are short-term balances between funds for payments made by one fund on behalf of another fund.

A summary of transfers for the year ended June 30, 2018 is as follows (in thousands):

	Transfers to:		
Transfers from:	**General Fund**	**Non-major Funds**	**Total Governmental Funds**
Major Funds:			
General Fund	$ -	$ 20,674	$ 20,674
Capital Improvement LOML	111,320	263,391	374,711
Non-major Funds	24,126	4,504	28,630
Total Governmental Funds	**$ 135,446**	**$ 288,569**	**$ 424,015**
Proprietary Fund	$ 30,000	$ -	$ 30,000
Total Governmental Activities	**$ 165,446**	**$ 288,569**	**$ 454,015**

Transfers to the General Fund relate primarily to funding for the maintenance, renovation and/or repair of school facilities from Capital Improvement LOML Fund ($111,320), pursuant to Section 1011.71 of the Florida Statutes, as well as a transfer from the Proprietary Fund as a reimbursement of health insurance premium ($30,000). Transfers to other non-major funds relate primarily to amounts transferred to make debt service payments ($288,569).

6. DUE FROM/TO OTHER GOVERNMENTS OR AGENCIES:

Due from other governments or agencies at June 30, 2018, are as follows (in thousands):

	General Fund	Non-major Governmental Funds	Total Government-wide
Federal:			
Medicaid Federal	$ 13,628	$ -	$ 13,628
Food Service Reimbursement	-	20,081	20,081
Early Head Start/Head Start	-	5,101	5,101
Miscellaneous Federal	63	1,863	1,926
State:			
IDEA	-	1,067	1,067
Title I	-	1,070	1,070
SAVES	-	817	817
Miscellaneous State	1,224	605	1,829
Local:			
Clearwire Educational Broadband Service	14,338	-	14,338
Miami-Dade County	-	5,164	5,164
Miscellaneous Local	6,584	265	6,849
Total	**$ 35,837**	**$ 36,033**	**$ 71,870**

Due to other governments or agencies at June 30, 2018, are as follows (in thousands):

	General Fund	Non-major Governmental Funds	Total Government-wide
Federal:			
Miscellaneous Federal	$ -	$ 230	$ 230
State:			
Miscellaneous State	37	-	37
Local:			
Charter Schools	1,943	-	1,943
Corporation for Public Broadcasting	862	-	862
Miscellaneous Local	-	1,331	1,331
	$ 2,842	**$ 1,561**	**$ 4,403**

7. SHORT-TERM DEBT

Short-term debt activity for the fiscal year ended June 30, 2018, is as follows (in thousands):

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Tax Anticipation Note (TAN), Series 2017, issued on July 27, 2017, effective yield of 0.881%, with a maturity date of February 27, 2018.	$ -	$ 270,000	$ 270,000	$ -
Total	**$ -**	**$ 270,000**	**$ 270,000**	**$ -**

Proceeds from the TAN were used as a working capital reserve in the General Fund as permitted under State and Federal tax laws.

8. COMPENSATED ABSENCES:

The District's employee vacation and sick leave policies provide for the granting of a specific number of days of vacation based on years of service governed by applicable labor contracts and one day of sick leave with pay per each month of employment. Active employees, excluding administrators, may request payment of 80% of their unused sick leave which has accumulated during the fiscal year, provided they have not used more than three sick/personal days during that time and have a remaining balance, after payment, of twenty-one days. These policies also provide for paying most employees unused vacation up to 60 days upon termination, and up to 100% of unused sick leave after thirteen years of service; 50% after ten years; 45% after six years; 40% after three years and 35% during the first three years of qualified service upon retirement, death or resignation. Vacation accrual is limited to 60 days for twelve-month active employees.

The School Board approved the adoption of the Miami-Dade County Public Schools Terminal Leave Retirement Program (TLRP) at its May 14, 2003 Board meeting. The TLRP Program consists of a tax-favored retirement plan, which allows the Board to direct accrued annual (vacation) leave or terminal sick leave (accrued sick days) for employees who are separating from service as a result of retirement, or entering into or continuing DROP, to a tax-sheltered annuity program, or other qualified plan, in lieu of a taxable cash payment to the employee, upon separation from service.

The program is mandatory as a result of Board action which became effective on May 15, 2003, for all personnel (except AFSCME employees) who will have their annual (vacation) leave and terminal sick leave automatically contributed to either the Board's Tax Sheltered Annuity 403(b) or 401(a) Programs. Contributions into this program will not be subject to either Federal Income Tax (estimated 27%) or Social Security Tax (FICA) of 7.65%. Any amount of accrued terminal leave in excess of the amounts authorized by the Internal Revenue Service will be paid out to the retiring employee and will be subject to applicable taxes.

The current portion (the amount expected to be liquidated with current available resources) of the accumulated vested vacation and anticipated sick leave payments is recorded in the General Fund and is included in accrued payroll and compensated absences. The liabilities recorded include provisions for the employer's portion of pension contributions, FICA and other fringe benefits due on the vested vacation and sick leave balances as applicable. At June 30, 2018, the accrued liability for compensated absences in the General Fund was $6.6 million.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governmental agencies to record as a liability the vested and future rights to sick and/or vacation leave. Accordingly, the probability of partially vested employees becoming fully vested and actual past termination payment experience was considered in the determination of this liability.

The statement of net position reflects both the current and long-term portions of compensated absences including retirement incentive benefits. At June 30, 2018, the current and long-term portions were $14,307 and $271,776, respectively (in thousands).

9. CAPITAL LEASES:

The District has entered into various capital lease agreements for the acquisition of certain property, vehicles, and equipment which are stated at acquisition cost and reported as capital assets. At June 30, 2018 the cost of leased equipment recorded in capital assets was $181.9 million, with accumulated depreciation of $147.6 million, for a net book value of $34.3 million. Additionally, $213 thousand of unspent proceeds relating to Master Equipment Lease Agreements is disclosed in cash and investments at June 30, 2018 in Note 3.

The following is a summary of the future minimum lease payments, under capital leases together with the present value of the minimum lease payments as of June 30, 2018 (in thousands):

Fiscal Year	Other Leases	Master Equipment	Lease Total
2019	$ 767	$ 15,291	$ 16,058
2020	713	11,883	12,596
2021	577	8,475	9,052
2022	511	5,581	6,092
2023	260	1,884	2,144
	$ 2,828	$ 43,114	$ 45,942
Less Amount Representing Interest *	300	1,326	1,626
Present Value of Minimum Lease Payments	**$ 2,528**	**$ 41,788**	**$ 44,316**

* The amount representing interest was calculated using rates ranging from 0.00% to 6.00%.

10. LONG-TERM BONDS PAYABLE:

State Board of Education Capital Outlay Bonds

Capital Outlay Bonds are issued by the State Board of Education (SBE) on behalf of the District and are generally referred to as “SBE Bonds.” The bonds mature serially and are secured by a portion of the District’s state revenues derived from the sale of automobile license plates. Principal and Interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

General Obligation Bonds

On March 8, 1988, pursuant to Florida Statutes, Sections 1010.40 through 1010.54, voter residents of the County approved a referendum authorizing the School Board to issue General Obligation School Bonds in an aggregate amount not exceeding $980 million, to be issued as required. The proceeds from the bonds were used to pay for the construction of new educational facilities and improving existing educational facilities. As of June 30, 2018, no bonds remain to be issued. Principal and interest on the bonds is paid from ad valorem District taxes on all taxable real and personal property, excluding homestead exemption as required by Florida law, without limitation as to rate or amount.

On November 6, 2012, pursuant to Florida Statutes, Sections 1010.40 through 1010.54, voter residents of the County approved a referendum authorizing the School Board to issue additional General Obligation School Bonds in an aggregate amount not to exceed $1.2 billion. The proceeds of the bonds are to be used to pay for modernizing, constructing, enlarging or otherwise improving school buildings, including educational technology upgrades.

As of June 30, 2018, five separate bond series have been issued pursuant to this referendum. The General Obligation Bond Series 2013 and 2014A were sold on July 10, 2013. The General Obligation Bond Series 2013, for $190.0 million was issued on July 24, 2013 and the General Obligation Bond Series 2014A, for $96.5 million was issued on February 11, 2014. The General Obligation Bond Series 2015, for $192.72 million, was sold on July 21, 2015 and issued on August 12, 2015. The General Obligation Bond Series 2016, for $200 million, was sold on August 2, 2016 and issued on August 18, 2016. The General Obligation Bond Series 2017, for $250 million, was sold on April 18, 2017 and issued on May 2, 2017. As of June 30, 2018, $270.8 million bonds remain to be issued.

Principal and interest on these and any future bond issues will be paid from ad valorem District taxes on all taxable real and personal property, excluding Homestead Exemption as required by Florida Law, without limitation as to rate or amount.

10. LONG-TERM BONDS PAYABLE, Continued:

A summary of bonds payable as of June 30, 2018 is as follows (in thousands):

	Authorized	Issued	Outstanding
State Board of Education (SBE) Capital Outlay Bonds – Series 2009A, Refunding due in varying annual payments through January 1, 2019, with interest rates ranging from 2.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2019 at par plus 1% premium, and thereafter at par.	$ 1,710	$ 1,710	$ 190
State Board of Education (SBE) Capital Outlay Bonds – Series 2009A, New Portion due in varying annual payments through January 1, 2029, with interest rates ranging from 2.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2019 at par plus 1% premium, and thereafter at par.	$ 1,355	$ 1,355	$ 950
State Board of Education (SBE) Capital Outlay Bonds – Series 2010A, Refunding due in varying annual payments through January 1, 2022, with interest rates ranging from 4.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2020 at par. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2001A & 2002A to achieve debt service savings.	$ 1,440	$ 1,440	$ 685
State Board of Education (SBE) Capital Outlay Bonds – Series 2010A, New Portion due in varying annual payments through January 1, 2030, with interest rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2020 at par.	$ 640	$ 640	$ 445

10. LONG-TERM BONDS PAYABLE, Continued:

	Authorized	Issued	Outstanding
State Board of Education (SBE) Capital Outlay Bonds – Series 2011A, Refunding due in varying annual payments through January 1, 2023, with interest rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2021 at par. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2003A to achieve debt service savings.	$ 725	$ 725	$ 450
State Board of Education (SBE) Capital Outlay Bonds – Series 2014A, Refunding due in varying annual payments through July 1, 2024, with interest rates ranging from 2.00% to 5.00%. Interest is payable semi-annually on January and July 1. Bonds are callable on January 1, through December 31, 2024 at par. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2004A to achieve debt service savings.	$ 2,963	$ 2,963	$ 2,028
State Board of Education (SBE) Capital Outlay Bonds - Series 2014B, Refunding due in varying annual payments through January 1, 2020, with interest rates ranging from 2.00% to 5.00%. Interest is payable semi-annually on January and July 1. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2005A and 2005B to achieve debt service savings.	$ 12,527	$ 12,527	$ 72
State Board of Education (SBE) Capital Outlay Bonds – Series 2017A, Refunding due in varying annual payments through July 1, 2028, with interest rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on January and July 1. A portion of the proceeds was used to refund SBE Capital Outlay Bonds Series 2008A to achieve debt service savings.	$ 5,201	$ 5,201	$ 5,201

10. LONG-TERM BONDS PAYABLE, Continued:

	Authorized	Issued	Outstanding
General Obligation School Bonds, Series 2013, consisting of Serial and Term Bonds, due in varying payments through March 15, 2043. Interest rates ranging from 4.0% to 5.0% is payable March 15 and September 15. True Interest Cost is 4.54%. Bonds maturing on March 15, 2024 and thereafter are callable by the District.	First in a series not to exceed $ 1,200,000	$ 190,005	$ 176,840
General Obligation School Bonds, Series 2014A, consisting of Serial and Term Bonds, due in varying payments through March 15, 2044. Interest, at a rate of 5.0%, is payable March 15 and September 15. True Interest Cost is 4.68%. Bonds maturing on March 15, 2025 and thereafter are callable by the District.	Second in a series not to exceed $ 1,200,000	$ 96,475	$ 91,595
General Obligation School Bonds, Series 2015, consisting of Serial and Term Bonds, due in varying payments through March 15, 2045. Interest rates, ranging from 3.5% to 5% is payable March 15 and September 15. True Interest Cost is 3.8973%. Bonds maturing on March 2026 and thereafter, with the exception of the bond maturing on March 15, 2030, are callable by the District.	Third in a series not to exceed $ 1,200,000	$ 192,720	$ 183,780
General Obligation School Bonds, Series 2016, consisting of Serial and Term Bonds, due in varying payments through March 15, 2046. Interest, at a rate of 5.0% is payable March 15 and September 15. True Interest Cost is 3.4066%. Bonds maturing on March 2027 and thereafter are callable by the District.	Fourth in a series not to exceed $ 1,200,000	$ 200,000	$ 194,670
General Obligation School Bonds Series 2017, consisting of Serial and Term Bonds, due in varying payments through March 15, 2047. Interest rates, ranging from 4.0% to 5.0%, is payable March 15 and September 15. True Interest Cost is 3.5808%. Bonds maturing on March 2028 and thereafter, with the exception of bonds maturing on March 15, 2033 and March 15, 2035, are callable by the District.	Fifth in a series not to exceed $ 1,200,000	$ 250,000	$ 246,075
Total Long-Term Bonds Payable			**$ 902,981**

10. LONG-TERM BONDS PAYABLE, Continued:

Several of the SBE long-term bonds are callable by the State of Florida prior to maturity during the years 2019 through 2024. The GOB and SBE debt service requirements to maturity, assuming none of the SBE bonds are called prior to their scheduled maturity date, are as follows (in thousands):

Year Ending June 30	Principal	Interest	Total Debt Service Requirements
2019	$ 17,629	$ 42,069	$ 59,698
2020	18,348	41,189	59,537
2021	19,291	40,274	59,565
2022	20,257	39,310	59,567
2023	21,152	38,300	59,452
2024-2028	120,909	174,715	295,624
2029-2033	148,565	142,742	291,307
2034-2038	185,965	105,555	291,520
2039-2043	233,125	59,112	292,237
2044-2047	117,740	10,858	128,598
Total	**$ 902,981**	**$ 694,124**	**$ 1,597,105**

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION AND QUALIFIED ZONE ACADEMY BONDS (QZABs):

On August 1, 1994, the District entered into a Lease Purchase Agreement, with the Dade County School Board Foundation, Inc., a Florida not-for-profit corporation (the "Foundation") and blended component unit of the District, to finance the acquisition and construction of new schools and appurtenant equipment and other property (the "Facilities") to be operated by the District. The members of the School Board serve as the Board of Directors of The Foundation. The Foundation was formed by the School Board solely for the purpose of acting as the lessor of the Facilities, with the District as lessee. The School Board as lessor entered into Ground Leases with the Foundation for the Facilities sites and all improvements. In conjunction therewith, Certificates of Participation, (the "Certificates") were issued to third parties, evidencing undivided proportionate interests in basic lease payments to be made by the District, as lessee, pursuant to the Lease Purchase Agreement. Fee title to the Facilities and the Facilities sites is in the name of the District. The District is responsible for operation, maintenance, use, occupancy, upkeep and insurance of the Facilities.

The Foundation leases the Facilities to the District under the Lease Purchase Agreement, which are automatically renewable annually through May 1, 2037, unless terminated, in accordance with the provisions of the Lease Purchase Agreements, as a result of default or the failure of the School Board to appropriate funds to make lease payments in its final official budget. The remedies on default or upon an event of non-appropriation include the surrender of the Facilities by the District and its re-letting for the remaining Ground Lease term, or the voluntary sale of the Facilities by the School Board, in either case with the proceeds to be applied against the School Board's obligations under the Lease Purchase Agreements.

The Certificates are not separate legal obligations of the School Board, but represent undivided interests in lease payments to be made from appropriated funds budgeted annually by the School Board for such purpose from current or other funds authorized by law and regulations of the Department of Education, including the local optional millage levy. However, neither the School Board, the District, the State of Florida, nor any political subdivision thereof, are obligated to pay, except from appropriated funds, any sums due under the Lease Purchase Agreement from any source of taxation. The full faith and credit of the School Board and the District is not pledged for payment of such sums due under the Lease Purchase Agreement and such sums do not constitute an indebtedness of the School Board or the District within the meaning of any constitutional or statutory provision or limitation. The District plans to make the Series 2006C, 2006D, 2012B-1, 2012B-2, and 2014B lease payments from the impact fees collected on new residential construction by Miami-Dade County and remitted to the School Board, and from Local Optional Millage Levy.

Basic lease payments are deposited with the Trustee semi-annually. For accounting purposes, due to the consolidation of the Foundation within the financial statements, basic lease payments are reflected as debt service expenditures when payable to Certificate holders. A trust fund was established with the Trustee to facilitate payments in accordance with the Lease Purchase Agreements and the Trust Agreements. Various accounts are maintained by the Trustee in accordance with the trust indenture. All funds held in the various accounts, are invested by the Trustee, as directed by the School Board. Interest earned on funds in the Acquisition Account is transferred to the Lease Payment Account.

Under the American Recovery and Reinvestment Act of 2009, Qualified School Construction Bonds (QSCBs) and Build America Bonds (BABs) were established to provide for taxable obligations to be issued by the School District with a federal subsidy for interest. The Series 2009B and 2010A were issued under the Qualified School Construction Bond program and Series 2010B were issued under the Build America Bond program. The 2009B Series provides federal tax credits in lieu of interest payments to the Certificate holder, which is similar to the Series 2003, 2006 and 2015 Qualified Zone Academy Bonds (QZAB) program. The Series 2010A and 2010B, along with the Series 2010 QZAB, were issued as direct pay bonds whereby the interest subsidy is paid directly to the School District by the U.S. Treasury.

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION AND QUALIFIED ZONE ACADEMY BONDS (QZABs), Continued:

The Internal Revenue Services (IRS) announced on March 4, 2013, that payments to issuers of these bonds were subject to a reduction of 8.7% of the amount budgeted for such payments. This sequester reduction rate has been modified annually, and all refund payments processed on or after October 1, 2017 and on or before September 30, 2018, will be reduced by the fiscal year 2018 sequestration rate of 6.6%. Accordingly, unless Congress acts to again change the sequester percentage or otherwise changes the application of the cuts, the District anticipates its aggregate expected QSCB Issuer Subsidy, BAB Issuer Subsidy and QZAB Issuer Subsidy of $7,258 (in thousands) to be reduced by 6.6% which equates to a reduction of approximately $479 (in thousands), for fiscal year 2018, resulting in a corresponding increase in interest costs for the District that must be paid from other revenue sources.

A summary of Certificates of Participation and QZABs payable as of June 30, 2018 is as follows (in thousands):

Debt Series	Issue Date	Final Maturity	Interest Rate(s)	Issued	Outstanding
2003 Qualified Zone Academy Bonds – Interest is paid by U.S. Government through issuance of federal income tax credits.	12/18/03	12/18/18	N/A	$ 9,744	$ 9,744
2006 Qualified Zone Academy Bonds – Interest is paid by U.S. Government through issuance of federal income tax credits.	12/15/06	12/15/22	N/A	2,599	2,599
2010 Qualified Zone Academy Bonds – 5.10% Tax Credit paid by U.S. Government to the District.	11/10/10	11/01/29	True Interest Cost 0.15% 5.25% (without 5.10% U.S. Subsidy)	24,480	24,480
2015 Qualified Zone Academy Bonds – Interest is paid by U.S. Government through issuance of federal income tax credits.	10/06/15	09/15/34	True Interest Cost 1.105% 0% to 1.37%	25,000	25,000
2001B Series – Auction Rate Certificates converted to variable rate mode based on LIBOR plus 0.75% under a Private Placement with predetermined reset terms.	06/19/01	05/01/31	Variable Interest 2.73% @ June 30, 2018	54,650	35,125
2002A Series – Auction Rate Certificates converted to variable rate mode based on SIFMA plus 0.75% under a Private Placement with predetermined reset terms.	12/13/02	08/01/27	Variable Interest 2.26% @ June 30, 2018	75,000	42,575
2002B Series – Auction Rate Certificates converted to variable rate mode based on SIFMA plus 0.75% under a Private Placement with predetermined reset terms.	12/13/02	08/01/27	Variable Interest 2.26% @ June 30, 2018	75,000	42,780
2006C Series – Serial & Term Certificates.	05/10/06	10/01/21	True Interest Cost 4.41% 3.875% to 5.00%	53,665	18,205
2006D Series – Serial Certificates. Partially refunded 2001C Series.	12/21/06	10/01/21	True Interest Cost 4.098% 3.625% to 5.00%	10,570	9,110
2007C Series – Auction Rate Certificates converted to variable rate mode based on LIBOR plus 0.75% under a Private Placement with predetermined reset terms.	05/24/07	05/01/37	Variable Interest 2.73% @ June 30, 2018	90,825	90,825

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION AND QUALIFIED ZONE ACADEMY BONDS (QZABs), Continued:

A summary of Certificates of Participation payable as of June 30, 2018 is as follows (in thousands):

Debt Series	Issue Date	Final Maturity	Interest Rate(s)	Issued	Outstanding
2008C Series – Five year Floating Rate Note based on 70% of LIBOR plus 0.57%.	08/01/08	07/15/27	Variable Interest 2.04% @ June 30, 2018	57,770	$ 49,030
2009A Series – Serial & Term Certificates.	02/26/09	02/01/34	True Interest Cost 5.28% 3.00% to 5.375%	310,055	3,920
2009B Series – Qualified School Construction Bonds. Interest is paid by U.S. Government through issuance of federal income tax credits (sold at a discount price of 73.673% resulting in a True Interest Cost of 1.859%).	12/15/09	12/15/26	N/A	104,000	104,000
2010A Series – Qualified School Construction Bonds, 5.54% Tax Credit paid by U.S. Government to the District.	06/24/10	06/15/27	True Interest Cost 0.852% 6.24% to 6.49% (without 5.54% U.S. Subsidy)	96,290	96,290
2010B Series – Build America Bonds, 35% Tax Credit paid by U.S. Government to the District.	06/24/10	06/15/32	True Interest Cost 4.523% 6.84% to 6.94% (without 35% U.S. Subsidy)	27,990	27,990
2011A Series – Include fixed rate certificates refunding Series 2003B. Term bonds fully refunded by the 2014A Series.	03/29/11	05/01/31	True Interest Cost 4.449% 2.5% to 5%	139,055	29,335
2011B Series – Include fixed rate and term rate certificates partially refunding Series 2007A, 2007B, and 2009A. Term bonds fully refunded by the 2016A Series.	03/29/11	05/01/32	True Interest Cost 5.154% 5% to 5.75%	137,660	67,660
2012A Series – Include Fixed Rate and Term Rate Certificates partially refunding Series 2003D ($148,850). Term Bonds fully refunded by the 2016B Series.	07/05/12	08/01/29	True Interest Cost 3.606% 2% to 5%	149,365	73,280
2012B-1 Series – Serial Certificates. Partially refunded 2004A ($15,575).	07/05/12	10/01/20	True Interest Cost 2.814% 5%	13,765	13,765
2012B-2 Series – Serial Certificates. Partially refunded 2005A ($16,725).	07/05/12	04/01/20	True Interest Cost 2.379% 4%	15,655	6,105
2013A Series – Serial Certificate. Partially refunded 2006A ($15,335), 2006B ($12,470), 2007A ($9,525), 2007B ($2,075) and 2008B ($30,320).	05/01/13	05/01/32	True Interest Cost 4.199% 5%	68,230	68,230
2013B Series – Serial Certificates. Fully refunded 2003D ($2,110) and partially refunded 2009A ($6,395).	05/01/13	02/01/30	True Interest Cost 4.097% 5%	8,160	8,160
2014A Series – Term Rate Certificates fully refunding the 2011A Term Rate Certificates. The bonds have a mandatory 10 year soft put on 5/1/2024 at 100%.	03/11/14	05/01/31	True Interest Cost 4.056% 5%	70,980	70,980
2014B Series - Serial Certificates. Fully refunded on a forward refunding basis the 2004A.	07/03/14	10/01/18	True Interest Cost 1.410% 1.41%	38,130	9,765
2014C Series – Serial Certificates.	06/30/14	05/01/24	True Interest Cost 2.210% 2.21%	4,085	2,595

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION AND QUALIFIED ZONE ACADEMY BONDS (QZABs), Continued:

A summary of Certificates of Participation payable as of June 30, 2018 is as follows (in thousands):

Debt Series	Issue Date	Final Maturity	Interest Rate(s)	Issued	Outstanding
2014D Series – Serial Certificates. Partially refunding 2006A ($146,565) and 2006B ($151,230).	11/20/14	11/01/31	True Interest Cost 3.053% 4% to 5%	276,995	$ 264,190
2015A Series – Serial Certificates. Partially refunding 2007A ($249,470) and 2007B ($76,740).	01/21/15	05/01/32	True Interest Cost 3.166% 5%	306,820	292,090
2015B Series – Serial and Term Certificates partially refunding 2008B ($230,370).	07/30/15	05/01/28	True Interest Cost 3.162% 1% to 5%	239,630	234,950
2015C Series – Serial Certificates partially refunding 2008B ($34,265).	07/31/15	05/01/25	True Interest Cost 3.095% 5%	33,565	33,565
2015D Series – Serial Certificates partially refunding 2008B ($110,715) and 2009A ($241,560).	12/16/15	02/01/34	True Interest Cost 3.456% 3.5% to 5%	345,890	345,890
2016A Series – Serial Certificates fully refunding 2011B Term Rate Certificates ($70,000).	02/03/16	05/01/32	True Interest Cost 4.265% 5%	66,425	66,425
2016B Series – Serial Certificates fully refunding 2012A Term Rate Certificates ($58,780).	02/03/16	08/01/27	True Interest Cost 3.351% 5%	55,995	55,995
2016C Series – Serial Certificates partially refunding 2008B ($90,695) and 2009A ($8,575).	04/07/16	02/01/33	True Interest Cost 3.329% 3.25% to 5%	100,495	100,495
2018A Series – Serial Certificates. Fully refunded on a forward refunding basis the 2008A Serial Certificates ($130,950), with a gross savings of $10,889 and a net present value savings of $9,594.	05/03/18	08/01/26	True Interest Cost 2.840% 2.84%	119,995	119,995
				$ 3,208,533	**$ 2,445,143**

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION AND QUALIFIED ZONE ACADEMY BONDS (QZABs), Continued:

At June 30, 2018 the following defeased certificates remain outstanding:

Defeased Certificates	Amount Outstanding ($ in thousands)	
2008A	$	130,950
2009A	$	250,135

Debt service requirements for obligations under lease purchase agreements – Certificates of Participation and QZABs to maturity, assuming the obligations will be remarketed based on the specified soft put dates disclosed below, are as follows (in thousands):

Year Ending June 30		Principal		Interest****		Total Debt Service Requirements*
2019	$	127,061	$	107,459	$	234,520
2020		136,397		103,664		240,061
2021		145,387		98,458		243,845
2022**		140,743		93,659		234,402
2023		142,327		89,556		231,883
2024 – 2028***		851,165		401,593		1,252,758
2029 - 2033		812,873		133,910		946,783
2034 - 2038		89,190		10,155		99,345
Total	**$**	**2,445,143**	**$**	**1,038,454**	**$**	**3,483,597**

* The schedule above reflects required annual payments to the sinking funds for the retirement of the debt, and are not considered reduction of principal until the year of maturity. The total outstanding balance for the QZABs as of year-end is $61,823 (in thousands).

** Pursuant to an Amended and Restated Series 2008C Supplemental Trust Agreement dated as of May 1, 2012, the interest rate mode related to the Series 2008C Certificates was converted to an index floating rate mode, which Certificates were sold in a remarketing on May 16, 2012. On January 10, 2017, the existing floating rate note (FRN) was successfully remarketed for another five-year term at the outstanding par of $50,700 (in thousands) with a rate of 70% of LIBOR plus 0.57%. At the end of the five-year term in 2022, the District intends to remarket in full the remaining balance of $41,540 (in thousands), however if it cannot be remarketed interest shall accrue at base rate plus 1%, and from the 31st day, interest shall accrue at base rate plus 5%.

*** COP Series 2014A has a 10 year soft put on May 1, 2024 of $71 million. If the District is unable to remarket the debt, the interest rate on the COP will increase to 11%.

**** The District's variable rate debt at June 30, 2018 was $260,335 (in thousands). The interest rates for such outstanding debt range from 2.04% - 2.73%.

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION AND QUALIFIED ZONE ACADEMY BONDS (QZABs), Continued:

Hedging Derivative Instrument:

Objectives: The District entered into pay-fixed interest rate forward swaps (referred to herein collectively as "Swaps") in order to lower its cost of capital and protect against rising interest rates. The Swaps are classified as cash flow hedges on the District's floating rate debt and were executed to manage its mix of fixed and floating rate exposure in its on-going borrowing program.

The following Swaps had changes in fair value totaling $6,496 (in thousands) classified as a decrease of Deferred Outflows of Resources. All expected swap cash flows have been calculated using the zero-coupon method by an independent party. This method calculates the future net settlement payments required by the Swaps, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the swaps using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows, and time value of money. The observability of inputs used to perform the measurement results in the swap fair values being categorized as level 2 in accordance with GASB Statement No. 72. The Swaps are in a liability position at year end.

The fair values calculated in the chart below were computed as required by GASB Statement No. 72.

Counterparty	Notional Amount Outstanding	Effective Date	Termination Date	Associated Certificates	Fixed Payable Swap Rate	Variable Receivable Swap Rate	Counterparty credit rating at June 30, 2018*	Fair Value at June 30, 2018
Royal Bank of Canada	$42,575,000	04-01-2007	08-01-2027	COP 2002A	3.821%	70% 1Mo LIBOR	Aa3/AA-/AA	(3,695,483)
Royal Bank of Canada	$42,870,000	04-01-2007	08-01-2027	COP 2002B	3.821%	70% 1Mo LIBOR	Aa3/AA-/AA	(3,652,360)
Royal Bank of Canada	$49,030,000	03-08-2012	07-15-2027	COP 2008C	3.909%	70% 1Mo LIBOR	Aa3/AA-/AA	(6,577,791)
							Total	**$ (13,925,634)**

*Moody's/S&P/FITCH

Using rates as of June 30, 2018, debt service requirements for variable rate debt and net Swap payment, assuming current interest rates remain the same, are as follows (in thousands):

Fiscal Year	Principal	Interest	Hedging Derivative Instruments, Net	Total Interest	Total Debt Service Requirement
2019	$ 8,610	$ 2,664	$ 2,983	$ 5,647	$ 14,257
2020	8,855	2,495	2,832	5,327	14,182
2021	9,290	2,282	2,591	4,873	14,163
2022	9,780	2,059	2,337	4,396	14,176
2023	10,290	1,826	2,011	3,837	14,127
2024-2028	87,560	4,723	5,225	9,948	97,508
Total	**$ 134,385**	**$ 16,049**	**$ 17,979**	**$ 34,028**	**$ 168,413**

Risk Disclosure:

Credit Risk. The Swaps rely upon the performance of the third parties who serve as swap counterparties, and as a result the District is exposed to credit risk, or the risk that a swap counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the Swaps, as shown in the columns labeled Fair Value in the table above. To mitigate credit risk, the District maintains strict credit standards for Swap counterparties.

11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION AND QUALIFIED ZONE ACADEMY BONDS (QZABs), Continued:

Risk Disclosure - Continued:

Credit Risk, continued. The current swap counterparty has ratings in double-A category or better. To further mitigate counterparty credit risk, the District's swap documents require counterparties to post collateral for the District's benefit if they are downgraded below Aa3 by Moody's and below AA- by Standard & Poor's, if the swap values exceed specified thresholds. Collateral is to be in the form of US Treasuries or Agency securities held by a third party custodian. Currently, the Swaps have not been in an asset position requiring the posting of collateral and is currently not exposed to credit risk. There is no master netting arrangement on the outstanding Swaps.

Interest Rate Risk. The Swaps are intended to protect the District against changes in floating interest rates. If floating rates rise, the District's payment on the variable rate bonds should increase but should be offset by the variable rate payments it receives under the Swaps.

Basis Risk. The District's Swaps expose the District to basis risk should the relationship between the floating rates the District will receive on the swaps (70% of LIBOR) fall short of the variable rate on the associated bonds, and the expected savings may not be realized. As of June 30, 2018, the variable rate was 1.51% on both the 2002A and 2002B certificates, while the LIBOR rate was 2.05% on the 2002A and 2.09% on the 2002B. The District received 1.43% (70%) on the 2002A, and 1.47% (70%) on the 2002B. As of June 30, 2018, the 2008C variable rate was 1.45%, while the LIBOR rate was 2.07% and the District received 1.45% (70%).

Termination Risk. The District's Swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards the District or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. The District views such events to be remote in the case of the current counterparty which is rated Aa3/AA-. If at the time an early termination of the swap was declared and the swap had a negative value, the District would be liable to the counterparty for a payment equal to the fair value of such swap.

12. DEBT SERVICE:

The amount available for debt service consists of resources from the Debt Service Funds legally required to be used for debt service until the related debt is extinguished (in thousands):

Categories:	Fund Balance
Restricted for Payment of State Board of Education and Capital Outlay Bonds	$ 244
Restricted for Payment of District Bond Funds	26,105
Restricted for Certificates of Participation	22,168
Restricted for ARRA Economic Stimulus Debt Service	45,313
Total Available in Debt Service Funds	**$ 93,830**

All Certificates of Participation Lease Payments and all other amounts required to be paid by the School Board under the various Series under the Master Lease and all other Leases are made from legally available funds appropriated for such purpose by the School Board. The substantive portion for these payments is provided by the Local Optional Millage Levy on ad-valorem property. Separate Lease Payment Accounts are established for each series of Certificates issued under the Trust Agreement. Lease Payments are due under the Master Lease on an all-or-none basis and are payable on a parity basis solely from legally available funds appropriated by the School Board for such purpose. Such payments are normally transferred to the Trustee 15 days before Lease Payments are due.

13. ESTIMATED LIABILITY FOR CLAIMS:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; administrative errors and omissions; injuries to employees, students and guests; as well as natural disasters. The District is self-insured for portions of its general and automobile liability insurance, workers' compensation and health insurance. Losses involving auto and general liability claims are limited (generally) by provisions of the Florida State Statute 768.28. Claims brought against the District are handled by a contracted third-party administrator. The District purchases commercial insurance for other risks including property and other miscellaneous risks as follows:

Type	Risk Retention/ Deductible	Coverage after Retention/Deductible
Workers' Compensation	$1,500,000	Statutory/$3,000,000
General, Fleet Liability, and Errors and Omissions	$200,000/$300,000	$500,000 per occurrence, $3,250,000 annual aggregate
Property	$100,000,000 per occurrence for hurricanes; $1,000,000 per incident for all other perils.	$250,000,000 per occurrence/annual aggregate for all perils including windstorms, earthquakes and floods.
	$100,000 for each act of terrorism	$50,000,000 annual aggregate
	Zero deductible Storm Parametric Index Wind Speed Property Insurance	$10,000,000 limit per occurrence, $20,000,000 aggregate

Accordingly, liabilities for certain retained risks are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The District's estimated liability for self-insured losses relating to the casualty program consisting of general liability, automobile liability, professional liability/errors and omissions, and workers' compensation claims was determined by an independent actuarial valuation performed as of June 30, 2018. Liabilities, as determined by the actuary, include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The portion of the liability that is due and payable at June 30, 2018 is recorded in the General Fund and the remaining portion is recorded in the government-wide financial statements. Liability for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment yield assumptions of 2.5%.

The School Board authorized the purchase of Individual Stop Loss (ISL) coverage for its self-insured health program effective January 1, 2018, from Cigna with an attachment point of $1,000,000 per claimant.

The School Board approved a set of premium equivalent rates, based upon actuarial projections of claims including claims incurred but not reported (IBNR) for the calendar year provided by the School Board's Employee Benefits Consulting firm of AON Hewitt and Cigna. The calendar year 2018 monthly rates for the three offered Open Access Programs (OAP) are $757 (OAP 10), $718 (OAP 20) and $717 (Local Plus). The Board's contribution for employee only coverage is limited to the $717 (Local Plus); therefore, employees who choose the OAP 10 or OAP 20 are subject to a monthly cost share based upon their salary band. Effective January 1, 2010, the cost of dependent healthcare coverage became banded by salary tiers which was renewed for January 1, 2018.

The School Board continues to offer an opt out provision for employees who can provide proof of insurance coverage. Employees who opt out receive a monthly adjustment to gross compensation of $100/month.

The District's estimated liability for health insurance claim payments was determined by an independent actuarial valuation performed as of June 30, 2018.

There were no losses which exceeded coverage in fiscal years ended June 30, 2016, 2017 and 2018.

13. ESTIMATED LIABILITY FOR CLAIMS, Continued:

A total estimated liability amount of $169.4 million was actuarially determined to cover reported and unreported claims payable at June 30, 2018. It is estimated that of the current portion, $64.4 million is due within a year. The remaining $105.0 million will be due in future years.

	Estimated Liability For Claims (in thousands)		
	Current Portion	Long-Term Portion	Total
Workers' compensation	$ 24,737	$ 83,326	$ 108,063
General and occupational liability	5,100	18,294	23,394
Fleet liability	1,474	3,351	4,825
Group Health	33,080	-	33,080
Total	**$ 64,391**	**$ 104,971**	**$ 169,362**

Changes in the balance of claims liabilities for the years ended June 30, 2017 and 2018 are as follows (in thousands):

	Balance July 1, 2016	**Current year claims and changes in estimates**	**Claim payments**	**Balance June 30, 2017**
Workers' compensation	$ 132,309	$ 32,318	$ (30,790)	$ 133,837
General and occupational liability	16,184	2,476	(2,262)	16,398
Fleet liability	3,487	1,595	(1,362)	3,720
Group Health	31,046	307,728	(309,386)	29,388
Total	**$ 183,026**	**$ 344,117**	**$ (343,800)**	**$ 183,343**

	Balance July 1, 2017	**Current year claims and changes in estimates**	**Claim payments**	**Balance June 30, 2018**
Workers' compensation	$ 133,837	$ 3,702	$ (29,476)	$ 108,063
General and occupational liability	16,398	8,650	(1,654)	23,394
Fleet liability	3,720	2,580	(1,475)	4,825
Group Health	29,388	333,195	(329,503)	33,080
Total	**$ 183,343**	**$ 348,127**	**$ (362,108)**	**$ 169,362**

14. CHANGES IN LONG-TERM LIABILITIES:

Long-term liabilities balances and activity for the year ended June 30, 2018 are as follows (in thousands):

	Balance July 1, 2017		Additions	Deductions	Balance June 30, 2018		Amounts Due Within One Year
Bonds Payable	$ 1,002,027		$ -	$ (21,526)	$ 980,501	*	$ 17,629
Certificates of Participation Payable, net	2,730,245		119,995	(254,969)	2,595,271	**	127,061
Derivative Instrument Liabilities	20,421		-	(6,495)	13,926		-
Capital Leases Payable	78,271		1,936	(35,891)	44,316		15,340
Self-Insurance Estimated Claims Payable	183,343		348,127	(362,108)	169,362		64,391
Retirement Incentive Benefits	1,530		46	-	1,576		203
Compensated Absences	287,177		22,133	(24,803)	284,507		14,104
Other Post Employment Benefits Liability	210,080	***	10,105	(8,334)	211,851		-
Net Pension Liability	1,690,370		228,471	(135,759)	1,783,082		-
Total	**$ 6,203,464**		**$ 730,813**	**$ (849,885)**	**$ 6,084,392**		**$ 238,728**

* Includes unamortized premium in the amount of $77,520.

** Amount is $150,128 more than the principal balance of $2,445,143 in Note 11, the difference represents the net unamortized premium on outstanding debt issues.

*** Reflects restatement of balance at July 1, 2017 to comply with GASB Statement No. 75, see Note 1T.

Payments for insurance claims (other than health insurance claims that are paid from the Internal Service Fund), retirement incentive benefits, compensated absences, pension liabilities, and other post employment benefits are paid by the General Fund, as in prior years. Capital Leases are primarily paid from capital project funds.

15. STATE REVENUE SOURCES:

A major source of the District's revenue is received from the State of Florida, who provided approximately 32% of total revenues in fiscal year 2017-18. The following is a schedule of state revenue sources and amounts (in thousands):

Sources	Amount
Florida Education Finance Program	$ 654,568
Categorical Educational Programs	425,718
Workforce Development	80,009
Best and Brightest Teacher Scholarship Program	23,636
CO&DS Distributed	12,892
Charter School Capital Outlay Funding	11,997
Public Education Capital Outlay (PECO)	6,125
Food Service Supplement	1,882
Capital Outlay and Debt Service (CO&DS) Withheld for SBE/COBI Bonds	1,870
Adults with Disabilities	1,003
District Discretionary Lottery Funds	643
CO&DS Withheld For Administrative Expense	225
State License Tax	205
Interest on Undistributed CO&DS	183
SBE/COBI Bond Interest	11
Miscellaneous	3,744
Total	**$ 1,224,711**

16. PROPERTY TAXES:

The Board is authorized by state law to levy property taxes for District school operations, capital improvements and debt service. Property taxes consist of ad valorem taxes on real and personal property within the District. Property taxes are assessed by the County Property Appraiser and are collected by the County Tax Collector.

Property values are assessed as of January 1 of each year. Taxes are levied after the millage rate is certified in September of each year. 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% for early payment.

Taxes become delinquent on April 1 of the year following the year levied for. State law provides for enforcement of collection of real property taxes. First, interest-bearing tax certificates are sold at public auction to recover delinquent taxes. Finally, if the tax certificates are not paid with accrued interest by the property owner, the purchaser of the tax certificate is entitled to take possession of the property. Accordingly, substantially all of the taxes assessed for calendar year 2017 have been recognized for the fiscal year ended June 30, 2018.

The State Constitution limits the levying of non-voted taxes by the District to 10 mills ($10.00 per thousand of assessed valuation). State law prescribes on an annual basis the upper limit of non-voted property tax millage that may be levied. For fiscal year 2017-18, 6.994 mills was levied. The total adjusted assessed value for calendar year 2017 on which the fiscal year 2018 levy was based, was approximately $305.1 billion.

State law prescribes that the District budgets 96% of the current year's tax levy. However, actual property taxes collected and reflected in the table below totaled 94.2% of taxes levied, including collections from prior years' tax levies but exclude tax redemptions. The Miami-Dade County Tax Collector is not required by law to make an accounting to the District of the difference between taxes levied and taxes collected.

The following is a summary of millages and taxes levied on the 2017 tax roll for the fiscal year 2017-18 (in thousands):

		Taxes	
	Millages	Levied	Collected
GENERAL FUND			
Nonvoted School Tax:			
Required Local Effort	4.526	$ 1,380,999	$ 1,300,732
Discretionary Local Effort	.748	228,234	214,969
	5.274	$ 1,609,233	$ 1,515,701
CAPITAL PROJECT FUNDS			
Nonvoted Tax:			
Local Capital Improvements	1.50	$ 457,689	$ 431,463
DEBT SERVICE FUNDS			
Voted Tax:			
Debt Service - General Obligation Bonds	0.220	$ 67,128	$ 63,179

Taxes reported in the Governmental Funds as reflected above include an accrual only for taxes collected within 60 days after the fiscal year-end. In the government-wide financial statements the District bases the estimates of taxes receivable and uncollectible taxes on historical experience. For fiscal year 2017-18, the District considered $33.8 million or 1.6% of levied taxes as uncollectible.

17. RETIREMENT BENEFITS:

The School Board provides retirement benefits to its employees through the Florida Retirement System (FRS and HIS), the Supplemental Early Retirement Plan (SERP), and a Deferred Retirement Option Program (DROP), as well as state approved Other Post Employment Benefits (OPEB) in the form of subsidized health insurance premiums.

Florida Retirement System

The School Board participates in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program 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 Health Insurance Subsidy (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' Web site (www.dms.myflorida.com).

The District's pension expense for FRS and HIS totaled $221.5 million for the fiscal year ended June 30, 2018.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (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* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the 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 (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

17. RETIREMENT BENEFITS, Continued:

Florida Retirement System - continued

FRS Pension Plan

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 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. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% 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
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

17. RETIREMENT BENEFITS, Continued:

Florida Retirement System - continued

FRS Pension Plan

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2017-18 fiscal year were as follows:

	Percent of Gross Salary	
Class	Employee	Employer (1)
FRS, Regular	3.00 %	7.92 %
FRS, Elected County Officers	3.00	45.50
FRS, Senior Management Service	3.00	22.71
FRS, Special Risk Regular	3.00	23.27
FRS, Special Risk Administrative	3.00	34.63
DROP - Applicable to		
Members from All of the Above Classes	0.00	13.26
FRS, 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 0.06 percent for administrative costs of the Investment Plan.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a liability of $1,190.7 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2016-17 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 4.03 percent, which was a decrease of (.07) percent from its proportionate share measured as of June 30, 2016.

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 7.10% rate of return assumption used in the June 30, 2017 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes, which differs from the rate used for funding purposes, which is used to establish the contribution rates for the Pension Plan. The discount rate used in the July 1, 2016 valuation was 7.60%.

17. RETIREMENT BENEFITS, Continued:

Florida Retirement System - continued

FRS Pension Plan

For the fiscal year ended June 30, 2018, the District recognized pension expense of $183.7 million related to the Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 109,277	$ 6,596
Change of assumptions	400,155	-
Net difference between projected and actual earnings on FRS pension plan investments	-	29,508
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	-	59,261
District FRS contributions subsequent to the measurement date	113,560	-
Total	**$ 622,992**	**$ 95,365**

The deferred outflows of resources related to pensions, totaling $113.6 million, resulting from District contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Year Ending June 30	Deferred outflows/ (inflows), net
2019	$ 46,968.5
2020	149,397.5
2021	100,442.7
2022	13,309.4
2023	74,930.7
Thereafter	29,018.2

Actuarial Assumptions. The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Investment rate of return	7.10 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

17. RETIREMENT BENEFITS, Continued:

Florida Retirement System - continued

FRS Pension Plan

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.8%
Fixed Income	18%	4.5%	4.4%	4.2%
Global Equity	53%	7.8%	6.6%	17.0%
Real Estate	10%	6.6%	5.9%	12.8%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	9.7%
Total	100%			
Assumed inflation - Mean			2.6%	1.9%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.10 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.

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 7.10 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 (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate (in thousands):

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 2,155,070	$ 1,190,687	$ 390,027

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

17. RETIREMENT BENEFITS, Continued:

Florida Retirement System - continued

The Retiree Health Insurance Subsidy Program (HIS)

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

Benefits Provided. For the fiscal year ended June 30, 2018, 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.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, 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 HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a net pension liability of $577.5 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportionate share of the net pension liability was based on the District's 2016-17 fiscal year contributions relative to the total 2016-17 fiscal year contributions of all participating members. At June 30, 2017, the District's proportionate share was 5.40 percent, which was a decrease of (.09) percent from its proportionate share measured as of June 30, 2016.

17. **RETIREMENT BENEFITS, Continued:**

Florida Retirement System - continued

The Retiree Health Insurance Subsidy Program (HIS)

For the fiscal year ended June 30, 2018, the District recognized pension expense of $37.8 million related to the HIS Plan. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 1,203
Change of assumptions	81,173	49,935
Net difference between projected and actual earnings on HIS pension plan investments	320	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	-	28,747
District contributions subsequent to the measurement date	28,908	-
Total	**$ 110,401**	**$ 79,885**

The deferred outflows of resources related to pensions, totaling $28.9 million, 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 ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Year Ending June 30	Deferred outflows/ (inflows), net
2019	$ 3,320.1
2020	3,259.5
2021	3,230.4
2022	1,383.9
2023	(207.9)
Thereafter	(9,378.0)

Actuarial Assumptions. The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.58 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

17. RETIREMENT BENEFITS, Continued:

Florida Retirement System - continued

The Retiree Health Insurance Subsidy Program (HIS)

Discount Rate. The discount rate used to measure the total pension liability was 3.58 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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 3.58 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 (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate (in thousands):

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
District's proportionate share of the net pension liability	$ 658,975	$ 577,474	$ 509,589

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

FRS – Defined Contribution Pension 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 State Board of Administration (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 participating in the 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 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. Allocations to the investment members' accounts during the 2017-18 fiscal year were as follows:

17. RETIREMENT BENEFITS, Continued:

Florida Retirement System - continued

Membership Class	Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

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 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2018, 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 Investment Plan pension contributions totaled $15.7 million for the fiscal year ended June 30, 2018.

17. RETIREMENT BENEFITS, Continued:

Supplemental Early Retirement Plan

Plan Description

In addition to participating in the FRS Plan, the School Board established an early retirement plan on July 1, 1984. The plan is a single employer, non-contributory defined benefit plan administered by an independent trustee and investments are managed by the District, through a third party asset manager.

Benefits Provided – The Plan was established in order to supplement an early retiree's benefits by the amount of reduction imposed by the FRS. The Plan provides supplemental income for those employees who retired between the ages of 55 and 61 and who had completed at least 25 years, but not more than 28 years of creditable service. Payments under the Plan are equal to the difference in monthly retirement income for the participant under the FRS between the retirement benefit based on average final compensation, as defined above, and creditable service as of the member's early retirement date and the early retirement benefit under the FRS. Benefits are subject to an annual 3% cost of living adjustment. These benefit provisions and all other requirements are established by Florida Statutes, Section 1012.685.

At June 30, 2018 the total number of retirees and beneficiaries of deceased retirees currently receiving benefits is 477, averaging $616.45 per month. The District closed the Supplemental Early Retirement Plan (the "Plan") to new employees on July 1, 2000, with no additional employees vesting after July 1, 2003.

The Plan is included as a Pension Trust Fund in the accompanying financial statements. Separate stand alone statements are not issued for the Plan.

Contributions - The District provides for actuarially determined periodic contributions sufficient to pay the benefits provided by this Plan when they become due. Plan members do not contribute to the Plan. Total contributions to the Plan for 2017-18 fiscal year of $2,156 (in thousands) were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2017.

Net Pension Liability

The District's net pension liability was measured as of July 1, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The following table represents the components of the net pension liability of the District at June 30, 2018 (in thousands).

	June 30, 2018
Total Pension Liability	$ 39,511
Less: Plan Fiduciary Net Position	24,590
Net Pension Liability	$ 14,921
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.24 %
Measurement Date	7/1/2017

17. RETIREMENT BENEFITS, Continued:

Supplemental Early Retirement Plan - continued

Actuarial Assumptions

The total pension liability in the July 1, 2017 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation	2.5 %
Investment rate of return	6.25 %

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash/Money Market	2 %	3.30 %
Domestic Equity	39 %	7.70 %
International Equity	21 %	7.70 %
Domestic Fixed Income	38 %	6.30 %
Total	100.0 %	

Mortality rates were based on the mortality table used by FRS – (Healthy Female – RP2000 Generational, 100% Annuitant White Collar, Scale BB and Healthy Males – RP2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB).

Discount Rate

The discount rate used to measure the total pension liability was 6.25 percent. The discount rate reflects the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits, to the extent that the pension plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and pension plan assets are expected to be invested using a strategy to achieve that return. The projection of cash flows used to determine the discount rate assumes the District will continue to make future contributions at the actuarially determined contribution rate.

17. RETIREMENT BENEFITS, Continued:

Supplemental Early Retirement Plan - continued

Changes in Net Pension Liability (in thousands):

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) – (b)**
Balances at June 30, 2017	**$ 40,041**	**$ 24,158**	**$ 15,883**
Changes for the year:			
Interest	2,374	-	2,374
Differences between expected and actual experience	1,204	-	1,204
Contributions – employer	-	2,167	(2,167)
Net investment income	-	2,380	(2,380)
Benefit payments, including refunds of employee contributions	(4,108)	(4,108)	-
Administrative expense	-	(7)	7
Net changes	(530)	432	(962)
Balances at June 30, 2018	**$ 39,511**	**$ 24,590**	**$ 14,921**

Sensitivity

The following table illustrates the impact of interest rate sensitivity on the net pension liability for the fiscal year ended June 30, 2018 (in thousands):

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability	$ 17,770	$ 14,921	$ 12,401

17. RETIREMENT BENEFITS, Continued:

Supplemental Early Retirement Plan - continued

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

For the year ended June 30, 2018, the District recognized pension expense of $1,839 (in thousands). In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/Inflows

The following table illustrates the deferred inflows of resources and outflows of resources under GASB Statement No. 68 as of June 30, 2018 (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on Pension Plan Investments	$ 1,212	$ 1,320
Contributions subsequent to the measurement date	2,156	-
Total	**$ 3,368**	**$ 1,320**

The deferred outflows of resources related to pensions, totaling $2.2 million, resulting from District contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year ended June 30:	Amount ($ in thousands)
2018	$ (297.4)
2019	278.4
2020	97.0
2021	(186.1)

17. RETIREMENT BENEFITS, Continued:

Other Post Employment Benefits

As authorized by the Board, employees who retire in the first year of their eligibility under the FRS Plan can receive up to $1,200 per year as reimbursement for health insurance cost paid until they reach 65 years of age or until they become eligible for Medicare or Social Security disability. In October 2018, approximately 239 retirees will receive an estimated $203 thousand in premium reimbursements for the year ended June 30, 2018.

From 1991 through 2005, the District offered retirement incentive programs in an effort to reduce salary costs. The programs include enhanced insurance benefits up to the Board's annual monthly contribution and payments of accrued sick leave at an enhanced rate. Enhanced insurance benefits offered to eligible employees, as defined under the provisions of each program, consist of health and term life insurance subsidies for up to ten years. Expenditures for the retirement incentive program are recognized in the General Fund each year on a pay-as-you-go basis. The estimated liability for retirees receiving benefits of approximately $1.6 million is fully accrued and included in the government-wide financial statements.

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for certain postemployment healthcare benefits provided by the District for the fiscal year ended June 30, 2018. The implementation of this statement resulted in a restatement of the District's government-wide statements as previously discussed in Note 1T.

Plan Description. Effective January 1, 2010, the District changed from a fully-insured health program to a self-insured program for eligible employees and retirees. The Other Postemployment Benefits Plan (OPEB Plan) is a single-employer defined benefit plan administered by the District. Pursuant to Section 112.0801, Florida Statutes, employees who retire from the District are eligible to participate in the District's health and hospitalization plan for medical and prescription drugs. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any employee who retires under a state retirement system or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. Such provisions may be amended at any time by further action from the Florida Legislature. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. The OPEB Plan contribution requirements and benefit terms of the District and the OPEB Plan members are established and may be amended through action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements or required supplementary information.

Benefits Provided. The OPEB Plan provides healthcare insurance benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

17. RETIREMENT BENEFITS, Continued:

Other Post Employment Benefits - continued

Employees Covered by Benefit Terms. The actuarial valuation was based on personnel information as of July 1, 2016. The following employees were covered by the benefit terms:

Inactive Participants	1,214
Active Participants	32,742
Total	33,956

Total OPEB Liability

The District's total OPEB liability of $211,851 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

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

Inflation	2.5 percent
Salary increases	4.5 percent
Discount rate	3.58 percent at 6/30/17
Healthcare cost trend rates	7.25 percent for 2017, grading down to an ultimate rate of 4.5 percent for 2024-2025.
Retirees' share of benefit-related costs	Based on the service cost for the 2016-17 measurement period, retirees are expected to pay 64% of benefit-related costs.

The plan is unfunded so no projection of Fiduciary Net Position is required.

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index with no blending of the expected return on assets.

Mortality rates were based on the RP-2000 with Fully Generational Scale BB with 100% White Collar for females and 50/50 White Collar/Blue Collar for males.

The demographic actuarial assumptions for OPEB Liability used in the June 30, 2017 valuation were based on data at July 1, 2016.

The remaining actuarial assumptions health care cost trends used in the June 30, 2017 valuation were based on experience for the 24-month period ending May 31, 2016.

17. **RETIREMENT BENEFITS, Continued**:

Other Post Employment Benefits - continued

Changes in the Total OPEB Liability

		Amount
Balance at June 30, 2017, as Restated	$	210,080
Changes for the year:		
Service Cost		11,360
Interest		6,197
Changes in assumptions or other inputs		(7,759)
Contributions from the employer		(8,333)
Administrative Expense		306
Net Changes		1,771
Balance at June 30, 2018	$	211,851

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent at June 30, 2016 to 3.58 percent at June 30, 2017.

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for fiscal year ending June 30, 2018 (in thousands):

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	$ 217,617	$ 211,851	$ 196,038

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for fiscal year ending June 30, 2018 (in thousands):

	1% Decrease (6.25%)	Healthcare Cost Trend (7.25%)	1% Increase (8.25%)
Total OPEB liability	$ 182,862	$ 211,851	$ 235,695

17. **RETIREMENT BENEFITS, Continued**:

Other Post Employment Benefits - continued

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

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of $16,672 (in thousands). At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions or other inputs	$ -	$ 6,567
District contributions subsequent to the measurement date	6,341	-
Total	$ 6,341	$ 6,567

Of the total amount reported as deferred outflows of resources related to OPEB, $6,341 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability for the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year Ending June 30	Deferred Outflows (inflows), net
2019	$ (1,192)
2020	(1,192)
2021	(1,192)
2022	(1,192)
2023	(1,192)
Thereafter	(607)

18. COMMITMENTS AND CONTINGENCIES:

A. Commitments

As part of its capital outlay program, the District has entered into various construction commitments totaling approximately $120.2 million as of June 30, 2018 (see Note 4).

The District leases certain facilities and equipment under various cancelable, operating lease agreements with lease terms not extending beyond one year. The total rent expense under these leases was approximately $11.8 million for the fiscal year ended June 30, 2018.

B. Contingencies

Florida Education Finance Program and Federal, State and Local Grants

The District receives funding from the State of Florida under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the District participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the District.

Hurricane Irma

On September 10, 2017 the President declared Hurricane Irma a major disaster as a result of damage sustained through-out the State of Florida. This declaration allows the District to seek reimbursement for all eligible costs through the Federal Emergency Management Agency (FEMA) as well as Miami-Dade County for shelter related expenses. The District sustained relatively minor property damage to its facilities. However, the District did incur significant debris removal costs as well costs associated with operating shelters. These costs did not exceed the District's $100 million named windstorm deductible.

Estimated losses from Hurricane Irma are approximately $19.1 million, which consist of: labor $7.8 million, debris monitoring and removal $7.1 million, and temporary/permanent repairs and related expenses $4.2 million. These amounts may increase as permanent repairs are finalized. The District is in the process of generating project worksheets to obtain all eligible funding from FEMA.

C. Litigation

The District is a defendant in numerous lawsuits as of June 30, 2018. In the opinion of management, the District's estimated aggregate liability, with respect to probable losses, has been provided for in the estimated claim liability accrual in the accompanying financial statements, after giving consideration to the District's related insurance coverage, as well as the Florida statutory limitations of governmental liability on uninsured risks. It is the opinion of management and District's legal counsel that the amount of losses resulting, if any, from the above-mentioned litigation in excess of the amount accrued as of June 30, 2018, would not be material to the financial position of the District.

19. FUND BALANCES:

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District reports its fund balance in the following categories:

Nonspendable – The District has $18.0 million of prepaid items and $6.6 million of inventories that are considered nonspendable.

Restricted – The District reported restricted fund balances totaling $678.8 million comprised of $10.5 million of State Required Carryover programs, $42.7 million in Food Service, $0.3 million in Miscellaneous Special Revenue, $93.8 million in Debt Services and $531.5 million in Capital Projects.

Committed – The District did not have any committed fund balances at June 30, 2018.

Assigned – The District has assigned fund balances totaling $72.6 million comprised of $29.4 million for rebudgets and obligations; $43.1 million for outstanding encumbrances for goods and services, including $25.5 million for purchased services, $11.1 million for energy services, $3.1 million for materials and supplies, $1.7 million for capital outlay, $1.7 million for other expenses; and $0.1 million for capital projects.

Unassigned – The portion of fund balance that is the residual classification for the general fund. This balance represents amounts that have not been restricted, committed, or assigned for specific purposes. The unassigned fund balance for the General Fund is $158.4 million.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Board Policy 6220.01 delineates Fund Balance Reserve Policies to target 5.5% of the combined assigned and unassigned General Fund fund balance, as a percentage of total General Fund revenues at fiscal year end. At June 30, 2018 the combined assigned and unassigned General Fund fund balance totaled $230.8 million or 9.8% of General Fund revenues net of charter schools' revenues.

Below is a table of fund balance categories and classifications for the fiscal year ended June 30, 2018 for the Districts' governmental funds (in thousands):

	General Fund	General Obligation School Bonds Funds	Capital Improvement LOML	Other Governmental Funds non-major*	Total
FUND BALANCES					
Nonspendable:					
Inventory	$ 6,640	$ -	$ -	$ -	$ 6,640
Prepaid amounts	1,259	731	15,999	38	18,027
Restricted:					
State Required Carryover	10,436	-	-	-	10,436
Special Revenue:					
Food Service	-	-	-	42,649	42,649
Miscellaneous	-	-	-	327	327
Debt Service	-	-	-	93,830	93,830
Capital Projects	-	398,885	74,327	58,299	531,511
Assigned:					
Rebudgets and Obligations	29,382	-	-	-	29,382
Encumbrances	43,070	-	-	-	43,070
Capital Projects	-	-	-	85	85
Unassigned:	158,377	-	-	-	158,377
Total Fund Balance	**$ 249,164**	**$ 399,616**	**$ 90,326**	**$ 195,228**	**$ 934,334**

* Aggregates all of the District's non-major fund balances

20. SUBSEQUENT EVENTS:

Tax Anticipation Notes

On July 31, 2018, the District issued $335 million in Tax Anticipation Notes (“the Notes”) with an effective yield of 1.58%. The Notes were issued to pay operating expenditures incurred prior to the receipt of the ad-valorem taxes levied and collected for operating purposes for the fiscal year commencing July 1, 2018. The Notes will mature on June 15, 2019.

Secure Our Future Referendum

On November 6, 2018, the voters of Miami-Dade County approved a referendum which will increase the millage rate by 0.75 mills beginning with the 2019-20 fiscal year. This levy will generate approximately $232.0 million annually for the District over the next four years. Funding from the levy will be used to increase teacher compensation and improve school safety.

REQUIRED SUPPLEMENTARY INFORMATION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

	Budget as Originally Adopted	Final Amended Budget	Actual GAAP Basis	Variance With Final Amended Budget
Revenues:				
Local sources:				
Ad valorem taxes	$ 1,544,864	$ 1,515,701	$ 1,515,701	$ -
Interest income	3,870	12,037	12,037	-
Net increase (decrease) in fair value	-			
of investments	-	(269)	(269)	-
Local grants and other	57,204	64,638	64,638	-
Total local sources	1,605,938	1,592,107	1,592,107	-
State sources:				
Florida education finance program	707,600	654,569	654,569	-
State grants and other	515,099	534,903	534,903	-
Total state sources	1,222,699	1,189,472	1,189,472	-
Federal sources:				
Federal direct	1,775	2,044	2,044	-
Federal through state and local	14,229	21,569	21,569	-
Total federal sources	16,004	23,613	23,613	-
Total revenues	2,844,641	2,805,192	2,805,192	-
Expenditures:				
Current:				
Instructional services	2,174,568	1,996,157	1,990,170	5,987
Instructional support services:				
Student personnel services	99,462	107,210	107,182	28
Instructional media services	29,743	15,883	15,770	113
Instruction and curriculum development service	23,433	32,132	31,937	195
Instructional staff training services	1,722	3,353	3,327	26
Instruction related technology	40,345	33,489	33,354	135
Total instructional support services	194,705	192,067	191,570	497
Student transportation services	69,262	73,708	73,337	371
Operation and maintenance of plant:				
Operation of plant	274,075	293,255	271,650	21,605
Maintenance of plant	97,547	109,093	102,378	6,715
Total operation and maintenance of plant	371,622	402,348	374,028	28,320
School administration	182,234	165,069	164,613	456

	Budget as Originally Adopted	Final Amended Budget	Actual GAAP Basis	Variance With Final Amended Budget
Expenditures, continued				
General administration:				
Central services	$ 56,388	$ 59,623	$ 56,086	$ 3,537
Board of education	7,860	7,804	7,663	141
General administration	5,334	5,843	5,838	5
Administrative technology services	2,394	3,532	3,368	164
Fiscal services	11,887	13,152	11,727	1,425
Total general administration	83,863	89,954	84,682	5,272
Community services	29,128	28,952	28,775	177
Capital outlay	2,792	18,213	16,223	1,990
Debt services:				
Principal retirement	1,520	487	487	-
Interest and fiscal charges	-	1,634	1,634	-
Total debt service	1,520	2,121	2,121	-
Total expenditures	3,109,694	2,968,589	2,925,519	43,070
Excess (deficiency) of revenues over (under) expenditures	(265,053)	(163,397)	(120,327)	43,070
Other financing sources (uses):				
Transfers in	179,382	165,446	165,446	-
Transfers out	-	(20,674)	(20,674)	-
Proceeds from sale of capital assets	-	525	515	-
Proceeds from leases	-	1,935	1,935	-
Total other financing sources (uses)	179,382	147,222	147,222	-
Net change in fund balance	$ (85,671)	$ (16,175)	26,895	$ 43,070
Fund balance - beginning of year			222,269	
Fund balance - end of year			$ 249,164	

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
JUNE 30, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017
District's proportion of the FRS net pension liability	4.633%	4.400%	4.097%	4.025%
District's proportionate share of the FRS net pension liability	$ 282,715	$ 568,422	$ 1,034,599	$ 1,190,686
District's covered-employee payroll	$ 1,765,382	$ 1,717,736	$ 1,719,598	$ 1,747,073
District's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	16.01%	33.09%	60.17%	68.15%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%	92.00%	84.88%	83.89%

Note: The amounts presented for each fiscal year were determined as of June 30th. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
JUNE 30, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017	2018
Contractually required FRS contribution	$ 101,495	$ 107,295	$ 100,527	$ 104,999	$ 113,560
FRS contributions in relation to the contractually required contribution	$ (101,495)	$ (107,295)	$ (100,527)	$ (104,999)	$ (113,560)
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 1,765,382	$ 1,717,736	$ 1,719,598	$ 1,747,073	$ 1,765,529
FRS contributions as a percentage of covered-employee payroll	5.75%	6.25%	5.85%	6.01%	6.43%

Note: The amounts presented for each fiscal year were determined as of June 30th. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN
JUNE 30, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017
District's proportion of the HIS net pension liability	5.830%	5.576%	5.490%	5.401%
District's proportionate share of the HIS net pension liability	$ 545,094	$ 568,680	$ 639,889	$ 577,474
District's covered-employee payroll	$ 1,765,381	$ 1,717,136	$ 1,719,597	$ 1,747,073
District's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	0.03%	33.11%	37.21%	33.05%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.99%	0.50%	0.97%	1.64%

Note: The amounts presented for each fiscal year were determined as of June 30th. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN
JUNE 30, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017	2018
Contractually required HIS contribution	$ 19,971	$ 21,316	$ 28,170	$ 28,593	$ 28,908
HIS contributions in relation to the contractually required HIS contribution	$ (19,971)	$ (21,316)	$ (28,170)	$ (28,593)	$ (28,908)
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 1,765,382	$ 1,717,736	$ 1,719,598	$ 1,747,073	$ 1,765,529
HIS contributions as a percentage of covered-employee payroll	1.13%	1.24%	1.64%	1.64%	1.64%

Note: The amounts presented for each fiscal year were determined as of June 30th. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUPPLEMENTAL EARLY RETIREMENT PENSION TRUST FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017
Total Pension Liability				
Interest Cost	$ 2,662	$ 2,467	$ 2,470	$ 2,374
Differences Between Expected and Actual Experiences	(1,432)	(969)	1,694	1,204
Changes of Assumptions	-	2,651	1,339	-
Benefit Payments, Including Refunds of Member Contributions	(4,147)	(4,098)	(4,106)	(4,108)
Net Change in Total Pension Liability	(2,917)	51	1,397	(530)
Total Pension Liability - Beginning	41,510	38,593	38,644	40,041
Total Pension Liability - Ending	$ 38,593	$ 38,644	$ 40,041	$ 39,511
Plan Fiduciary Net Position				
Contributions - Employer	2,276	2,276	1,890	2,167
Net Investment Income	4,476	864	273	2,380
Benefit Payments, Including Refunds of Member Contributions	(4,147)	(4,098)	(4,106)	(4,108)
Administrative expense	(42)	(87)	(49)	(7)
Net Change in Plan Fiduciary Net Position	2,563	(1,045)	(1,992)	432
Plan Fiduciary Net Position - Beginning	24,632	27,195	26,150	24,158
Plan Fiduciary Net Position - Ending	$ 27,195	$ 26,150	$ 24,158	$ 24,590
Net Pension Liability - Ending	$ 11,398	$ 12,494	$ 15,883	$ 14,921
Net Position as a % of the Total Pension Liability	70.47%	67.67%	60.33%	62.24%
Covered-employee payroll	N/A	N/A	N/A	N/A
Net Pension Liability as a % of covered-employee payroll	N/A	N/A	N/A	N/A

Note:

The amounts presented for each fiscal year were determined as of June 30th. GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY , FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUPPLEMENTAL EARLY RETIREMENT PENSION TRUST FUND
SCHEDULE OF INVESTMENT RETURNS
JUNE 30, 2018
(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Annual Money-Weighted Rate of Return, Net of investment expense	(6.16)%	(15.06)%	8.60%	14.10%	2.39%	13.37%	18.53%	3.29%	1.39%	10.60%

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SUPPLEMENTAL EARLY RETIREMENT PENSION TRUST FUND
SCHEDULE OF CONTRIBUTIONS
JUNE 30, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	$ 2,276	$ 2,276	$ 1,890	$ 2,167	$ 2,156
Contribution made in Relation to the Actuarially Determined Contribution	2,276	2,276	1,890	2,167	2,156
Contribution Deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-Employee Payroll	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*
Contributions as a % of covered employee payroll	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*	Not Applicable*

Notes to Schedule:

GASB Statement No. 68 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

Valuation Date: Actuarially determined contributions rates are calculated as of July 1 of the year before the fiscal year in which contributions are reported. The contribution calculated at 7/1/2017 was contributed during 2017-18.

Methods and assumptions used to determine contributions rates:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Inflation	2.5%
Cost of Living Increase	3.0%
Investment Rate of Return	6.25% net of pension plan investment expense, including inflation.
Retirement Age	N/A

Mortality: RP2000 Generational at Scale BB, Females - 100% Annuitant White Collar; Males - 50% Annuitant White Collar / 50% Annuitant Blue Collar.

* The School Board closed the Supplemental Early Retirement Plan to new employees on July 1, 2000, with no additional employees vesting after July 1, 2003.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
JUNE 30, 2018
(amounts expressed in thousands)

		2018
Total OPEB Liability		
Service Cost	$	11,360
Interest Cost		6,198
Changes of Assumptions		(7,759)
Benefit Payments		(8,028)
Net Change in Total OPEB Liability		1,771
Total OPEB Liability - Beginning, as Restated	$	210,080
Total OPEB Liability - Ending	$	211,851
Covered-employee payroll	$	1,782,584
Total OPEB Liability as a % of covered-employee payroll		11.88%

Notes to Schedule:

There was a change in the Government Accounting Standards that were used to develop the current actuarial report. The prior actuarial report was based on GASB Statement No. 45, while the current actuarial report is based on GASB Statement No. 75.

The discount rate was updated to 3.58% as of the Measurement date of June 30, 2017, 2.85% was used as of the beginning of the reporting year (Based on Bond Buyer GO 20-Bond Municipal Bond Index).

The amounts presented for each fiscal year were determined as of June 30th. GASB Statement No. 75 requires the schedule to show information for 10 years. Additional years will be displayed as they become available.

APPENDIX C

COPY OF RESOLUTION

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RESOLUTION 19-039

A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA AUTHORIZING AND PROVIDING FOR THE ISSUANCE, SALE AND APPLICATION OF THE PROCEEDS OF NOT EXCEEDING $400,000,000 AGGREGATE PRINCIPAL AMOUNT OF SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA TAX ANTICIPATION NOTES, SERIES 2019 (THE "NOTES") TO PROVIDE INTERIM FUNDS FOR THE PAYMENT OF OPERATING EXPENSES OF THE DISTRICT; PROVIDING FOR A BOOK-ENTRY SYSTEM WITH RESPECT TO THE NOTES; AUTHORIZING A PUBLIC SALE OF THE NOTES; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A MATERIAL EVENTS NOTICE CERTIFICATE; APPOINTING A PAYING AGENT AND REGISTRAR FOR THE NOTES; MAKING CERTAIN FINDINGS, COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR INCIDENTAL ACTION; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT RESOLVED BY THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. Authority For This Resolution

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

Section 2. Findings

It is hereby found, determined and declared as follows that:

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

(b) The School Board of Miami-Dade County, Florida (the "Board"), a body corporate under the laws of the State of Florida and the governing body of the School District of Miami-Dade County, Florida (the "District"), hereby determines that it is necessary for the benefit of the schools of the District for a current loan to be negotiated to pay obligations which are to be set forth in the tentative budget of the District for the fiscal year of the District which is to commence July 1, 2019 and end June 30, 2020 (the "2019-2020 Fiscal Year"), such loan to be retired from (a) the District's gross, real, and tangible personal property ad valorem tax receipts but only to the extent such tax receipts are legally available to be used for operating purposes, and (b) amounts on deposit in the hereinafter described Sinking Fund (collectively, the "Pledged Revenues"), which are anticipated to be received in accordance with the tentative budget for said 2019-2020 Fiscal Year. "Pledged Revenues" shall not include ad valorem taxes collected to pay the principal of and interest on bonds of the District issued pursuant to Sections 1010.40 – 1010.55, Florida Statutes, or to pay the principal of and interest on any obligations issued by the Board pursuant to Section 1011.14, Florida Statutes, or otherwise levied pursuant to Section 1011.71(2), Florida Statutes.

(c) The Board, to the extent possible has endeavored to arrange the expenditures of the District for the 2019-2020 Fiscal Year so as to make it unnecessary for the District to incur loans.

(d) The Board hereby further determines that said loan shall be evidenced by the issuance of not exceeding $400,000,000 tax anticipation notes of the District to be known as "School District of Miami-Dade County, Florida Tax Anticipation Notes, Series 2019" (the "Notes"), the principal of and the interest on which will be payable by their terms not more than twelve (12) months after the issuance of said Notes, and the principal amount of which is less than 80% of the amount estimated by the Board to be included in the tentative operating budget of the District for the 2019-2020 Fiscal Year to be available from the District tax revenues.

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

(f) The principal amount of the Notes will not exceed the maximum anticipated cash flow deficit (treating as unavailable a reasonable working capital reserve equal to five percent of the District's expenditures paid from current revenues for the 2018-2019 Fiscal Year), for the period ending November 15, 2019 in respect of the District's General Fund.

(g) The Notes shall be payable as to both principal and interest from the Pledged Revenues to be included in and estimated in the tentative operating budget of the District for the 2019-2020 Fiscal Year to be available, and, if necessary, are additionally payable from, but are not secured by, all legally available funds of the District derived from sources other than ad valorem taxation ("Non-Ad Valorem Funds"). Neither the faith and credit nor the taxing power of the State of Florida, Miami-Dade County, Florida or the District are pledged to the payment of the principal of or the interest on the Notes, except for the Pledged Revenues for the 2019-2020 Fiscal Year.

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

Section 3. Authorization of Borrowing; Book-Entry System

Pursuant to the Constitution and laws of the State of Florida, particularly the Act, the Board hereby authorizes the borrowing of money for the purpose of financing the cost of obligations to be incurred in the ordinary operations of the District in the 2019-2020 Fiscal Year, and hereby authorizes the issuance and sale of not exceeding $400,000,000 aggregate principal amount of School District of Miami-Dade County, Florida Tax Anticipation Notes, Series 2019. The Notes shall be numbered R-1 and upward in registered book-entry-only form as herein provided, shall be dated as of such date, shall mature no later than twelve (12) months after their date of issuance, and shall bear interest at a rate not exceeding the maximum rate permitted by law, all as set forth in the bid of the successful bidder for the Notes. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The Notes shall not be subject to redemption prior to maturity. The Notes shall be issued in substantially the form set forth in Exhibit A attached hereto and made a part hereof, with such deletions, changes, revisions or modifications as may be approved by the Superintendent, execution and delivery of the Notes by the Chair or Vice Chair and the Superintendent, as ex officio Secretary of the Board, being conclusive evidence of such approval and that the Notes are issued in accordance with this Resolution.

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

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

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

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

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

NOTICE TO INDIRECT PARTICIPANTS, AND DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIVIDUAL PURCHASERS OF BENEFICIAL INTERESTS.

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

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

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

Section 4. Execution of Notes

The Notes shall be executed with the manual or engraved, imprinted, stamped or otherwise reproduced facsimile of the signature of the Chair or Vice Chair of the Board and countersigned by the manual or engraved, imprinted, stamped or otherwise reproduced facsimile of the signature of the Superintendent, as ex officio Secretary of the Board; provided, however, that at least one of the signatures shall be manual, and the seal of the Board shall be imprinted or impressed thereon. In case any officer whose signature shall appear on any Notes shall cease to be such officer before delivery of such Notes, such signature shall, nevertheless, be valid and sufficient for all purposes as if such officer had remained in office until such delivery, and such Notes may, nevertheless, be issued and delivered as though the person who signed or sealed such Notes had not ceased to be such officer; and alternatively any of such Notes may be executed and sealed on behalf of the District by such officers of the Board who may at the time of the execution of such Notes hold the proper offices on the Board although on the date of issuance of such Notes or on the date of any lawful proceedings taken in connection therewith such persons may not have held such offices.

Section 5. Notes Mutilated, Destroyed, Stolen or Lost

. In case any of the Notes shall be mutilated, or be destroyed, stolen or lost, the District may, in its discretion, issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Note, upon surrender and cancellation of such mutilated Note, if any, or in lieu of or substitution for the Note, if any, destroyed, stolen or lost, and upon the registered owner furnishing the District proof of its ownership thereof and indemnity satisfactory to the District and complying with such other reasonable regulations and conditions as the District may prescribe and upon payment of such expenses as the District may incur. The Note so surrendered shall be canceled by the District. If the Notes shall have matured, or be about to mature, instead of issuing a substitute Note, the District may pay the same, upon being indemnified as aforesaid, and if such be lost, stolen or destroyed, without surrender thereof.

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

Section 6. Public Sale; Award of Notes

It is hereby found, ascertained, determined and declared by the Board that a public sale of the Notes of the District in the aggregate principal amount of not exceeding $400,000,000 is in the best interest of the District and is hereby authorized. The Superintendent of Schools, the Associate Superintendent, the Chief Financial Officer, or the Treasurer of the District is hereby authorized to prepare and publish a summary notice of sale for the Notes, to prepare and distribute an official invitation to bid for the Notes and related documents, and to prepare a Preliminary Official Statement for distribution in connection with such official invitation to bid. The forms of the official notice of sale and summary notice of sale shall be substantially in the forms set forth in Exhibit C, attached hereto. The Notes shall be offered at public sale on a date to be determined in the discretion of the Superintendent of Schools, the Associate Superintendent, the Chief Financial Officer, or the Treasurer of the District without further authorization from the Board. The Superintendent of Schools, the Associate Superintendent, the Chief Financial Officer, or the Treasurer of the District is hereby authorized and directed to publish, or cause to be published, the official or summary form of notice of sale in The Bond Buyer, a financial newspaper published and/or of general circulation in the Borough of Manhattan, City and State of New York and, in the discretion of the Superintendent of Schools, the Associate Superintendent, the Chief Financial Officer, or the Treasurer of the District, in a newspaper of general circulation in the area of the District one time not less than 10 days prior to such date of sale. The Board hereby separately authorizes and directs the Chair or Vice Chair, the Superintendent, the Associate Superintendent, the Chief Financial Officer, the Treasurer, and the School Board Attorney to take all actions necessary to consummate such sale, upon the terms and conditions set forth in the official invitation to bid.

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

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

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

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

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

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

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

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

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

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

Section 8. Material Events Notice

The District hereby covenants and agrees that, in order to provide for compliance by the District with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of the Material Events Notice Certificate to be executed by the District and dated the date of delivery of the Notes, as it may be amended from time to time in accordance with the terms thereof. The Material Events Notice Certificate shall be substantially in the form attached hereto as Exhibit F with such changes, amendments, modifications, omissions and additions as shall be approved by the Chair or Vice Chair who is hereby authorized to execute and deliver such Certificate. Notwithstanding any other provision of this Resolution or the Notes, failure of the District to comply with such Material Events Notice Certificate shall not be considered an event of default under this Resolution or the Notes; provided, however, any Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section 8 and the Material Events Notice Certificate.

Section 9. Delivery of the Notes

Upon payment of the purchase price for the Notes pursuant to the terms of the official invitation to bid and official bid form or Note Purchase Agreement, as appropriate, and the fulfillment of the other conditions contained therein there shall be delivered to DTC on account of the Purchaser the properly executed Notes in the form described herein.

Section 10. Receipt for the Notes

Upon receipt of such purchase price, a proper receipt therefor shall be executed by the District and by the Purchaser.

Section 11. Appointment of Registrar and Paying Agent

The Board shall serve as Registrar and Paying Agent for the Notes.

Section 12. Covenants and Pledge of Pledged Revenues

The District covenants with and for the benefit of the holders of the Notes:

(a) That it will adopt a tentative budget and an operating budget for the 2019-2020 Fiscal Year as soon as feasible and in accordance with Florida law and will levy District ad valorem taxes as required by law and in compliance with such budgets.

(b) To the extent necessary to pay when due the principal of and the interest on the Notes, the Pledged Revenues for the 2019-2020 Fiscal Year are irrevocably pledged to the payment of the Notes.

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

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

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

Section 13. Sinking Fund

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

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

Section 14. Taxing Power Not Pledged

No holder of the Notes issued hereunder shall ever have the right to compel the exercise of the ad valorem taxing power of the District, the County or the State or taxation in any form of any real or personal property therein to pay such Notes or the interest thereon except for the Pledged Revenues for the 2019-2020 Fiscal Year commencing July 1, 2019.

Section 15. District Budget

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

Section 16. Application of Note Proceeds

The proceeds of the sale of the Notes shall initially be applied by the District to pay the costs of preparation and issuance of the Notes including, but not limited to, rating agency, financial advisory and attorneys' fees, and the cost of preparation and dissemination of the preliminary and final Official Statements for the Notes, to the extent not paid from other legally available funds of the District. The remaining proceeds from the sale of the Notes shall be used by the District to pay the lawful expenses of the District as the Board shall direct.

Section 17. Noteholder Not Affected by Use of Note Proceeds

The proceeds, including investment proceeds and accrued interest, if any, from the issuance of the Notes (the "Note Proceeds") are not pledged as security for payment of the principal of and interest on the Notes except as provided in Section 12 hereof and shall be expended by the District to pay the obligations of the District created by the District in accordance with the budget of the District for the 2019-2020 Fiscal Year. The holders of the Notes issued hereunder shall have no responsibility for the use of the proceeds of said Notes, and the use of such Note Proceeds by the District shall in no way affect the rights of such Noteholders.

Section 18. Arbitrage Covenants; Tax Exemption

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

Section 19. Further Assurances

The Board covenants that the provisions of this Resolution do not conflict with or violate any existing resolution of the Board and that no contract or other agreement will be entered into and no action will be taken by which the rights of the holders of the Notes herein authorized might be impaired or diminished. The Board further covenants that it will comply with all of the terms, provisions and conditions required under Florida law and particularly Chapter 1011, Florida Statutes, for the adoption of and compliance with the 2019-2020 budget and for the assessment of millages and the levying of ad valorem taxes against the appropriate taxable property in the District. The members of the Board and the officers and employees of the District are hereby authorized and directed to do all acts and things required of them by the provisions of this Resolution and the Notes herein authorized for the full, punctual and complete performance of all terms, covenants, provisions and agreements contained in such Notes and this Resolution.

Section 20. Resolution to Constitute a Contract

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

Section 21. Defeasance

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

Section 22. Modification or Amendment

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

Section 23. Remedies

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

Section 24. Additional Acts

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

Section 25. Statutory References

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

Section 26. Severability

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

Section 27. Repealing Clause

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

Section 28. Open Meeting Findings

It is hereby found and determined that all official acts of the Board concerning and relating to the adoption of this Resolution and all prior resolutions affecting the District's ability to issue the Notes were taken in an open meeting of the Board and that all deliberations of the Board that resulted in such official acts were taken in meetings open to the public, in compliance with all legal requirements, including Section 286.011, Florida Statutes.

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Section 29. Effective Date

This Resolution shall take effect immediately upon its passage.

Adopted this 19th day of June 2019.

[SEAL]

/s/ Perla Tabares Hantman
Perla Tabares Hantman
Chair, The School Board of
Miami-Dade County, Florida

Attest:

/s/ Alberto M. Carvalho
Alberto M. Carvalho
Secretary, The School Board of
Miami-Dade County, Florida

Approved as to form:

/s/ Walter J. Harvey
Walter J. Harvey, Esq.
School Board Attorney

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APPENDIX D

FORM OF OPINION OF NOTE COUNSEL

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FORM OF LEGAL OPINION

On the date of issuance of the Tax Anticipation Notes, Series 2019, Greenberg Traurig, P.A., Note Counsel, proposes to issue its approving opinion in substantially the following form:

[Date of Delivery]

School District of
Miami-Dade County, Florida
School Board Administration Building
1450 N.E. Second Avenue
Miami, Florida 33132

Re: School District of Miami-Dade County, Florida
Tax Anticipation Notes, Series 2019

Ladies and Gentlemen:

We have acted as Note Counsel in connection with the issuance by the School District of Miami-Dade County, Florida (the "District") of its $______________ Tax Anticipation Notes, Series 2019 initially issued and delivered on this date (the "Notes") pursuant to the Constitution and laws of the State of Florida, particularly Section 1011.13, Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act"), and a note resolution duly adopted by The School Board of Miami-Dade County, Florida (the "Board"), a body corporate under the laws of the State of Florida and the governing body of the District, on June 19, 2019 (the "Note Resolution").

The proceeds of the Notes are to be used, together with other available funds of the District, to pay any and all lawful expenses incurred in operating the District schools for its fiscal year ending June 30, 2020, and to pay expenses incurred in issuing the Notes.

The principal of and interest on the Notes shall be payable from the District's legally available gross, real and tangible personal property ad valorem tax receipts and other legally available revenues of the District anticipated to be received during the fiscal year which commenced on July 1, 2019, and amounts on deposit in the Sinking Fund as defined in the Note Resolution (the "Pledged Revenues").

We have examined the Act, the Note Resolution and such certified copies of the proceedings of the Board and of such other documents as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the District furnished to us without undertaking to verify such representations by independent investigation.

In rendering the opinion in paragraph number 4 below, we have assumed continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended, that must be met after the issuance of the Notes so that interest on the Notes be and remain excludable from gross income for federal income tax purposes. The District's failure to meet such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. The District has covenanted in the Note Resolution to comply with such requirements.

Based on the foregoing, we are of the opinion that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Notes by the District pursuant to the Constitution and laws of the State of Florida, including particularly Section 1011.13, Florida Statutes, as amended.

2. The Note Resolution has been duly adopted by the Board, creates a valid pledge of the Pledged Revenues and constitutes a legal, valid and binding obligation of the District.

3. The issuance and sale of the Notes have been duly authorized by the Board, and the Notes constitute valid and binding limited obligations of the District, payable in accordance with and as limited by the terms of the Note Resolution.

4. Under existing statutes, regulations, rulings and court decisions, interest on the Notes is excludable from gross income for federal income tax purposes. Furthermore, interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on or disposition of the Notes.

5. The Notes and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein.

This opinion is qualified to the extent that the enforcement of the Notes and the Note Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, now or hereafter in effect, and by equitable principles which may limit the enforcement thereof.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

GREENBERG TRAURIG, P.A.

APPENDIX E

FORM OF MATERIAL EVENTS NOTICE CERTIFICATE

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MATERIAL EVENTS NOTICE CERTIFICATE

This Material Events Notice Certificate is executed and delivered by the School District of Miami-Dade County, Florida (the “District”) in connection with the issuance by the District of its $___________ Tax Anticipation Notes, Series 2019 (the “Notes”). The Notes are being issued pursuant to the Resolution adopted on June 19, 2019 (the “Note Resolution”) by The School Board of Miami-Dade County, Florida (the “Board”) acting as the governing body of the District. The District covenants and agrees as follows:

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

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

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

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

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of an obligation or instrument described in either clause (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

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

“State” shall mean the State of Florida.

SECTION 3. <u>Reporting of Significant Events.</u>

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

(1) Principal and interest payment delinquencies,

(2) Non-payment related defaults under the Note Resolution,

(3) Unscheduled draws on debt service reserves reflecting financial difficulties,

(4) Unscheduled draws on credit enhancements reflecting financial difficulties,

(5) Substitution of the credit or liquidity providers or their failure to perform,

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Notes, or other material events affecting the tax-exempt status of the Notes,

(7) Modifications to rights of Noteholders,

(8) Optional, contingent or unscheduled Note calls,

(9) Defeasances,

(10) Release, substitution or sale of property securing repayment of the Notes,

(11) Rating changes,

(12) Bankruptcy, insolvency receivership or similar event of the District or an obligated person,

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

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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material, and,

(15) Tender offers,

(16) Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material, and

(17) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event under subsections (a)(1), (3), (4), (5), (6), (9), (11), (12), (15) and (17), the District shall file a notice of such event with the MSRB at http://emma.msrb.org in a timely manner not in excess of ten business days after the occurrence of the event.

(c) If the District determines that knowledge of the occurrence of a Listed Event under subsections (a)(2), (7), (8), (10), (13), (14) and (16) would be material under applicable federal securities laws, the District shall file a notice of such event with the MSRB at http://emma.msrb.org in a timely manner not in excess of ten (10) business days after the occurrence of the event.

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

SECTION 5. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Material

Events Notice Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Material Events Notice Certificate.

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

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

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

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

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

SECTION 7. Additional Information. Nothing in this Material Events Notice Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Material Events Notice Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Material Events Notice Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Material Events Notice Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

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

District to comply with this Material Events Notice Certificate shall be an action to compel performance.

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

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Date: [Closing Date]

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

By:__________________________________
Perla Tabares Hantman, Chair

[Signature page to Material Events Notice Certificate]

SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA • TAX ANTICIPATION NOTES, SERIES 2019

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giving our students the world

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