

**NEW ISSUE
BOOK-ENTRY ONLY**

RATING: Moody's: Aa2

In the opinion of Bond Counsel, under existing law, assuming compliance with certain covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) interest on the Bonds is exempt from State of Arkansas income tax and (iii) the Bonds are exempt from property taxes in the State of Arkansas.

OFFICIAL STATEMENT

**\$126,740,000 Little Rock School District of
Pulaski County, Arkansas Refunding Bonds**

Dated: December 1, 2015

Due: February 1

The Bonds are limited, general obligations of Little Rock School District of Pulaski County, Arkansas. Interest on the Bonds is payable on February 1 and August 1, commencing February 1, 2016, and the Bonds mature (on February 1 of each year), bear interest and are priced as follows:

<u>Maturity</u>	<u>Amount</u>	<u>Rate (%)</u>	<u>Price or Yield (%)</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rate (%)</u>	<u>Price or Yield (%)</u>
2016	\$3,010,000	3.000	0.350	2025	\$7,285,000	3.000	2.740*
2017	5,385,000	3.000	0.770	2026	7,530,000	3.000	2.930*
2018	5,530,000	3.000	1.190	2027	7,775,000	3.000	3.060
2019	5,675,000	3.000	1.440	2028	7,930,000	3.000	3.190
2020	5,840,000	3.000	1.660	2029	8,190,000	3.125	3.360
2021	6,410,000	3.000	1.900	2030	8,470,000	3.250	3.460
2022	6,615,000	3.000	2.120*	2031	8,755,000	3.375	3.520
2023	6,835,000	3.000	2.350*	2032	9,060,000	3.500	3.580
2024	7,055,000	3.000	2.570*	2033	9,390,000	3.500	3.650

(Accrued interest from December 1, 2015)

The Bonds of each maturity will be initially issued as a single registered Bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The Bonds will be available for purchase in book-entry form only, in denominations of \$5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the Bonds will not receive physical delivery of Bonds. Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, Olive Branch, Mississippi, as the Trustee, directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Bonds, all as further described herein. The Bonds are subject to optional redemption on and after February 1, 2021.

ON JULY 10, 2014, THE STATE BOARD OF EDUCATION (THE "STATE BOARD") CLASSIFIED SIX (6) SCHOOLS IN THE DISTRICT AS BEING IN ACADEMIC DISTRESS. AS A RESULT, THE STATE BOARD VOTED TO REMOVE ALL CURRENT BOARD OF DIRECTORS (THE "BOARD") OF THE DISTRICT. IN THE ABSENCE OF THE BOARD, THE COMMISSIONER OF THE DEPARTMENT OF EDUCATION, MR. JOHNNY KEY, ASSUMED ALL AUTHORITY OF THE BOARD AS NECESSARY FOR THE DAY-TO-DAY GOVERNANCE OF THE DISTRICT. MR. H. BAKER KURRUS HAS BEEN APPOINTED AS SUPERINTENDENT OF SCHOOLS AND WORKS UNDER THE AUTHORITY AND SUPERVISION OF THE COMMISSIONER OF EDUCATION. SEE DESCRIPTION OF THE SCHOOL DISTRICT, ACADEMIC DISTRESS.

FOR A DISCUSSION OF CERTAIN LITIGATION INVOLVING THE DISTRICT, SEE LEGAL MATTERS, HEREIN.

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 to obtain information essential to the making of an informed decision.

The Bonds are offered, subject to prior sale, when, as and if issued and accepted by the Underwriter named below, subject to the approval of legality by Bond Counsel and certain other conditions.

WELLS FARGO BANK, NATIONAL ASSOCIATION

Official Statement dated: December 8, 2015.

*Priced to first optional call date, February 1, 2021.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than 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 a solicitation of an offer to buy nor shall there be any offer, solicitation or sale of the Bonds by or to any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that there has been no change in the matters described herein since the date hereof or that the information herein is correct as of any time subsequent to its date.

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INTRODUCTION TO THE OFFICIAL STATEMENT

This introduction to the Official Statement is only a brief description and is subject in all respects to the more complete information contained in the Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the cover page.

Purpose of Official Statement. This Official Statement is provided to furnish certain information in connection with the issuance by Little Rock School District of Pulaski County, Arkansas (the "District"), of its Refunding Bonds, dated December 1, 2015, in the aggregate principal amount of \$126,740,000 (the "Bonds").

Book-Entry Only System. The Bonds will be initially issued in book-entry form and purchasers of Bonds will not receive certificates representing their interests in the Bonds purchased. See **BONDS BEING OFFERED, Book-Entry Only System.** The Bonds will contain such other terms and provisions as described herein. See **BONDS BEING OFFERED, Generally.**

The District. The District is a school district duly established and existing under the Constitution and laws of the State of Arkansas for the purpose of providing public school education for persons residing within the geographic boundaries of the District. See **DESCRIPTION OF THE SCHOOL DISTRICT.**

Academic Distress. **On July 10, 2014, the State Board of Education (the "State Board") classified six (6) schools in the District as being in academic distress. As a result, the State Board voted to remove all current Board of Directors (the "Board") of the District. In the absence of the Board, the Commissioner of the Department of Education, Mr. Johnny Key, assumed all authority of the Board as necessary for the day-to-day governance of the District. Mr. H. Baker Kurrus has been appointed as Superintendent of Schools and works under the authority and supervision of the Commissioner of Education. See DESCRIPTION OF THE SCHOOL DISTRICT, Academic Distress.**

District Litigation. **For a discussion of certain litigation involving the District, see LEGAL MATTERS, District Litigation, herein.**

Purpose. The Bonds are being issued to refund the District's Construction Bonds, Series D, dated September 1, 2008 (the "2008 Bonds"), its Refunding Bonds, dated March 1, 2010 (the "March 2010 Bonds") and its Refunding Bonds, dated November 1, 2010 (the "November 2010 Bonds") (collectively, the "Bonds Being Refunded"). See **BONDS BEING OFFERED, Purpose.**

Security and Source of Payment. The Bonds will be limited, general obligations of the District, secured by a pledge of the proceeds of a continuing debt service tax voted at the 2000 school election specifically for the payment of a total proposed issue in the aggregate principal amount of \$190,000,000 (the "2000 Election Bonds"). The District's Construction Bonds, Series A, dated September 1, 2000, issued in the principal amount of \$46,378,560, were the first part of the 2000 Election Bonds (the "Series A Bonds"). The District's Construction Bonds, Series B, dated October 15, 2000, issued in the principal amount of \$44,975,874, were the second part of the 2000 Election Bonds (the "Series B Bonds"). The District's Construction Bonds, Series C, dated June 1, 2001, issued in the principal amount of \$89,890,000, were the third part of the 2000 Election Bonds (the "Series C Bonds"). The 2008 Bonds issued in the principal amount of \$13,195,000, were the fourth and final part of the 2000 Election Bonds. The Series A Bonds were refunded by the District's Refunding Bonds, dated December 1, 2006 (the "2006 Bonds"). The Series B Bonds were refunded by the March 2010 Bonds. The Series C Bonds were refunded by the November 2010 Bonds. The 2006 Bonds were refunded by the District's Refunding Bonds, dated January 15, 2012 (the "2012 Bonds"). These Bonds, which will refund the Bonds Being Refunded, and the 2012 Bonds will rank on a parity of security. See **BONDS BEING OFFERED, Security and Source of Payment.**

Litigation Over State Funding for Schools. In an Order issued November 9, 1994, the Honorable Annabelle C. Imber held that the existing state funding system for public education violated the equal protection provision of the Arkansas Constitution and violated Article 14, § 1 of the Arkansas Constitution by "failing to provide a general, suitable and efficient system of free public education."

Lake View School Dist. No. 25 of Phillips County, Arkansas v. Jim Guy Tucker, Case No. 92-5318 (1994). Judge Imber stayed the effect of her judgment for two years to allow the General Assembly to adopt and implement legislation consistent with her Order. The case was appealed to the Arkansas Supreme Court. The Supreme Court remanded the case back to the Chancery Court to determine whether the system of public school finance was in compliance with Judge Imber's original Order and whether the amount of funding was sufficient to provide all Arkansas students with an adequate education. On May 25, 2001, the Chancery Court ruled that the present system of school funding was inequitable and inadequate under the Arkansas Constitution. On November 21, 2002, the Arkansas Supreme Court affirmed the Chancery Court and held the current school funding system unconstitutional. In order to allow the General Assembly and the Department of Education time to correct the constitutional disability, the Court stayed the issuance of its mandate until January 1, 2004. On January 2, 2004, the Lake View School District, the Class Member, filed a Motion for Writ of Prohibition, requesting that the Supreme Court prohibit the State from spending money until the State corrected the unconstitutional school system. The Class Member also requested that all funds appropriated by the State for the purpose of supporting the school system be held in escrow until the unconstitutional system was corrected. On January 22, 2004, the Supreme Court issued an opinion recalling its mandate and ruling that there had been noncompliance with its November 21, 2002 opinion. As a result, the Court appointed two special masters, charged with the responsibility of overseeing legislative actions regarding school finance. The masters issued their report on April 2, 2004. The Court, on June 18, 2004, released jurisdiction of the case. On April 14, 2005, the Rogers School District of Benton County, Arkansas, asked the Court to reopen the Lake View case, arguing that lawmakers "reverted back to their old ways" and had failed to follow the Court's mandate to fund public education adequately. The Rogers School District maintained that the Arkansas General Assembly had not increased foundation funding as they had promised in the extraordinary session of 2004. On April 25, 2005, four additional petitions were filed with the Court by a combined 46 districts asking the Court to reopen the Lake View case. On June 9, 2005, the Court once again reopened the case and reappointed the two special masters to assess whether the Governor and the General Assembly had complied with the Lake View ruling. On October 3, 2005, the masters issued their findings and concluded that the General Assembly had not complied with the Lake View ruling and had not made education the State's first priority. The Supreme Court agreed with the masters and held that the General Assembly had retreated from its prior actions to comply with the Court's directives in Lake View and that the public school funding system continued to be inadequate. The Supreme Court further held that the public schools were operating under a constitutional infirmity which must be corrected immediately. The Court stayed the issuance of its mandate until December 1, 2006 to allow the necessary time to correct the constitutional deficiencies. In April, 2006, the General Assembly met in special session to address some of the Court's concerns. The General Assembly appropriated more money to the State Department of Education for public school operation and school buildings. The General Assembly, among other things, also increased per-student funding and the minimum teacher salary schedule. On December 1, 2006, the Supreme Court ruled that it would keep jurisdiction over the case and reappointed the two special masters to evaluate whether the State met the constitutional requirements of an adequate and equitable education system. The Court delayed the case deadline for 180 days, to give the State time to provide documents, the masters time to evaluate the State's actions and the Court time to rule. **On May 31, 2007, the Court concluded that the system of public school financing is now in constitutional compliance.**

At the 1996 general election, a Constitutional Amendment was passed ("Amendment No. 74") which establishes a statewide 25-mill property tax minimum for maintenance and operation of the public schools (the "Uniform Rate of Tax"). The Uniform Rate of Tax replaces that portion of local school district ad valorem taxes available for maintenance and operation. The Uniform Rate of Tax is to be collected in the same manner as other school property taxes, but the revenues generated from the Uniform Rate of Tax are remitted to the State Treasurer for distribution to the school districts. The method for distributing the state aid back to the individual school districts, and the authorized uses of the state aid once received by the school districts are set forth in Act 1300 of 1997.

Redemption. The Bonds are subject to optional redemption on and after February 1, 2021. The Trustee shall give at least thirty (30) days' notice of redemption. If fewer than all of the Bonds are called for redemption, the particular maturities to be redeemed shall be selected by the District in its discretion. If fewer than all of the Bonds of any maturity shall be called for redemption, the particular Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee. See **BONDS BEING OFFERED, Redemption.**

Denominations and Registration. The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or an integral multiple thereof. Interest is payable February 1, 2016, and semiannually thereafter on each August 1 and February 1. Unless the Bonds are in book-entry form, payment of principal of the Bonds will be made to the owners of the Bonds at the principal office of U.S. Bank National Association, Olive Branch, Mississippi (the “Trustee”). Interest is payable by check mailed by the Trustee to the registered owners as of the Record Date (herein defined) for each interest payment date. A bond may be transferred, in whole or in part (in integral multiples of \$5,000), but only upon delivery of the bond, together with a written instrument of transfer, to the Trustee. See **BONDS BEING OFFERED**, Generally and Book-Entry Only System.

Tax Exemption. In the opinion of Bond Counsel, Friday, Eldredge & Clark, LLP, under existing law, assuming compliance with certain covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (iii) with respect to corporations, interest on the Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax, (iv) interest on the Bonds is exempt from State of Arkansas income tax, and (v) the Bonds are exempt from property taxes in the State of Arkansas (see **LEGAL MATTERS**, Tax Exemption).

Fiscal Agent. The District has employed Stephens Inc. as fiscal agent to assist the District in the sale and issuance of the Bonds (the “Fiscal Agent”). See **MISCELLANEOUS**, Interest of Certain Persons.

Authority. The Bonds are being issued under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendment No. 40 and Amendment No. 74 to the Arkansas Constitution and A.C.A. §§ 6-20-1201 et. seq., and a resolution (the “Resolution”) and approval by the Commissioner of the Department of Education. See **BONDS BEING OFFERED**, Authority, and **THE RESOLUTION**.

Delivery of Bonds. It is expected that the Bonds will be available for delivery on or about December 29, 2015.

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

BONDS BEING OFFERED

Book-Entry Only System. DTC, or its successor, will act as securities depository for the Bonds. The Bonds will each 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 Bond certificate for each maturity will be issued in the principal amount of the maturity and will be deposited with DTC.

DTC 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 securities that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear

through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). 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 and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (referred to herein as “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 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Redemption notices will be sent only to Cede & Co. If fewer than all of the Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

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

Principal, interest and premium, if any, payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the District or Trustee, 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, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry

transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither the Underwriter nor the District make any representation or warranty regarding the accuracy or completeness thereof.

So long as the Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Bonds for all purposes under the Resolution including receipt of all principal of and interest on the Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Resolution. The District and the Trustee have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolution to be given to owners of Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Bonds.

Generally. The Bonds are issuable in the form and denominations and are in the total principal amount shown on the cover page, and will be dated, mature and bear interest as set out on the cover page. The Trustee will maintain books for the registration and transfer of ownership of the Bonds. Interest due on a bond on each interest payment date will be paid to the person in whose name the bond was registered at the close of business on the fifteenth day of the month (whether or not a business day) next preceding the interest payment date (the "Record Date"), irrespective of any transfer of the bond subsequent to the Record Date and prior to the interest payment date. Payment of interest shall be made by check mailed to such registered owner.

A bond may be transferred, in whole or in part (in integral multiples of \$5,000), but only upon delivery of the bond, together with a written instrument of transfer, to the Trustee. The transfer instrument must be signed by the registered owner or his attorney-in-fact or legal representative and the signature must be guaranteed by a guarantor acceptable to the Trustee. The transfer instrument shall state the name, mailing address and social security number or federal employer identification number of the transferee. Upon such transfer, the Trustee shall enter the transfer of ownership in the registration books and authenticate and deliver in the name or names of the new registered owner or owners a new fully registered bond or bonds of authorized denomination of the same maturity and interest rate for the aggregate principal amount of the bond transferred.

Authority. The Bonds are being issued under the authority of the Constitution and laws of the State of Arkansas, including particularly Amendments No. 40 and No. 74 to the Arkansas Constitution and Ark. Code Ann. §§ 6-20-1201 et. seq., a resolution (the "Resolution") and approval by the Commissioner of the Department of Education. For a summary, see **THE RESOLUTION**.

Amendments No. 40 and No. 74 to the Arkansas Constitution requires the Board of Directors of each school district to prepare and make public not less than sixty days in advance of the annual school election a proposed budget of expenditures for the support of the public schools in the District, together with a rate of tax levy sufficient to provide the funds therefor. The tax rate is divided into (1) maintenance and operation millage, (2) continuing debt service millage previously voted for the retirement of existing indebtedness and (3) any additional debt service millage for proposed new bonded indebtedness. If the proposed rate of tax levy is approved at the school election it becomes the rate of tax levy to be collected for the District in the next ensuing calendar year for use in the school fiscal year commencing July 1 of the calendar year in which collected. Debt service millage, once approved, is a continuing levy until retirement of the indebtedness for which voted. Maintenance and operation millage is voted for one year only, except that if the overall rate of tax levy is disapproved in the school election the millage rate for maintenance and operation remains at the rate last approved.

The issuance of refunding bonds by a school district is subject to the approval of the Commissioner of the Department of Education. The bonds must be offered for public sale, and the offering is subject to the approval of the Commissioner of the Department of Education. The Commissioner has approved the issuance of these Bonds and has approved the offering of the Bonds

for sale. The sale and issuance of the Bonds have been, or will be, authorized by Resolution and approval by the Commissioner of the Department of Education.

School district bonds may be issued for the purposes of acquiring sites for, building and equipping new school buildings, making additions and repairs to and equipping existing school buildings, purchasing and refurbishing school buses and for the purpose of refunding outstanding indebtedness.

Arkansas law authorizes the State Board of Education to set a maximum rate of interest for school bonds (the "Maximum Lawful Rate"). Bonds may be sold at a discount, but in no event shall the District be required to pay more than the Maximum Lawful Rate of interest on the amount received.

Purpose. The Bonds are being issued for the purpose of refunding the Bonds Being Refunded. The Bonds Being Refunded are dated, are in the outstanding principal amount, and are to be called for redemption on the redemption date set out below:

<u>Date of Issue</u>	<u>Principal Outstanding</u>	<u>Redemption Date</u>
09/01/08 ("2008 Bonds")	\$11,035,000	02/01/16
03/01/10 ("March 2010 Bonds")	34,940,000	02/01/16
11/01/10 ("November 2010 Bonds")	76,775,000	02/01/16

Sources and Uses of Funds. This issue of Bonds has been sized so as to provide funds only to accomplish the refunding of the Bonds Being Refunded and to pay the costs of issuance of the Bonds.

Security and Source of Payment. Pursuant to Ark. Code Ann. § 6-20-1223, the Bonds will enjoy the same security for their payment as was enjoyed by the Bonds Being Refunded prior to the defeasance. Thus, the Bonds will be limited, general obligations of the District, secured by a pledge of (1) the proceeds of a continuing debt service tax voted at the 2000 school election specifically for the payment of a total proposed issue in the aggregate unconverted principal amount of \$190,000,000 (the "2000 Election Bonds"), and (2) surplus revenues (being revenues in excess of the amounts necessary to insure the payment when due of principal of, interest on and trustee's and paying agent's fees in connection with the bonds for which voted) derived from debt service taxes heretofore or hereafter voted for payment of other bond issues of the District (subject to prior pledges of such surplus revenues) that may legally be used for the purpose of paying the principal of and interest on the 2000 Election Bonds. The Series A Bonds were the first part of the 2000 Election Bonds. The Series B Bonds were the second part of the 2000 Election Bonds. The Series C Bonds were the third part of the 2000 Election Bonds. The Series D Bonds were the fourth and final part of the 2000 Election Bonds. The Series A Bonds were advance refunded by the 2006 Bonds. The Series B Bonds were refunded by the March 2010 Bonds. The Series C Bonds were refunded by the November 2010 Bonds. The 2006 Bonds were refunded by the 2012 Bonds. These Bonds and the 2012 Bonds will rank on a parity of security.

The tax specifically pledged for payment of the 2000 Election Bonds, and thus pledged to these Bonds and the 2012 Bonds is a tax of 12.4 mills on the dollar of the assessed valuation of taxable property in the District. See **DEBT STRUCTURE**, Computation of Dollar Amount of Debt Service Tax Levied.

See **DEBT STRUCTURE**, Outstanding Indebtedness, for a description of other debt and debt service taxes pledged.

In addition to the pledged revenues, the District will also covenant to use for payment of principal of and interest on the Bonds, as and to the extent necessary, all other revenues of the District that may legally be used for the purpose. The District may not legally pay debt service from revenues derived from the tax voted for maintenance and operation of schools.

Any surplus of the pledged revenues over and above the amount necessary to insure the payment as due of principal of, interest on and trustee fees in connection with the Bonds of this issue will be released from the pledge in favor of the Bonds and may be used for other school purposes.

The Bonds are not secured by any lien on or security interest in any physical properties of the District.

Developments. Various elected officials, public interest groups and individuals have indicated publicly that they consider ad valorem property taxation reform to be of significant public interest. At the 2000 general election, the electors of the State voted in favor of a new constitutional amendment (“Amendment No. 79”) which does the following:

1. Limits the amount of assessment increases following reappraisal;
2. Limits assessment increases for people who are disabled or who are 65 years of age;
3. Provides for an annual state credit against ad valorem property tax on a homestead;
4. Equalizes real and personal millage rates;
5. Provides that reassessment must occur at least once every five years; and
6. Provides that rollback adjustments under Amendment No. 59 shall be determined after the adjustments are made to assessed value under Amendment No. 79.

The annual state credit began for taxes due in calendar year 2001. The tax reduction is reflected on the tax bill sent to the property owner by the county collector. The taxing units within the county are entitled to reimbursement of the reduction. See **DEBT STRUCTURE**, Computation of Dollar Amount of Debt Service Tax Levied.

Redemption. The Bonds are subject to optional redemption prior to maturity, at the option of the District, in whole, or in part, at any time on or after February 1, 2021, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date. If fewer than all of the Bonds are called for redemption, the particular maturities to be redeemed shall be selected by the District in its discretion. If fewer than all of the Bonds of any maturity shall be called for redemption, the particular Bonds or portion thereof to be redeemed from such maturity shall be selected by lot by the Trustee.

Notice of early redemption identifying the bonds or portions thereof (which must be \$5,000 or an integral multiple thereof) to be redeemed and the date fixed for redemption shall be mailed by the Trustee, not less than 30 nor more than 60 days prior to the redemption date, by first-class mail, postage prepaid, to all registered owners of bonds to be redeemed. Failure to mail an appropriate notice or any such notice to one or more registered owners of bonds to be redeemed shall not affect the validity of the proceedings for redemption of other bonds as to which notice of redemption is duly given and in proper and timely fashion. All such bonds or portions thereof thus called for redemption shall cease to bear interest on and after the date fixed for redemption, provided funds for redemption are on deposit with the Trustee at that time.

Notwithstanding the above, so long as the Bonds are issued in book-entry only form, if fewer than all the Bonds of an issue are called for redemption, the particular Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the Bonds are issued in book-entry only form, notice of redemption will be given only to Cede & Co., as nominee for DTC. The Trustee will not give any notice of redemption to the Beneficial Owners of the Bonds.

Redemption of Prior Tax Bonds. The District will covenant that it will not, so long as any of these Bonds remain outstanding, redeem, prior to their maturity, any bonds of another issue for the payment of which a specific debt service tax was voted prior to issuance of these Bonds unless, after such redemption, a continuing annual tax of not less than the same number of mills and of not less than the same duration as was pledged to the redeemed bonds remains pledged to these Bonds or other bonds of the District.

Additional Parity Bonds. No additional bonds may be issued on a parity of security with these Bonds and the 2012 Bonds.

Priority Among Successive Bond Issues. Other additional bonds may be issued by the District from time to time in accordance with law for the purpose of financing additional capital improvements. If the District, prior to issuance of these Bonds, has reserved the right to issue additional bonds on a parity of security with previously issued bonds, such additional bonds will have a prior claim and pledge over these Bonds as to all revenues pledged to such additional bonds. See **DEBT STRUCTURE**, Parity Debt, for a description of any authorized and unissued parity debt. Otherwise, any additional bonds shall be subordinate to these Bonds and the pledge of revenues to these Bonds.

DESCRIPTION OF THE SCHOOL DISTRICT

Academic Distress. On May 1, 2014, the Arkansas Department of Education notified the District that the following schools within the District met the criteria for being classified in academic distress:

Baseline Elementary
Cloverdale Middle School
Henderson Middle School

Hall High School
J.A. Fair High School
McClellan High School

The District did not appeal the notification. On July 10, 2014, the State Board classified the above-listed schools as being in academic distress. Ark. Code Ann. § 6-15-430 allows the State Board to take several actions with regard to schools or school districts in academic distress. On January 28, 2015, the State Board held a special meeting to discuss whether to invoke any of the actions listed in Ark. Code Ann. § 6-15-430. At the conclusion of the meeting, a majority of the State Board voted to remove all of the current Board of Directors of the District. In the absence of the Board of Directors, the Commissioner of Education assumed all authority of the Board of Directors as necessary for the day-to-day governance of the District. H. Baker Kurrus has been appointed as Superintendent of Schools.

Area. The area of the District is approximately 97.35 square miles, all located in Pulaski County. The incorporated municipalities located, in whole or in part, within the boundaries of the District are Little Rock and Cammack Village.

Redevelopment District. Pursuant to Amendment No. 78 to the Arkansas Constitution, two redevelopment districts (Redevelopment District No. 1 of the City of Little Rock, Arkansas and Port of Little Rock Redevelopment District No. 2 of the City of Little Rock, Arkansas) have been formed (collectively, the "Redevelopment Districts") for the purpose of financing redevelopment projects. The Redevelopment Districts are located within the boundaries of the District. In April 2014, Redevelopment District No. 1 issued bonds (principal outstanding of \$2,615,000) for the purpose of financing capital improvements for redevelopment projects. The bonds are secured by and payable from ad valorem taxes in the Redevelopment District. Part of the ad valorem taxes levied against any increase in the assessed value of property in the area obtained after the effective date of the ordinance approving the redevelopment plan will go to the Redevelopment Districts and be used to pay any indebtedness incurred for the redevelopment projects. The remaining ad valorem taxes will go to the District.

Governmental Organization and Executive Officials. Prior to January 28, 2015, the governing body of the District was a Board of Directors elected for staggered terms at the annual school election. On January 28, 2015, the State Board voted to remove all of the current Board of Directors of the District. Arkansas Commissioner of Education, Johnny Key, by statute, functions as the District's Board. H. Baker Kurrus has been appointed as Superintendent of Schools. His contract ends June 30, 2016.

Services Provided. The District operates a public school system, consisting of kindergarten and grades 1 through 12, for the purpose of educating the children residing within the District. The principal funding sources for the District are: (1) funds received from the State of Arkansas, (2) ad valorem taxes on the real and tangible personal property located within the boundaries of the District

(see **BONDS BEING OFFERED**, Developments), and (3) funds received from the United States of America.

School Buildings. The school buildings presently operated by the District are as follows:

<u>Name of School</u>	<u>Grades Housed</u>	<u>Year in Which Construction Or Most Recent Renovation Completed</u>	<u>Present Condition (Good, Fair or Poor)</u>
Bale Elementary School	PK-5	2003	Good
Baseline Elementary School*	PK-5	2004	Good
Booker Arts Magnet School	K-5	2007	Poor
Brady Elementary School	PK-5	2004	Fair
Carver Magnet School	PK-5	2005	Fair
Central High School	9-12	2007	Good
Chicot Elementary School	PK-2	2008	Good
Cloverdale Middle School*	6-8	2003	Fair
Dodd Elementary School	PK-5	2007	Poor
Don R. Roberts Elementary School	K-5	2010	Good
Dunbar Middle School	6-8	2005	Fair
Fair High School*	9-12	2004	Good
Fair Park Early Childhood Center	PK	2006	Good
Forest Heights STEM	K-8	2014	Good
Forest Park Elementary School	PK-5	2005	Good
Franklin Elementary School	PK-5	2005	Fair
Fulbright Elementary School	PK-5	2007	Good
Geyer Springs Elementary School	PK-5	2007	Good
Gibbs Magnet School	K-5	2005	Fair
Hall High School*	9-12	2005	Fair
Hamilton Learning Academy	6-12	2006	Fair
Henderson Middle School*	6-8	2007	Fair
Jefferson Elementary School	PK-5	2003	Good
King Elementary School	PK-5	1993	Good
Mabelvale Elementary School	PK-5	2002	Good
Mabelvale Middle School	6-8	2006	Good
Mann Magnet School	6-8	2003	Good
McClellan High School*	9-12	2004	Poor
McDermott Elementary School	PK-5	2007	Fair
Meadowcliff Elementary School	PK-5	2005	Fair
Metropolitan Vo-Tech Center	9-12	2005	Good
Otter Creek Elementary School	PK-5	2003	Good
Parkview Magnet School	9-12	2005	Good
Pulaski Heights Middle School	6-8	2005	Fair
Pulaski Heights Elementary School	PK-5	2005	Fair
Rockefeller Elementary School	PK-5	2002	Good
Romine Elementary School	PK-5	2003	Good
Stephens Elementary School	PK-5	2000	Good
Terry Elementary School	PK-5	2003	Good
Wakefield Elementary School	PK-5	2008	Good
Washington Elementary School	PK-5	2003	Good
Watson Elementary School	3-5	2002	Good
Western Hills Elementary School	PK-5	2005	Good
Williams Magnet School	K-5	2004	Good
Wilson Elementary School	PK-5	2003	Fair
Woodruff Elementary School	PK-5	2004	Fair

*Classified as academic distress schools.

School Enrollment and Population. The average daily membership (enrollment) of the District and estimated population of the District for each of the last five years is as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Average Daily</u> <u>Membership</u>	<u>Estimated</u> <u>Population</u>
2011	22,674.51	90,698.04
2012	22,582.99	90,331.96
2013	22,186.99	88,747.96
2014	22,338.62	89,354.48
2015	22,374.66	89,498.64

Accreditation. In accordance with the requirements of The Quality Education Act of 2003 (Subchapter 2 of Chapter 15, Title 6, Ark. Code Ann.), the State Board of Education adopted new, more stringent educational standards that all public elementary and secondary schools in the State must meet to be accredited. The Act provides that any school not meeting these standards will be eliminated, and that any school district operating one or more of such schools is to be dissolved and its territory annexed to another district or districts which operate all schools therein in compliance with the minimum standards. The Arkansas Department of Education (the "ADE") reviews annual reports to determine whether the school district is in compliance with the standards and conducts an in-depth review every five years.

Under the ADE regulations and guidelines, schools may be classified as accredited, accredited-cited or probationary. Schools which meet all policies and standards promulgated by the ADE are classified as accredited. For those schools classified as accredited-cited or accredited-probationary, the ADE has promulgated maximum times allowable for correction of particular violations of standards. A school that has been classified as accredited-cited and does not correct the violation in the allowable time will be placed on probation. If a school in probationary status fails to comply within the allotted time frame, the school will be recommended to the State Board of Education for loss of accreditation status. For a district that falls into probationary status, the State Board of Education may take any number of actions listed in ADE's Rules Governing Standards For Accreditation of Arkansas Public Schools and School Districts, including dissolution and annexation.

The District is presently classified as accredited-cited. Six schools in the District have been classified as being in academic distress. See **DESCRIPTION OF THE SCHOOL DISTRICT, Academic Distress.**

Schools that meet the standards of the AdvancEd ("AE") may, upon request, be admitted to AE membership. Eligible schools in Arkansas and other states hold membership in the AE. All Schools of this District are members of the AE.

Assessed Valuation. Taxable property is valued for tax purposes as of January 1 of each year. However, the assessment process is not completed until November of the year of assessment. See **FINANCIAL INFORMATION, Assessment of Property and Collection of Property Taxes.** The assessed valuation of taxable property located within the boundaries of the District (as of January 1) has been as follows:

<u>Year</u>	<u>Real</u> <u>Estate</u>	<u>Personal</u> <u>Property</u>	<u>Utilities and</u> <u>Regulated Carriers</u>	<u>Total</u> <u>Assessed Value</u>
2010	\$2,287,647,335	\$645,823,315	\$242,745,860	\$3,176,216,510
2011	2,369,527,883	671,701,000	243,839,760	3,285,068,643
2012	2,337,270,292	685,150,855	229,401,295	3,251,822,442
2013	2,402,445,332	707,924,245	238,696,325	3,349,065,902
2014	2,466,064,746	732,354,150	255,219,445	3,453,638,341

Financial Institution Deposits. The total deposits of banks with principal offices within the boundaries of the District as of the end of each year have been as follows:

<u>Year</u>	<u>Bank Deposits</u>
2011	\$4,376,734,000
2012	4,572,153,000
2013	4,922,531,000
2014	4,943,977,000
2015	9,133,429,000

Major Employers. The principal industries, commercial and governmental entities, and other major employers within the boundaries of the District are as follows:

<u>Company</u>	<u>Business or Product</u>	<u>Number of Employees</u>
Windsor Doors	Overhead garage doors	150
Leisure Arts	Needlecraft arts	175
Highland Dairy Inc.	Milk, dairy products	175
Vestcom Retail Solutions Group, Inc.	Pressure sensitive labels, microfilm, microfiche	200
Fiber Glass System L.P. (previously Smith Fiberglass)	Fiberglass reinforced plastic pipe	200
Vratsinas Construction	Construction contractor	300
Heifer International	Non-profit organization	300
Coca-Cola Bottling Co.	Bottled soft drinks	315
AFCO Steel Inc.	Structural steel & metal	320
Simmons First National Bank	Bank	320
SYSCO Food Service of Arkansas	Food & food products	330
Cameron Valves & Measurement (previously Orbit Valve)	Steel valves	330
Odom's Tennessee Pride Sausage Inc.	Pork, pork products	350
Arvest Bank	Bank	350
Regions Bank	Bank	360
J.A. Riggs Tractor Co.	Construction equipment	380
Performance Food Group (previously Quality Foods)	Food products	400
Little Rock Marriott	Hotel	418
Nabholz Construction	Contractor	449
Bank of America	Bank	450
Kroger Company	Retail grocer	495
Walmart	Retail	730
Arkansas Democrat-Gazette	Daily & Sunday newspaper	750
Nuvell	Financial services	800
Stephens Inc.	Investment banking	825
Windstream Communications	Utility (telephone)	840
Arkansas Heart Hospital	Hospital	890
Fidelity National Information	Data processing	1,170
University of Arkansas at Little Rock	Education	1,384
Centerpoint Energy	Utility	1,600
Dassault Falcon Jet Corp.	Falcon aircraft models	1,725
AT&T	Utility (telephone)	2,420
Verizon Wireless	Telephone communication	2,500
Entergy Arkansas	Utility (electric)	2,515
Arkansas Blue Cross Blue Shield	Insurance	2,557
St. Vincent Health System	Medical services	2,600
Dillard's Inc.	Department store headquarters	2,700
Central Arkansas Veterans Health-Care System	Medical services	3,500
Little Rock School District	Education	3,959
Arkansas Children's Hospital	Medical services	4,379
Acxiom	Data processing	4,388
Baptist Health	Medical services	7,723
Federal Government	Government	9,200
University of Arkansas for Medical Sciences	Medical services	11,000
Local Government	Government	28,800
State Government	Government	30,493

There have been no significant recent additions to or losses of employment within the District.

The District has no knowledge of any presently proposed significant additions to or losses of employment within the District.

Employees. The number of persons presently employed by the District are as follows:

	<u>Number</u>
Superintendent and Central District Staff	63
Principals	109
Classroom Teachers	1,995
Other Non-Teaching Personnel	<u>1,792</u>
TOTAL	3,959

DEBT STRUCTURE

Outstanding Indebtedness. The principal categories of indebtedness which the District is authorized to incur are commercial bonds (offered at public sale on competitive bids), revolving loan bonds and certificates of indebtedness (representing loans from the State Department of Education), installment contracts (payable in subsequent fiscal years) and postdated warrants (warrants drawn in one fiscal year for payment in a subsequent fiscal year). In addition, the District is authorized to lease property from the owner under lease agreements giving the District the option to purchase the property leased. Commercial bonds and revolving loan indebtedness are payable from debt service tax revenues. Installment contracts, postdated warrants and lease-purchase obligations are payable from maintenance and operation tax revenues.

The present outstanding debt of the District is as follows:

<u>Date of Obligations</u>	<u>Amount Outstanding Immediately After Issuance of These Bonds</u>	<u>Final Maturity</u>	<u>Tax Rate (in mills per dollar) Voted for Payment as Rolled Back After Reassessment (applicable to real estate)</u>
COMMERCIAL BONDS			
07/28/05	\$ 2,212,252	07/28/21	None
12/15/11	2,440,000	02/01/20	None
01/15/12 (“2012 Bonds”)	41,050,000	02/01/33	Same as the Bonds
12/01/15 (the “Bonds”)	126,740,000	02/01/33	12.4
12/15/15	17,995,000	02/01/33	None

REVOLVING LOAN BONDS AND/OR CERTIFICATES OF INDEBTEDNESS

None

POST-DATED WARRANTS

None

INSTALLMENT CONTRACTS

None

LEASE-PURCHASE OBLIGATIONS

<u>Date of Agreement</u>	<u>Type of Property</u>	<u>Term</u>	<u>Annual Rent</u>	<u>Principal Amount Outstanding</u>	<u>Purchase Price (End of Term)</u>
01/30/09	Buses	7 yrs.	\$ 94,445.39	\$ 91,602.78	0
01/08/10	Buses	6 yrs.	112,362.72	107,663.45	0
07/19/13	Buses	6 yrs.	88,517.58	338,199.14	0

Parity Debt. The District has not reserved the right to issue additional bonds on a parity with the outstanding debt listed above.

Debt Ratio. The ratio of outstanding debt after issuance of these Bonds (\$190,974,717.37) to current assessed valuation (\$3,453,638,341) will be 5.53%.

Computation of Dollar Amount of Debt Service Tax Levied. The most recent county-wide reassessment of taxable property was completed in Pulaski County in 2012. **The next county-wide reassessment is scheduled to be completed in 2017.** For purposes of Amendment 59, the year in which the reassessment is completed is known as the “Base Year.” For a general discussion of the reassessment requirement and its effect on assessed value and tax rate, see **FINANCIAL INFORMATION, Constitutional Amendment No. 59 and 79, infra.**

Constitutional Amendment No. 79 provides for an annual state credit against ad valorem property tax on a homestead in an amount not less than \$300. Effective with the assessment year 2007, the amount of the credit was increased to \$350. The tax reduction is reflected on the tax bill sent to the property owner by the county collector. Amendment No. 79 provides that the credit shall be applied in a manner that would not impair a bondholder’s interest in ad valorem debt service revenue. In addition, Amendment No. 79 provides that the “General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebted purposes, to assure that the tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.”

Pursuant to Act 1492 of 1999, the taxing units within the county are entitled to reimbursement of the reduction from the annual state credit. However, questions were raised concerning the constitutionality of Act 1492. On December 14, 2000, the Governor of the State called a special legislative session to head off potential lawsuits challenging Act 1492. As a result, House Bill 1002 was passed by both the House and Senate and signed by the Governor.

Under Act 1492 and House Bill 1002, the state sales tax increased from 4.625% to 5.125%. The purpose of the legislation is to raise revenues that the State sends back to school districts to replace the money lost as a result of the state credit. Therefore, for purposes of calculating projected revenues available for debt service discussed below, the District has assumed that it will receive debt service revenues equal to the debt service revenues it would have received prior to the adoption of Amendment No. 79.

The debt service tax levied for collection in 2015 for use in the 2015-2016 school year and thereafter has been computed by multiplying the 2014 assessment (\$3,453,638,341) by the total number of debt service mills (12.4 mills).

For purposes of calculating revenues available for debt service, it has also been assumed that the assessed value of all property in the District will remain the same, without increase or decrease. On this basis, the total debt service tax levied in each year will be as shown under Debt Service Schedule and Coverage, below.

Debt Service Schedule and Coverage. For purposes of the following table, it is assumed that the assumptions made in Computation of Dollar Amount of Debt Service Tax Levied are accurate and that the annual rate of tax collections in each year will be 100% (see **FINANCIAL INFORMATION, Collection of Taxes**, for the actual historical rate of collection). On this basis, the

annual debt service requirements for previously issued bonds and these Bonds, the revenues available for debt service and coverage are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total Principal & Interest of Previously Issued Bonds</u>	<u>Total Principal & Interest of These Bonds</u>	<u>Revenues From Debt Service Mills</u>	<u>Coverage</u>
2016	\$6,161,145.57	\$3,669,782.29	\$42,825,115	4.36
2017	4,252,077.37	9,253,393.76	42,825,115	3.17
2018	5,001,881.81	9,236,843.76	42,825,115	3.01
2019	5,014,891.81	9,215,943.76	42,825,115	3.01
2020	5,019,991.81	9,210,693.76	42,825,115	3.01
2021	4,527,691.81	9,605,493.76	42,825,115	3.03
2022	4,533,516.81	9,618,193.76	42,825,115	3.03
2023	4,435,281.26	9,639,743.76	42,825,115	3.04
2024	4,446,056.26	9,654,693.76	42,825,115	3.04
2025	4,457,593.76	9,673,043.76	42,825,115	3.03
2026	4,478,643.76	9,699,493.76	42,825,115	3.02
2027	4,495,893.76	9,718,593.76	42,825,115	3.01
2028	4,513,518.76	9,640,343.76	42,825,115	3.03
2029	4,533,893.76	9,662,443.76	42,825,115	3.02
2030	4,551,418.76	9,686,506.26	42,825,115	3.01
2031	4,574,068.76	9,696,231.26	42,825,115	3.00
2032	4,604,737.50	9,705,750.00	42,825,115	2.99
2033	4,625,537.50	9,718,650.00	42,825,115	2.99

Pledge of State Aid. A.C.A. §6-20-1204 provides that if the Trustee does not receive the bond payment from the District at least five (5) calendar days before the principal or interest is due under the Resolution, the Department of Education immediately shall cure any deficiency in payment by making payment in the full amount of the deficiency to the Trustee. If the department makes the bond payment, and the District fails to remit the full amount to the department, the department will withhold from the District the next distribution of state funding.

Uniform Rate of Tax. Amendment No. 74 establishes a statewide 25-mill property tax minimum for maintenance and operation of the public schools (the "Uniform Rate of Tax"). The Uniform Rate of Tax replaces that portion of local school district ad valorem taxes available for maintenance and operation of schools.

Defaults. No debt obligations of the District have been in default as to principal or interest payments or in any other material respect at any time in the last 25 years.

REDEVELOPMENT DISTRICT

Redevelopment District. Pursuant to Amendment No. 78 to the Arkansas Constitution, two redevelopment districts (Redevelopment District No. 1 of the City of Little Rock, Arkansas and Port of Little Rock Redevelopment District No. 2 of the City of Little Rock, Arkansas) have been formed (collectively, the "Redevelopment Districts") for the purpose of financing redevelopment projects. The Redevelopment Districts are located within the boundaries of the District. In April 2014, Redevelopment District No. 1 issued bonds (principal outstanding of \$2,615,000) for the purpose of financing capital improvements for redevelopment projects. The bonds are secured by and payable from ad valorem taxes in the Redevelopment District. Part of the ad valorem taxes levied against any increase in the assessed value of property in the area obtained after the effective date of the ordinance approving the redevelopment plan will go to the Redevelopment Districts and be used to pay any indebtedness incurred for the redevelopment projects. The remaining ad valorem taxes will go to the District.

THE RESOLUTION

Set forth below is a summary of certain provisions of the Resolution. This summary does not purport to be comprehensive and reference is made to the full text of the Resolution for a complete description of its provisions.

Bond Fund. The pledged revenues will be deposited into a Bond Fund which will be held by, or under the direction of, the District. Moneys in the Bond Fund will be used solely for the payment of principal of, interest on and Trustee's fees in connection with the Bonds, except as otherwise specifically provided in the Resolution. Any surplus of the pledged revenues over and above the amount necessary to insure the payment as due of principal of, interest on and Trustee's fees in connection with the Bonds will be released from the pledge and may be withdrawn from the Bond Fund and used for other school purposes. The Treasurer of the District will withdraw from the Bond Fund and deposit with the Trustee, on or before fifteen (15) calendar days prior to each interest payment date and on or before fifteen (15) calendar days prior to the due date of any Trustee fees, moneys in an amount equal to the amount of such Bonds or interest, or Trustee's fees, for the sole purpose of paying the same, and the Trustee shall apply such moneys for such purpose.

Deposit of Sale Proceeds. The Bonds will be delivered to the Trustee upon payment by the purchaser of the Bonds in cash of the purchase price, plus accrued interest from the date of the Bonds to the date of delivery (the "total sale proceeds"). The amount sufficient to accomplish the refunding of the Bonds Being Refunded shall be applied to such purpose. The amount sufficient to pay the cost and expenses of issuing the Bonds shall be applied for such purpose. The balance of the total proceeds will be deposited into the Redemption Fund (defined in the Resolution) in integral multiples of \$5,000. Any balance remaining after making the deposit into the Redemption Fund shall be deposited into the Bond Fund.

Investments. (a) The District may, from time to time, invest moneys held for the credit of the Bond Fund in direct obligations of the United States of America or obligations the principal of and interest on which are fully guaranteed by the United States of America ("Government Obligations") or in bank certificates of deposit the principal of and interest on which are fully insured by the Federal Deposit Insurance Corporation. The Trustee shall, to the extent practicable, invest moneys held for the credit of the Redemption Fund in Government Obligations.

(b) Investments shall remain a part of the Fund from which the investment was made. All earnings and profits from investments shall be credited to and all losses charged against, the Fund from which the investment was made.

Trustee. The Trustee was designated by the Underwriter.

The Trustee shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The Trustee is not required to take any action for the protection of Bondholders unless it has been requested to do so in writing by the holders of not less than 10% in principal amount of the Bonds then outstanding and offered reasonable security and indemnity against the cost, expenses and liabilities to be incurred therein or thereby.

The Trustee may resign by giving notice in writing to the Secretary of the Board of Directors. Such resignation shall be effective upon the appointment of a successor Trustee by the District and acceptance of appointment by the successor. If the District fails to appoint a successor Trustee within 30 days of receiving notice of resignation, the Trustee may apply to a court of competent jurisdiction for appointment of a successor. The holders of a majority in principal amount of outstanding Bonds, or the Board of Directors of the District, may at any time, with or without cause, remove the Trustee and appoint a successor Trustee.

Modification of Terms of Bonds. The terms of the Bonds and the Resolution will constitute a contract between the District and the registered owners of the Bonds. The owners of not less than 75% in aggregate principal amount of the Bonds then outstanding have the right, from time to time, to consent to the adoption by the District of resolutions modifying any of the terms or provisions contained in the bonds or the Resolution; provided, however, there shall not be permitted (a) any extension of the maturity of the principal of or interest on any bond, or (b) a reduction in the principal amount of any bond or the rate of interest thereon, or (c) the creation of any additional pledge on the revenues pledged to the Bonds other than as authorized in the Resolution, or (d) a privilege or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for such consent.

Defeasance. When all of the Bonds shall have been paid or deemed paid, the pledge in favor of the Bonds (see **BONDS BEING OFFERED**, Security and Source of Payment, *supra*) shall be discharged and satisfied. A Bond shall be deemed paid when there shall have been deposited in trust with the Trustee or with another bank or trust company (which other bank or trust company must be a member of the Federal Reserve System), as escrow agent under an escrow deposit agreement requiring the escrow agent to apply the proceeds of the deposit to pay the principal of and interest on the Bond as due at maturity or upon redemption prior to maturity, moneys or Government Securities sufficient to pay when due the principal of and interest on the Bond. If the principal of the bond is to become due by redemption prior to maturity, notice of such redemption must have been duly given or provided for. "Government Securities" shall mean direct or fully guaranteed obligations of the United States of America, noncallable, maturing on or prior to the maturity or redemption date of the bond. In determining the sufficiency of a deposit there shall be considered the principal amount of such Government Securities and interest to be earned thereon until their maturity.

Defaults and Remedies. If there is any default in the payment of the principal of or interest on any Bond, or if the District defaults in the performance of any other covenant in the Resolution, the Trustee may, and upon the written request of the owners of not less than 10% in principal amount of the Bonds then outstanding shall, by proper suit compel the performance of the duties of the officials of the District under the Constitution and laws of the State of Arkansas and under the Resolution and protect and enforce the rights of the owners by instituting appropriate proceedings at law or in equity or by other action deemed necessary or desirable by the Trustee. If any default in the payment of principal or interest continues for 30 days the Trustee may, and upon the request of the owners of not less than 10% in principal amount of the then outstanding Bonds shall, declare all outstanding Bonds immediately due and payable together with accrued interest thereon.

No owner of any bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Bonds or the Resolution or under the Constitution and laws of the State of Arkansas, unless such owner previously shall have given written notice to the Trustee of the default, and unless the owners of not less than 10% in principal amount of the then outstanding Bonds shall have made written request of the Trustee to take action, shall have afforded the Trustee a reasonable opportunity to take such action, and shall have offered to the Trustee reasonable security and indemnity against the cost, expenses and liabilities to be incurred and the Trustee shall have refused or neglected to comply with such request within a reasonable time. No one or more owners of the Bonds shall have any right in any manner by his or their action to affect, disturb or prejudice the security of the Resolution, or to enforce any right thereunder except in the manner provided in the Resolution. All proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Resolution and for the benefit of all owners of outstanding Bonds. Any individual rights of action are restricted by the Resolution to the rights and remedies therein provided. Nothing shall, however, affect or impair the right of any owner to enforce the payment of the principal of and interest on any bond at and after the maturity thereof.

Action may be taken by the Trustee without possession of any bond, and any such action shall be brought in the name of the Trustee and for the benefits of all the owners of bonds.

No delay or omission of the Trustee or any owner of a bond to exercise any right or power accrued upon any default shall impair any such right or power or be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given to the Trustee and to the owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon the written request of the owners of not less than 10% in principal amount of the Bonds then outstanding shall, waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding or before the completion of the enforcement of any other remedy. No such waiver shall extend to or affect any other existing or subsequent default or defaults or impair any rights or remedies consequent thereon.

There is no requirement that the District furnish periodic evidence as to the absence of default or as to the compliance with the terms of the Bonds, the Resolution or law.

FINANCIAL INFORMATION

Sources and Uses of Funds. The following combined summary of Revenues, Expenditures and Fund Balances are taken from the District's 2014, 2013 and 2012 Audits. For complete information concerning the District, please review the actual Audits at www.legaudit.state.ar.us.

<u>REVENUES</u>	<u>Year Ending June 30</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Property taxes	\$151,040,563	\$146,698,178	\$158,824,329
Federal revenues	129,094	135,379	132,618
State revenues	119,633,538	116,597,676	114,026,212
Tuition, fees and other	5,134,016	5,388,944	5,287,193
Interest	121,242	135,374	185,310
<i>TOTAL REVENUES</i>	\$276,058,453	\$268,955,551	\$278,455,662
<u>EXPENDITURES</u>			
Regular instruction	\$142,704,552	\$135,020,659	\$133,493,043
Support services	109,582,189	101,570,667	98,895,650
Capital outlays	1,612,370	3,165,462	2,868,737
Debt Service:			
Principal paid	6,228,721	2,231,948	3,947,471
Interest	6,855,402	7,000,484	6,711,390
Fiscal agent fees	6,632	6,373	725,013
<i>TOTAL EXPENDITURES</i>	\$266,989,866	\$248,995,593	\$246,641,304
EXCESS OF REV OVER (UNDER) EXPND	9,068,587	19,959,958	31,814,358
OTHER FINANCING SOURCES (USES)	(16,536,008)	(16,586,002)	(15,927,420)
EXCESS OF REV AND OTHER SOURCES OVER (UNDER) EXPND AND OTHER USES	(7,467,421)	3,373,956	15,886,938
FUND BAL, BEG OF YEAR	39,552,849	36,178,893	20,291,955
 FUND BAL, END OF YEAR	 \$32,085,428	 \$39,552,849	 \$36,178,893

Collection of Taxes. Tax collections of the ad valorem tax levied by the District are shown in the following table. School taxes voted at the school election are collected in the next calendar year and normally received by and used by the District during the school fiscal year beginning in such calendar year.

<u>School Year</u>	<u>School Tax Levied</u>	<u>School Tax Collected</u>	<u>Rate of Collections (net of collection fees)</u>
2010-11	\$148,832,944	\$141,871,798	95.32%
2011-12	147,376,446	150,455,379	102.08%
2012-13	152,427,185	147,575,027	96.82%
2013-14	150,884,561	150,785,987	99.93%
2014-15	155,396,658	153,304,386	98.65%

5-year average rate of collections – 98.55%

Overlapping Ad Valorem Taxes. The ad valorem taxing entities in the State of Arkansas are municipalities, counties, school districts and community college districts. All taxable property located within the boundaries of a taxing entity is subject to taxation by that entity. Thus property within the District is also subject to county ad valorem taxes. Property located within a municipality

and/or within a community college district is also subject to taxation by that entity or entities. The ad valorem tax entities whose boundaries overlap the District and their real estate ad valorem tax rates are:

<u>Name of Overlapping Entity</u>	<u>Total Tax Rate</u> (in mills)
Pulaski County	10.1
City of Little Rock	15.2
City of Cammack Village	5.0

Assessment of Property and Collection of Property Taxes. (a) Under Amendment No. 59 to the Arkansas Constitution, all property is subject to taxation except for the following exempt categories: (i) public property used exclusively for public purposes; (ii) churches used as such; (iii) cemeteries used exclusively as such; (iv) school buildings and apparatus; (v) libraries and grounds used exclusively for school purposes; (vi) buildings, grounds and materials used exclusively for public charity; and (vii) intangible personal property to the extent the General Assembly has exempted it from taxation, provided that it be taxed at a lower rate, or provided for its taxation on a basis other than ad valorem. Amendment No. 59 also authorizes the General Assembly to exempt from taxation the first \$20,000 of value of a homestead of a taxpayer 65 years of age or older.

Amendment No. 59 provides that, except as otherwise provided therein in connection with the transition period following a county-wide reassessment (see Constitutional Amendment Nos. 59 and 79, infra), (1) residential property used solely as the principal place of residence of the owner shall be assessed in accordance with its value as a residence, (2) land (but not improvements thereon) used primarily for agricultural, pasture, timber, residential and commercial purposes shall be assessed upon the basis of its value for such use, and (3) all other real and tangible personal property subject to taxation shall be assessed according to its value (the Arkansas Supreme Court has held that the unqualified word “value,” as used in a prior, substantially identical, constitutional provision, means “current market value”).

(b) Property owned by public utilities and common carriers and “used and/or held for use in the operation of the company . . .” is assessed for tax purposes by the Tax Division of the Arkansas Public Service Commission. A.C.A. § 26-26-1605 provides that the Tax Division “shall assess the property at its true and full market or actual value” and that all utility property of a company, whether located within or without the State of Arkansas, is to be valued as a unit. Annually, the company files a report with the Tax Division. The Tax Division reviews these reports, along with other reports (such as reports to shareholders, the Federal Communications Commission, the Federal Energy Regulatory Commission and the Interstate Commerce Commission), to determine the value of the property. Valuation is currently made on the basis of a formula, as set forth in A.C.A. § 26-26-1607, with consideration given to (i) original cost less depreciation, replacement cost less depreciation or reconstruction cost less depreciation; (ii) market value of capital stock and funded debt; and (iii) capitalization of income. As provided in A.C.A. § 26-26-1611, once the value of a company’s property as a unit is determined, the Tax Division removes the value allocable to out-of-state property and assigns the remainder among Arkansas taxing units on the basis of value within each jurisdiction. The Tax Division certifies the assessment to the county assessor who enters the assessment as certified on the county assessment roll. County officials have no authority to change such assessment. See **LEGAL MATTERS**, Legal Proceedings.

All other property is assessed by the elected assessor of each Arkansas county (or other official or officials designated by law). This includes both real and tangible personal property. Amendment No. 79 to the Arkansas Constitution requires each county to appraise all market value real estate normally assessed by the county assessor at its full and fair value at a minimum of once every five (5) years.

(c) Amendment No. 79 requires the county assessor (or other official or officials designated by law), after each county-wide reappraisal, to compare the assessed value of each parcel of real property reappraised or reassessed to the prior year’s assessed value. If the assessed value of the parcel increased, then the assessed value of that parcel must be adjusted as provided below.

Subject to subsection (e) below, if the parcel is not the homestead and principal place of residence (“homestead”) of a taxpayer, then any increase in the assessed value in the first year after reappraisal cannot be greater than 10% (or 5% if the parcel is the taxpayer’s homestead) of the assessed value for the previous year. For each year thereafter, the assessed value shall increase by an additional 10% (or 5% if the parcel is the taxpayer’s homestead) of the assessed value for the year preceding the first assessment resulting from reappraisal; however, the increase cannot exceed the assessed value determined by the reappraisal prior to adjustment under Amendment No. 79.

For property owned by public utilities and common carriers, any annual increase in the assessed value cannot exceed more than 10% of the assessed value for the previous year. The provisions of this subsection (c) do not apply to newly discovered real property, new construction or substantial improvements to real property.

(d) If a homestead is purchased or constructed on or after January 1, 2001, by a disabled person or by a person over age 65, then that parcel will be assessed based on the lower of the assessed value as of the date of purchase (or construction) or a later assessed value. If a person is disabled or is at least 65 years of age and owns a homestead on January 1, 2001, then the homestead will be assessed based on the lower of the assessed value on January 1, 2001, or a later assessed value. When a person becomes disabled or reaches age 65 on or after January 1, 2001, that person’s homestead should thereafter be assessed based on the lower of the assessed value on the person’s 65th birthday, on the date the person becomes disabled or a later assessed value. This subsection (d) does not apply to substantial improvements to real property. For real property subject to subsection (e) below, the applicable date in this subsection (d), in lieu of January 1, 2001, is January 1 of the year following the completion of the adjustments to assessed value required in subsection (e).

(e) If, however, there has been no county-wide reappraisal and resulting assessed value of property between January 1, 1986 and December 1, 2000, then real property in that county is adjusted differently. In that case, the assessor (or other official or officials designated by law) compares the assessed value of each parcel to the assessed value of the parcel for the previous year. If the assessed value of the parcel increases, then the assessed value of the parcel for the year in which the parcel is reappraised or reassessed is adjusted by adding one-third (1/3) of the increase to the assessed value for the year prior to appraisal or reassessment. An additional one-third (1/3) of the increase is added in each of the next two (2) years.

The adjustment contemplated by subsection (e) does not apply to the property of public utilities or common carriers. No adjustment will be made for newly discovered real property, new construction or substantial improvements to real property.

(f) Property is currently assessed in an amount equal to 20% of its value. The percentage can be increased or decreased by the General Assembly.

The total of the millage levied by each taxing entity (municipalities, counties, school districts and community college districts) in which the property is located is applied against the assessed value to determine the tax owed. The assessed value of taxable property is revised each year and the total millage levied in that calendar year is applied against the assessed value for the calendar year. Assessed value for each year is determined as of January 1 of that year. Tangible personal property, including automobiles, initially acquired after January 1 and before June 1 is required to be assessed in the year of acquisition. Otherwise, only property owned by a taxpayer on January 1 is assessed for that calendar year.

The total taxes levied by all taxing authorities are collected together by the county collector of the county in which the property is located in the calendar year immediately following the year in which levied. Taxes are due and payable between the first business day in March and October 15, inclusive. Taxes not paid by October 15 are delinquent and subject to a 10% penalty. Real estate as to which taxes are delinquent for two successive years is certified to the State Land Commissioner, who offers the property for sale. The proceeds of such sale are distributed among the taxing authorities. Delinquent real property may be redeemed by the taxpayer within two years of the delinquency. Delinquent personal property taxes may be collected by distraint and public sale of the taxpayer’s property.

Constitutional Amendment Affecting Personal Property Taxes. At the 1992 general election, a Constitutional amendment was approved which exempts from all personal property taxes items of household furniture and furnishings, clothing, appliances and other personal property used within the home. The effective date of the amendment was January 1, 1993.

Constitutional Amendment Nos. 59 and 79. Prior to the adoption of Amendment No. 59 to the Arkansas Constitution, the Constitution mandated that:

“All property subject to taxation shall be taxed according to its value, that value to be ascertained in such manner as the General Assembly shall direct, making the same equal and uniform throughout the State. No one species of property from which a tax may be collected shall be taxed higher than other species of property of equal value”

In the case of Arkansas Public Service Commission v. Pulaski County Board of Equalization, 266 Ark. 64, 582 S.W.2d 942 (June 25, 1979), the Supreme Court of Arkansas held that the then current assessment process, as prescribed by certain legislation and administrative regulations, was in violation of the Constitutional mandate in that (1) it provided for the assessment of certain property on the basis of “use value” as opposed to market value, (2) it did not provide for equal and uniform assessments throughout the State and (3) it provided for assessments based on past, as opposed to current, market values. The Court ordered a statewide reassessment to bring the assessments into conformity with the constitutional requirements. It was provided that the reassessment would be completed over a five year period, with 15 of the 75 counties in the State to be reassessed each year. The reassessment was accomplished in calendar years 1981 through 1985.

Legislative studies indicated that the effect of the Court-ordered reassessment would be to substantially increase real estate assessments in most or all counties of the State, with the result being, if tax rates remained the same, to substantially increase real estate taxes. The Arkansas General Assembly submitted to the electors of the State a proposed Constitutional amendment designed to prevent the substantial tax increase that would otherwise result from the reassessment. The proposed Amendment was approved at the 1980 General Election and is now Amendment No. 59 to the Arkansas Constitution.

At the 2000 general election, Constitutional Amendment No. 79 was adopted by a majority of the voters and went into effect on January 1, 2001. Among other things, Amendment No. 79 allows for an annual state credit against ad valorem property tax on a homestead in the amount of not less than \$300. The credit must not be applied in a manner that would impair a bondholder’s interest in ad valorem debt service revenues.

Amendment No. 59 provides that whenever a county-wide reassessment results in an increase of assessed value of 10% or more, the tax rate of each taxing unit on property located in that county is to be adjusted as provided in the Amendment. The year in which the reassessment is completed is designated the “Base Year.” The assessed valuation for the Base Year is based on the reassessment. Amendment No. 79 requires that rollback adjustments under Amendment No. 59 be determined after the adjustments are made to assessed value under Amendment No. 79 (see **FINANCIAL INFORMATION, Assessment of Property and Collection of Property Taxes**).

The tax rate applicable to other real property is computed by (1) deducting from the Base Year assessed value of the real estate the assessed value of newly-discovered real estate and new construction and improvements to real property to arrive at the reassessed value of previously assessed real property, (2) determining the tax rate necessary to produce from the previously assessed real property (on the basis of the Base Year assessment) the same amount of revenues produced from such property in the Base Year (on the basis of the last previous assessed value and the tax rate applicable to collections in the Base Year), and (3) either (a) fixing the tax rate determined in (2) as the tax rate for the real property, including newly-discovered real property and new construction and improvements to real estate, or (b) if the tax rate so fixed would produce less than 110% of the revenues from real estate produced in the Base Year, increasing the tax rate in an amount sufficient to produce such 110% of revenues.

The General Assembly, in Act No. 848 of 1981, implemented the procedures of Amendment No. 59. A.C.A. § 26-26-404, provides that the computation is to be made separately for each tax source or millage levy (in the case of the school districts this would require separate computations for operation and maintenance millage and debt service millage), with the new tax rate for each millage levy to be rounded up to the nearest 1/10 mill. In the case of debt service millage, the tax rate as so adjusted will continue as the continuing annual tax rate until retirement of the bonds to which pledged. The adjusted rate for operation and maintenance millage would be subject to change at each annual school election in accordance with law.

Amendment No. 79 provides that the tax rate for personal property and property of public utilities and regulated carriers should be the same as that for real property. Personal property rates currently not equal to real property rates should be reduced to the level of the real property rate unless a higher rate is “necessary to provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements” of a bond issue.

Amendment No. 59 contains the following specific provision in regard to debt service millage:

“The General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebtedness purposes, to assure that the adjusted or rolled-back rate of tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, Paying Agent’s fees, reserves, and other requirements of the bond indenture.”

A.C.A. § 26-26-402(b) provides:

“If it is determined that the adjustment or rollback of millages as provided for herein will render income from millages pledged to secure any bonded indebtedness insufficient to meet the current requirements of all principal, interest, paying agent fees, reserves and other requirements of a bond indenture any such pledged millage shall be rolled back or adjusted only to a level which will produce at least a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.”

If the assessed value of all classes of taxable property located in a school district remain at the same level, without increase or decrease, and the total school tax rates applicable to real and personal property remain constant, then the annual revenues derived from taxable real and personal property will be the same in each year. This would be true of annual revenues available for debt service on bonds, as well as other annual revenues of the district.

Major Taxpayers. For 2014 taxes levied for collection in 2015 (based on the 2014 assessed valuation), there were no taxpayers paying more than five percent of the total school district tax.

LEGAL MATTERS

Litigation Over State Funding for Schools. In an Order issued November 9, 1994, the Honorable Annabelle C. Imber held that the existing state funding system for public education violated the equal protection provision of the Arkansas Constitution and violated Article 14, § 1 of the Arkansas Constitution by “failing to provide a general, suitable and efficient system of free public education.” Lake View School Dist. No. 25 of Phillips County, Arkansas v. Jim Guy Tucker, Case No. 92-5318 (1994). Judge Imber stayed the effect of her judgment for two years to allow the General Assembly to adopt and implement legislation consistent with her Order. The case was appealed to the Arkansas Supreme Court. The Supreme Court remanded the case back to the Chancery Court to determine whether the system of public school finance was in compliance with Judge Imber’s original Order and whether the amount of funding was sufficient to provide all Arkansas students with an adequate education. On May 25, 2001, the Chancery Court ruled that the present system of school funding was inequitable and inadequate under the Arkansas Constitution. On November 21, 2002, the Arkansas Supreme Court affirmed the Chancery Court and held the current school funding system unconstitutional. In order to allow the General Assembly and the Department of Education time to

correct the constitutional disability, the Court stayed the issuance of its mandate until January 1, 2004. On January 2, 2004, the Lake View School District, the Class Member, filed a Motion for Writ of Prohibition, requesting that the Supreme Court prohibit the State from spending money until the State corrected the unconstitutional school system. The Class Member also requested that all funds appropriated by the State for the purpose of supporting the school system be held in escrow until the unconstitutional system was corrected. On January 22, 2004, the Supreme Court issued an opinion recalling its mandate and ruling that there had been noncompliance with its November 21, 2002 opinion. As a result, the Court appointed two special masters, charged with the responsibility of overseeing legislative actions regarding school finance. The masters issued their report on April 2, 2004. The Court, on June 18, 2004, released jurisdiction of the case. On April 14, 2005, the Rogers School District of Benton County, Arkansas, asked the Court to reopen the Lake View case, arguing that lawmakers “reverted back to their old ways” and had failed to follow the Court’s mandate to fund public education adequately. The Rogers School District maintained that the Arkansas General Assembly had not increased foundation funding as they had promised in the extraordinary session of 2004. On April 25, 2005, four additional petitions were filed with the Court by a combined 46 districts asking the Court to reopen the Lake View case. On June 9, 2005, the Court once again reopened the case and reappointed the two special masters to assess whether the Governor and the General Assembly had complied with the Lake View ruling. On October 3, 2005, the masters issued their findings and concluded that the General Assembly had not complied with the Lake View ruling and had not made education the State’s first priority. The Supreme Court agreed with the masters and held that the General Assembly had retreated from its prior actions to comply with the Court’s directives in Lake View and that the public school funding system continued to be inadequate. The Supreme Court further held that the public schools were operating under a constitutional infirmity which must be corrected immediately. The Court stayed the issuance of its mandate until December 1, 2006 to allow the necessary time to correct the constitutional deficiencies. In April 2006, the General Assembly met in special session to address some of the Court’s concerns. The General Assembly appropriated more money to the State Department of Education for public school operation and school buildings. The General Assembly, among other things, also increased per-student funding and the minimum teacher salary schedule. On December 1, 2006, the Supreme Court ruled that it would keep jurisdiction over the case and reappointed the two special masters to evaluate whether the State met the constitutional requirements of an adequate and equitable education system. The Court delayed the case deadline for 180 days, to give the State time to provide documents, the masters time to evaluate the State’s actions and the Court time to rule. **On May 31, 2007, the Court concluded that the system of public school financing is now in constitutional compliance.**

At the 1996 general election, a Constitutional Amendment was passed (“Amendment No. 74”) which establishes a statewide 25-mill property tax minimum for maintenance and operation of the public schools (the “Uniform Rate of Tax”). The Uniform Rate of Tax replaces that portion of local school district ad valorem taxes available for maintenance and operation. The Uniform Rate of Tax is to be collected in the same manner as other school property taxes, but the revenues generated from the Uniform Rate of Tax are remitted to the State Treasurer for distribution to the school districts. The method for distributing the state aid back to the individual school districts, and the authorized uses of the state aid once received by the school districts are set forth in Act 1300 of 1997.

District Litigation. In 1982, the District brought litigation in the United States District Court for the Eastern District of Arkansas to consolidate the three school districts in Pulaski County, Arkansas, as a desegregation remedy. In March 1989, the parties entered into a Settlement Agreement (the “Settlement Agreement”) which would resolve most of the issues in this case. The Settlement Agreement required the State of Arkansas to provide funding for the operation of six magnet schools hosted by the District and for interdistrict m-to-m transfers. On February 23, 2007, the District was declared unitary in all respects and court supervision was ordered to be ended. This was affirmed on appeal and is now final. State funding of the Settlement Agreement, however, did not end with the District’s unitary status. The State went to federal court to attempt to end its settlement funding obligations which, by the 2012-13 school year, had reached about \$37,000,000 per year for the District. In November, 2013, the parties settled the funding issues. In accordance with the 2013 agreement, the District will receive \$37,300,000 each year through the 2017-18 school year, at which point State desegregation funding will end.

Legal Proceedings. *Sherry Petty, on behalf of the Estate of Malik Lewis v. Little Rock School District.* On April 1, 2010, a District student opened the rear emergency door of a school bus

and fell out of the bus while it was moving. The student was transported by ambulance to Arkansas Children's Hospital where he died. His mother filed suit against the District on February 28, 2013 alleging the District's negligence caused the student's death. This case is pending in Pulaski County Circuit Court and is assigned to Judge Chris Piazza. The District filed its answer to the complaint on April 20, 2013.

The Estate of Chandler J. Barnwell, by and through his parents Michael and Anna Barnwell v. Watson, et al. On November 27, 2013, the plaintiffs filed suit in federal court on behalf of a Parkview High School student, who took his own life. Plaintiffs allege that the District deprived the student of his right to bodily integrity violating the Due Process Clause of 14th Amendment of the United States Constitution, that the District failed to establish policies, procedures and practices to protect the student from bullying and harassment, in violation of 14th Amendment and Title IX, 20 U.S.C. section 1681 *et seq.*, and that the District's alleged failure to keep the student safe from a hostile environment violated his rights under Section 504 of the Rehabilitation Act of 1973. Jury trial is scheduled for April 11, 2016.

LREA v. Suggs, et al. This case involves a number of Plaintiffs who raise various concerns related to their employment with the District. Plaintiffs filed their third amended complaint on July 11, 2014 and, after moving to dismiss, the District answered on October 27, 2014. No trial date has been set.

Cornelius Roberts v. LRSB. Plaintiff filed his Complaint in Pulaski County Circuit Court on September 24, 2014 alleging violations of the Teacher Fair Dismissal Act. The District responded to the Complaint on December 24, 2014.

Jonathan Hicks, et al. v. Hardiman and LRSB, et al. This suit is brought by a former District student alleging battery, tort of outrage and assault resulting from an alleged incident involving a football coach at Parkview High School. Plaintiffs filed their Complaint in Pulaski County Circuit Court on January 17, 2015. The District responded and filed a Motion to Dismiss which was denied on April 2, 2015. Discovery has commenced.

Marilyn Hopson v. LRSB. Plaintiff filed her Complaint on June 2, 2015 in the Circuit Court of Pulaski County alleging negligence. The District filed its response on July 29, 2015.

Keyvn Fowler v. LRSB and Rhonda Moore. Plaintiff sued the District on August 5, 2014 in the Circuit Court of Pulaski County and filed an Amended Complaint on August 26, 2015 alleging negligence. This suit involves a student who suffered injuries as a result of a fall and seeks damages. The District filed its Answer on September 11, 2015

Shannon Brooks v. Multipurpose Civic Center and LRSB, et al. Plaintiff sued the District and other Defendants in Pulaski County Circuit Court on August 17, 2015 seeking damages for herself and her two sons who were struck by a vehicle while crossing an intersection on their way to a graduation ceremony. She contends that the District was negligent in not assuring that there would be a crossing guard at the intersection. The District filed an Answer on October 21, 2015, asserting the affirmative defenses of tort immunity and the fault of the driver who ran into Plaintiff and her children.

Terry Kirkpatrick v. LRSB. Plaintiff sued the District and other Defendants in Pulaski County Circuit Court on August 28, 2015 alleging violations of the Teacher Fair Dismissal Act. The District filed its Answer on October 5, 2015.

Lawrence Walker v. ADE and LRSB, et al. Plaintiff filed a Complaint in Pulaski County Circuit Court on September 14, 2015 under the Arkansas Freedom of Information Act. The District filed its Answer and a Counterclaim on September 18, 2015. The Court has set a hearing for November 9, 2015.

Gwendolyn Jackson v. LRSB. Plaintiff filed a complaint in the Circuit Court of Pulaski County, Arkansas on June 29, 2015 challenging the non-renewal of her employment contract pursuant to the Arkansas Administrative Procedure Act. The District filed a Motion to Dismiss

the Complaint on October 19, 2015 stating the APA applies only to state agencies and the District is not a state agency.

Ryan Gore v. LRSD. Plaintiff filed a Complaint in the Circuit Court of Pulaski County, Arkansas on October 20, 2015 alleging the District violated the Whistle-Blower Act by terminating Plaintiff in retaliation for reporting child abuse.

Jackie Whitehead v. LRSD (USDC No. 4:15CV659-BSM). Plaintiff filed a complaint in federal court on October 22, 2015 against the District pursuant to the Americans with Disabilities Act alleging the District failed to accommodate her mold allergies. We will respond to the Complaint once it is served on the District.

Doe v. Arkansas Department of Education. A number of parents and students and two former school board members have filed in federal court (October 7, 2015) but not served a complaint in the nature of a desegregation case challenging various State and District actions including the State takeover of the District.

Other Legal Proceedings. No other litigation is pending, or to the best knowledge of the District threatened, questioning the existence of the District, its boundaries, the assessed value of taxable property located within the District, any taxes levied by the District, or questioning the authority of the District to issue the Bonds or any proceedings relating thereto.

Legal Opinion. Issuance of the Bonds is subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, to the effect that the Bonds have been lawfully issued under the Constitution and laws of the State of Arkansas and constitute valid, binding and enforceable obligations of the District.

Tax Exemption – Opinion of Bond Counsel. In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing law, the interest on the Bonds is exempt from Arkansas income tax and from property taxes.

Also, in the opinion of Bond Counsel, interest on the Bonds under existing law (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) above is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. These requirements generally relate to arbitrage and the use of the proceeds of the Bonds. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

Prospective purchasers of the Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds, (ii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income including interest on the Bonds may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income, and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts or accruals of interest on the Bonds.

Prospective purchasers of the Bonds should be further aware that Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds

or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Bonds.

Current or future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. President Obama's standard budget proposal and recent legislative proposals include provisions that would limit the amount of exclusions (including tax-exempt interest) and deductions available to certain taxpayers. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal or state income tax purposes.

Tax Exemption - Original Issue Discount. The initial public offering prices of the Bonds maturing in 2027 through 2033 (collectively, the "Discounted Bonds"), shown on the cover page hereof, are less than the stated principal amounts thereof. Under existing law, the difference between the stated principal amounts of the Discounted Bonds and the initial public offering prices constitute original issue discount ("OID"). For federal income tax purposes, OID is treated as interest on the Bonds which is excluded from gross income and could subject a corporation to alternative minimum tax to the same extent as stated interest on the Bonds. Bond Counsel's opinion is given in reliance on certifications by the Underwriters to the effect that the offering prices for the Discounted Bonds set forth on the cover page hereof are the initial offering prices to the public (excluding underwriters and other intermediaries) at which a substantial amount of the Bonds are sold.

A taxpayer who purchases a Discounted Bond in the initial public offering at the initial public offering prices, and who holds such Bonds to maturity, will not realize taxable gain upon payment of such Bonds at maturity. Owners of Bonds who dispose of Bonds prior to maturity (including upon redemption), purchase Bonds in the initial public offering but at a price different than the initial public offering price, or purchase Bonds subsequent to the initial public offering should consult their own tax advisors to determine any tax consequences.

Prospective purchasers of the Bonds should additionally consult their own tax advisors with respect to the calculation of accrued OID and the state and local tax consequences of owning or disposing of Bonds.

Non-Litigation Certificate. Upon delivery of the Bonds the District will furnish a certificate to the effect that no litigation not described in the Official Statement is then pending which would affect the validity of or security for the Bonds.

Official Statement Certificate. Upon delivery of the Bonds, the District will furnish a certificate to the effect that the Official Statement does not contain any untrue statement of a material fact or omits to state a material fact required to be stated therein to make the statements therein, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE CERTIFICATE

The following is a summary of certain provisions of the Continuing Disclosure Certificate, which will be executed by the District.

Purpose of the Continuing Disclosure Certificate. The Continuing Disclosure Certificate describes the District's continuing obligation to provide certain financial and other information with respect to the Bonds, and is for the benefit of the Beneficial Owners of the Bonds.

Provision of Annual Financial Information and Operating Data. The District has agreed to provide within ninety (90) days after the end of the District's fiscal year, its Annual Financial Report ("AFR"). The AFR will include, among other things, the information contained under **DESCRIPTION OF THE SCHOOL DISTRICT, Assessed Valuation, DEBT STRUCTURE, Outstanding Indebtedness, DEBT STRUCTURE, Debt Service Schedule and Coverage, FINANCIAL INFORMATION, Sources and Uses of Funds, and FINANCIAL INFORMATION, Collection of Taxes.** The District will also provide its audit within ninety (90) days after the audit has been completed and received by the District. The annual financial statements shall be prepared using accounting practices prescribed by A.C.A. § 10-4-313 as it may be amended from time to time, or any successor statute, and shall be audited by the Legislative Joint Auditing Committee, Division of Legislative Audit of the State of Arkansas, or by an independent certified public accountant. The District shall also provide, not later than ninety (90) days after the end of the District's fiscal year, its LEA Financial Report. Additionally, the District will provide timely notice of the occurrence of material events relating to the Bonds as hereinafter described. The District has agreed to provide this information in an effort to comply with Rule 15c2-12 of the Securities and Exchange Commission, as the same may be amended from time to time (the "Rule").

Any or all of the foregoing information may be incorporated by reference from other documents, including official statements of debt issues with respect to the District that are available to the public on the Municipal Securities Rulemaking Board ("MSRB") Internet Web site or filed with the Securities and Exchange Commission.

Notice of Material Events. The District agrees that it will furnish to the MSRB, not later than ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Bonds:

- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
- (g) modification to rights of security holders, if material;
- (h) bond calls, if material;
- (i) defeasances and tender offers;
- (j) release, substitution, or sale of property securing repayment of the securities, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (m) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The District further agrees that it will furnish to the MSRB notice of any failure of the District to provide the annual financial information or operating data required hereunder on or before the date specified.

District to Disseminate Information and Notices. The District agrees to disseminate the AFR to the MSRB, and to disseminate any notice of a material event specified above to the MSRB.

Amendment; Waiver. Notwithstanding any other provision of the Continuing Disclosure Certificate, the District may amend the Continuing Disclosure Certificate, and any provision of the Continuing Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(A), 4, or 5(A) of the Continuing Disclosure Certificate, it may only be made in connection with a change in circumstances that arises from a change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, 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 owners of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(B) of the Continuing Disclosure Certificate, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information. Nothing in the Continuing Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Certificate or any other means of communication, or including any other information in any report or notice made hereunder, in addition to that which is required by the Continuing Disclosure Certificate. If the District chooses to include any information in any report or notice made hereunder in addition to that which is specifically required by the Continuing Disclosure Certificate, the District shall have no obligation under the Continuing Disclosure Certificate to update such information or include it in any future report or notice.

Noncompliance. In the event of a failure of the District to comply with any provision of the Continuing Disclosure Certificate, any beneficial owner 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 the Continuing Disclosure Certificate. Noncompliance with the Continuing Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under the Disclosure Agreement in the event of any failure of the District to comply with the Continuing Disclosure Certificate shall be an action to compel performance.

CONTINUING DISCLOSURE PAST COMPLIANCE

While the District has not made any determination as to materiality, the following charts reflect the District's compliance and non-compliance with previous undertakings under the Rule for the past five (5) years.

Annual Financial Information and Operating Data ("Annual Report")

Pursuant to previous Continuing Disclosure undertakings by the District, the District has agreed to provide to the MSRB its Annual Report within ninety (90) days after the end of each fiscal year (the "Submittal Deadline").

<u>Fiscal Year Ending June 30</u>	<u>Submittal Deadline</u>	<u>Date Filed⁽¹⁾</u>	<u>Status of Compliance</u>
2011	09/28/11	08/15/11 ⁽²⁾	Compliant (see footnote)
2012	09/28/12	09/11/12	Compliant
2013	09/28/13	09/30/13	Filed Late
2014	09/28/14	09/24/14	Compliant
2015	09/28/15	09/04/15	Compliant

(1) Actual date Annual Report was filed on MSRB's EMMA portal.

(2) Amended 01/03/12.

On November 11, 2015, amendments were posted on EMMA reflecting revised tax collections for fiscal year ending June 30, 2012.

Audited Financial Statements ("AFS")

Pursuant to previous Continuing Disclosure undertakings by the District, the District has agreed to provide to the MSRB its AFS within ninety (90) days after the audit has been completed and received by the District.

<u>Audit for Fiscal Year Ending June 30</u>	<u>Audit Date</u>	<u>Date Filed⁽¹⁾</u>	<u>Status of Compliance</u>
2010	01/13/11	02/18/11	Compliant
2011	02/13/12	04/13/12	Compliant
2012	02/18/13	03/22/13	Compliant
2013	02/17/14	03/10/14	Compliant
2014	02/12/15	03/10/15	Compliant

(1) Actual date AFS was filed on MSRB's EMMA portal.

Listed Events ⁽¹⁾

Within ten (10) business days after the occurrence of a Listed Event set forth in previous Continuing Disclosure undertakings (the "Listed Event"), the District has agreed to provide a notice of such Listed Event to the MSRB.

<u>The Listed Event</u>	<u>Date of Occurrence</u>	<u>Date Filed⁽²⁾</u>	<u>Status of Compliance</u>
Redemption of 2001C	02/01/11	12/04/15	Filed Late
Redemption of 2003	02/01/12	01/04/12	Compliant
Redemption of 2006	02/15/12	01/17/12	Compliant
Moody's Rating Action	04/10/13	05/02/13	Filed Late
Moody's Withdraws Enhancement	09/27/13	10/31/13	Filed Late
Moody's Assigns Aa2	01/13/14	01/14/14	Compliant
AR Board of Education Action	01/29/15	01/29/15	Compliant

(1) **This section has been updated since the Preliminary Official Statement, dated November 24, 2014.**

(2) Actual date Listed Event was filed on MSRB's EMMA portal.

The District has taken steps to ensure that the Annual Reports, AFS and Listed Events are timely filed as required by its continuing disclosure undertakings.

MISCELLANEOUS

Bond Rating. Moody's Investors Service, Inc. ("Moody's"), has assigned an "Aa2" enhanced rating to the Bonds. Certain information was supplied to the rating agency to be considered in evaluating the Bonds. Any rating issued will reflect only the views of the rating agency, and any explanation of the significance of such rating on the Bonds should be obtained from the rating agency. There is no assurance that the ratings obtained for the Bonds will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency for the Bonds if, in its judgment, circumstances so warrant. Neither the Underwriter nor the District undertake any responsibility to oppose any revision or withdrawal of the rating. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds. The assignment of the enhanced rating reflects the additional bond security provided by A.C.A. §6-20-1204. See **DEBT STRUCTURE**, Pledge of State Aid.

Underwriting. The Underwriter has purchased the Bonds from the District at public sale upon competitive bids at a price of \$125,247,284.63 (par amount of Bonds (\$126,740,000.00), plus reoffering premium (\$997,865.05), less Underwriter's discount (\$2,490,580.42)), plus accrued interest from the date of the Bonds to the date of delivery to the Underwriter.

Interest of Certain Persons. The District has employed Stephens Inc. as Fiscal Agent to assist the District in the sale and issuance of the Bonds. The Fiscal Agent has employed Friday, Eldredge & Clark, LLP, as Bond Counsel. Neither the Fiscal Agent nor Bond Counsel will receive any fee for its services unless and until the Bonds are sold and delivered.

The Board of Directors of the District has authorized the preparation and distribution of this Official Statement.

LITTLE ROCK SCHOOL DISTRICT OF
PULASKI COUNTY, ARKANSAS

By /s/ _____
Jack Truemper
STEPHENS INC.
FISCAL AGENT