



School District of Broward County, Florida

Financial Advisory Committee Meeting

April 8, 2022

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Agenda

- I. Market Update
- II. General Obligation Bonds
- III. Certificates of Participation
- IV. Master Equipment Lease



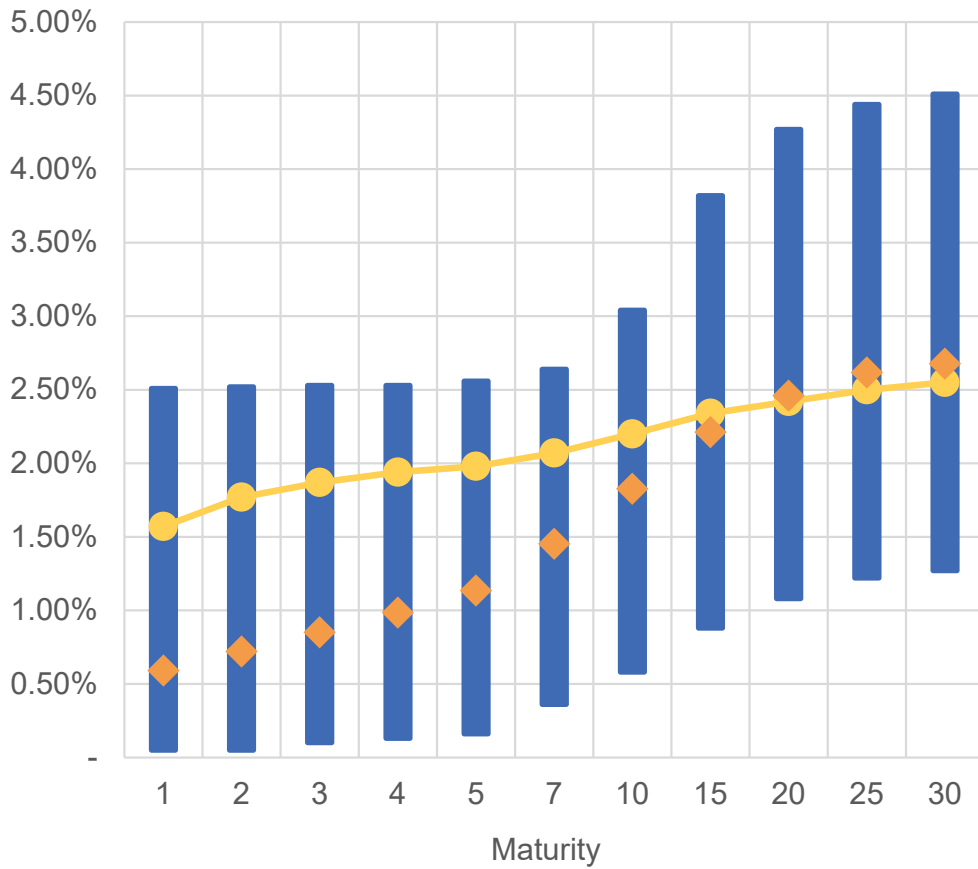
I. Market Update



Tax-Exempt Interest Rates

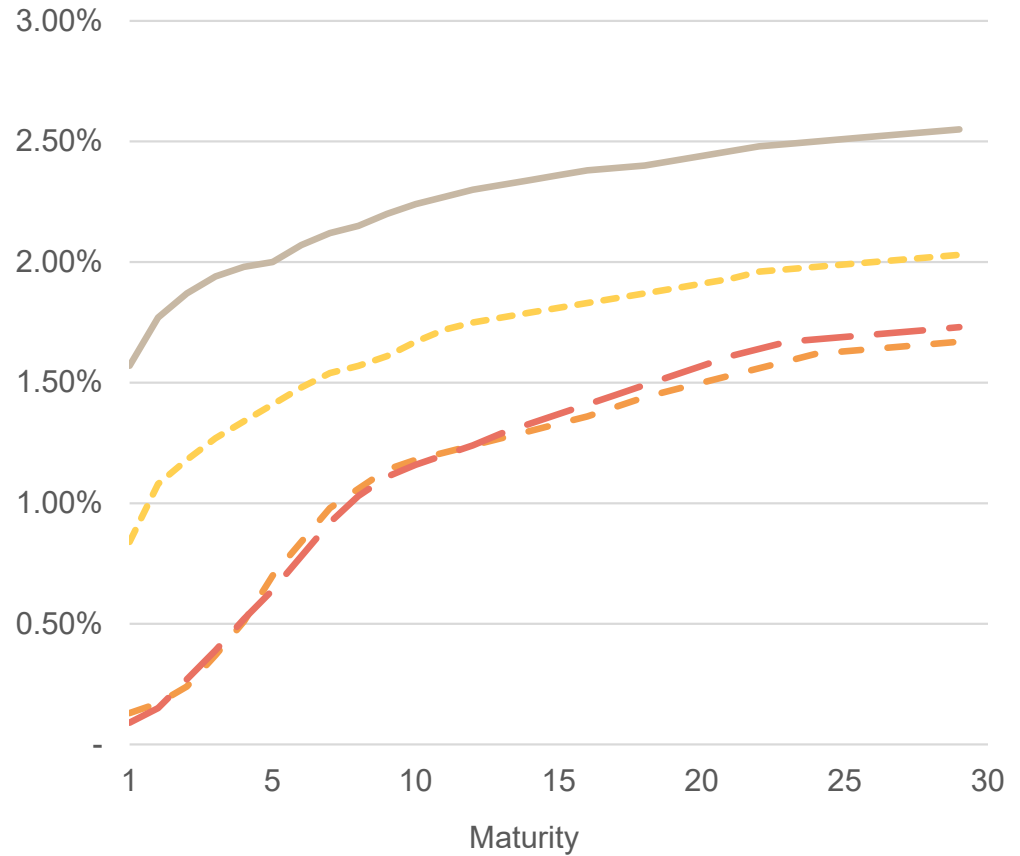
MMD Ranges Over Past 10 Years

■ MMD Range ● Current ◆ Average



MMD AAA G.O. Curve

— Current - - - 1 Month Ago
- - - 6 Months Ago - · - 1 Year Ago





Market Conditions

10-Year & 30-Year UST vs. AAA MMD Rates (Last 3 Years)





II. General Obligation Bonds



General Obligation School Bonds, Series 2022 – Overview

- The General Obligation School Bonds, Series 2022 will be the final tranche of general obligation (GO) school bonds issued under the 2014 voter referendum (the SMART Program), and Master Resolution that authorized the District to issue up to \$800 million in aggregate principal for new money projects

| General Obligation School Bond Master Resolution No. 15-101 | |
|--|-----------------------------|
| Aggregate Principal | Not to exceed \$800,000,000 |
| Series 2015 | \$155,055,000 |
| Series 2019 | \$174,750,000 |
| Series 2021 | \$207,465,000 |
| Series 2022* | \$262,730,000 |
| Total Authorization | \$800,000,000 |

**Preliminary (4/12/2022 anticipated issuance date)*

- The table below shows the current ratings assigned to the District's outstanding GO debt

| General Obligation Credit Ratings | | |
|--|----------------|--------------|
| Moody's | S&P | Fitch |
| Aa2 | AA- | AA- |

- The 2022 GO Bonds will be rated by Moody's and S&P



General Obligation School Bonds, Series 2022 – Key Dates

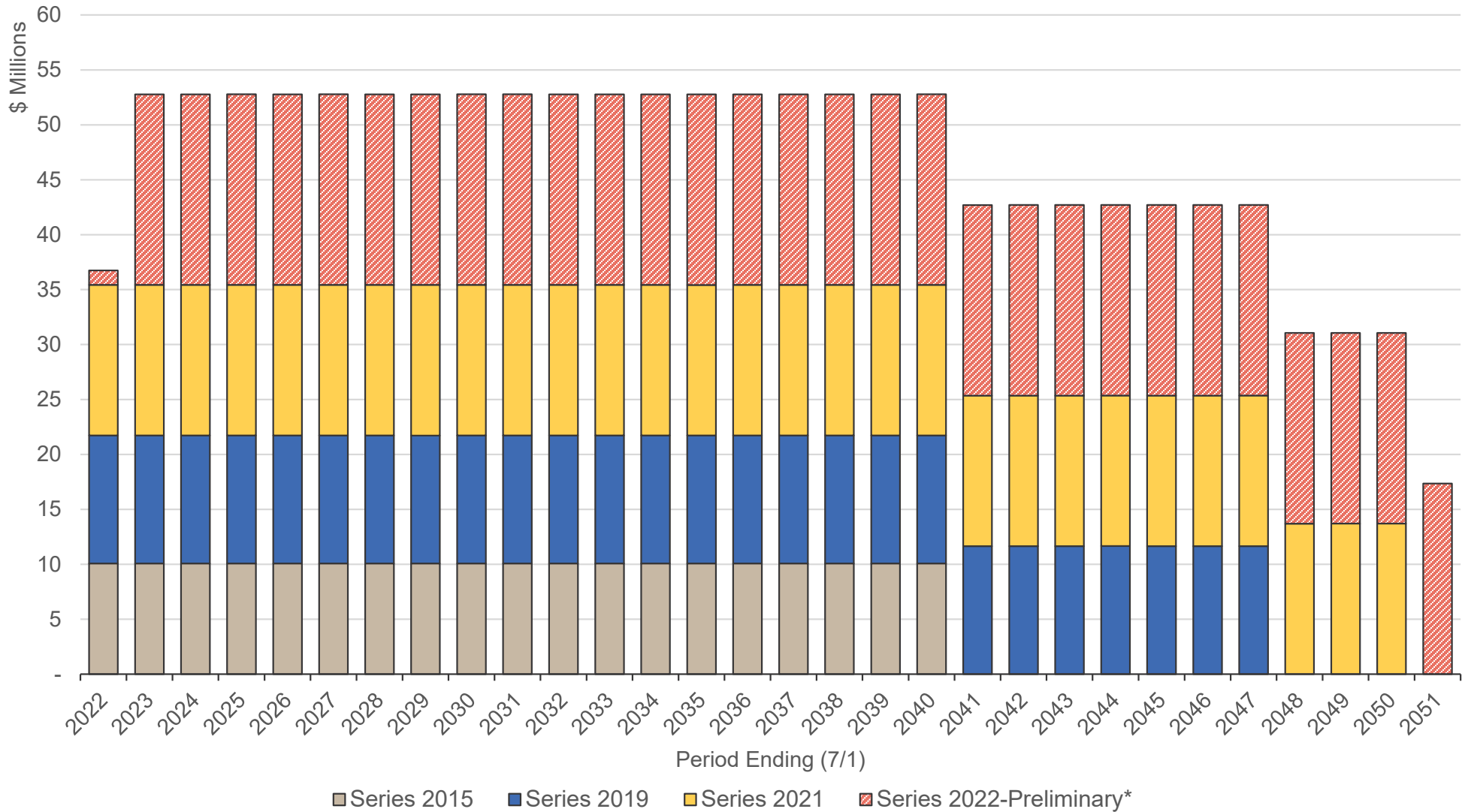
- Below are some of the upcoming key dates as reflected in the financing schedule established for the issuance of the 2022 GO Bonds:
 - April 15 – Receive Ratings
 - April 19 – School Board Meeting for Approval
 - April 20 – Post Summary Notice of Sale (SNOS)
 - April 21 – Post Preliminary Official Statement (POS)
 - May 3 – Competitive Sale of the Bonds
 - May 10 – Post Final Official Statement (OS)
 - May 18 – Tentative Closing Date

| April | | | | | | |
|-------|-----|-----|-----|-----|-----|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| | | | | | | |

| May | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|
| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |
| | | | | | | |



Preliminary Aggregate Annual Debt Service on General Obligation School Bonds



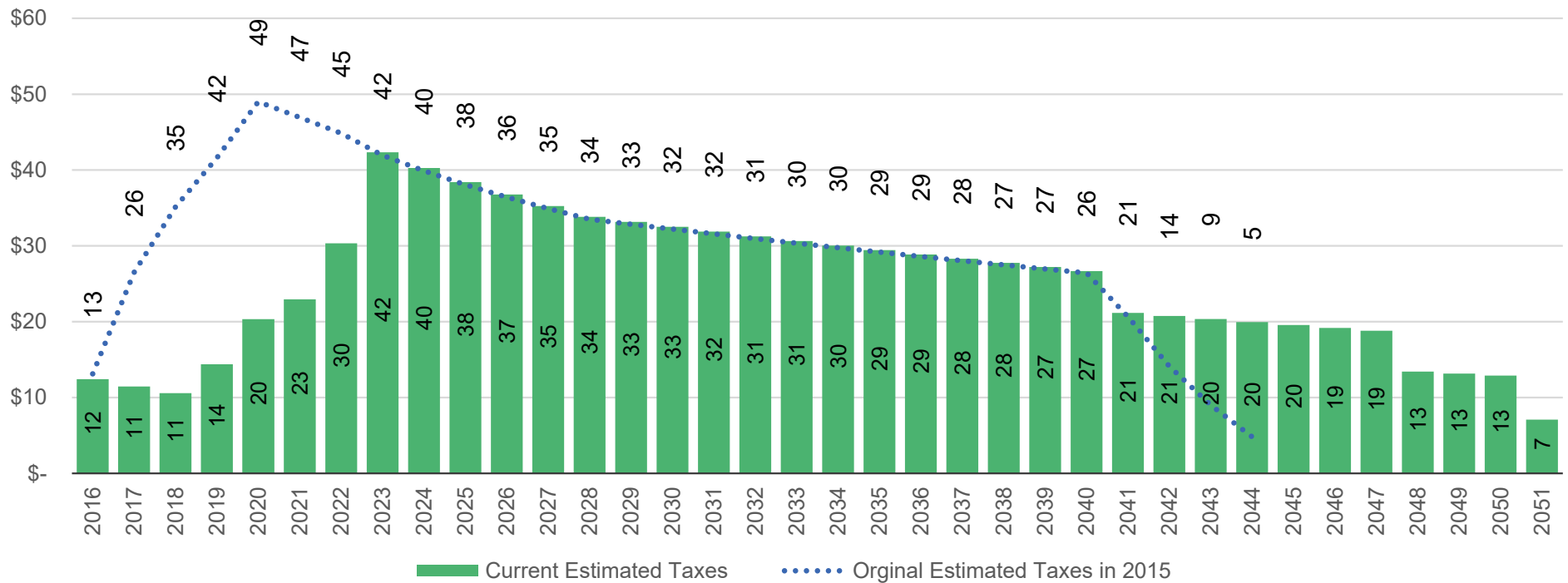
*Preliminary numbers based on spreads to AAA MMD as of 2/17/2022. Assumes 7/1/2032 par call option, \$5/bond for cost of issuance and \$3.50/bond for underwriter's discount



General Obligation School Bonds – Estimated Tax Impact

- The graph below compares the original estimated tax requirements in 2015 to the final estimated tax requirements based on a taxable value of \$195,000 and actual TAV through FY 2023 for the District's \$800M GO School Bond Program
- The original estimated GO School Bond Program TIC was 4.26%
- The final estimated GO School Bond Program TIC is 3.67%

Estimated Taxes Based on \$195,000 Taxable Value



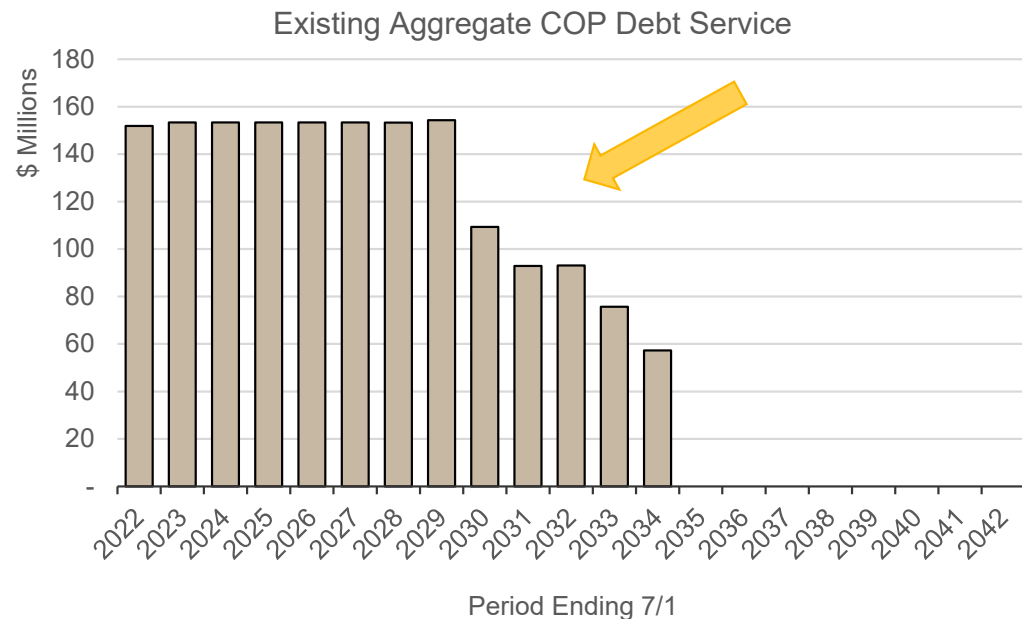


III. Certificates of Participation



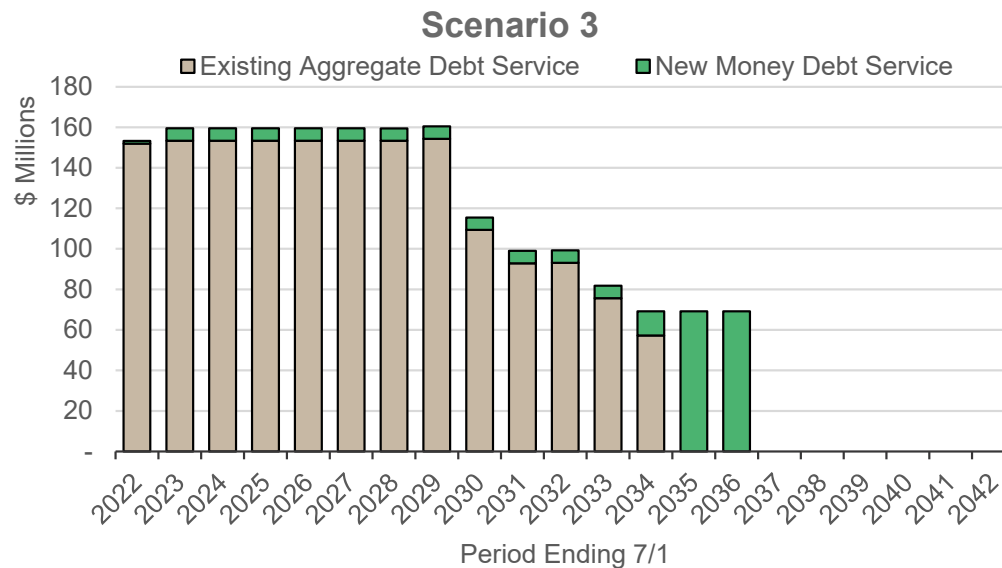
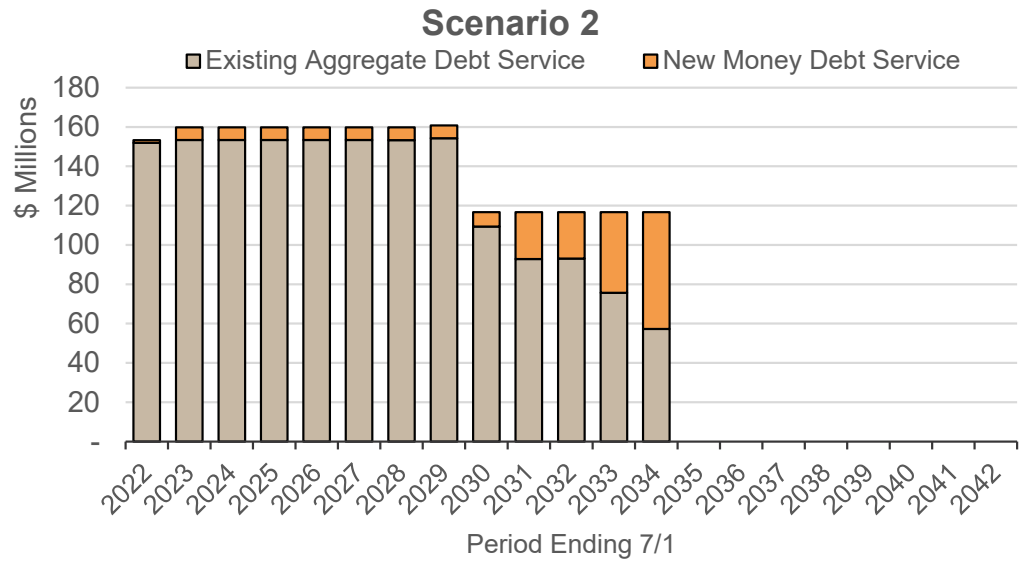
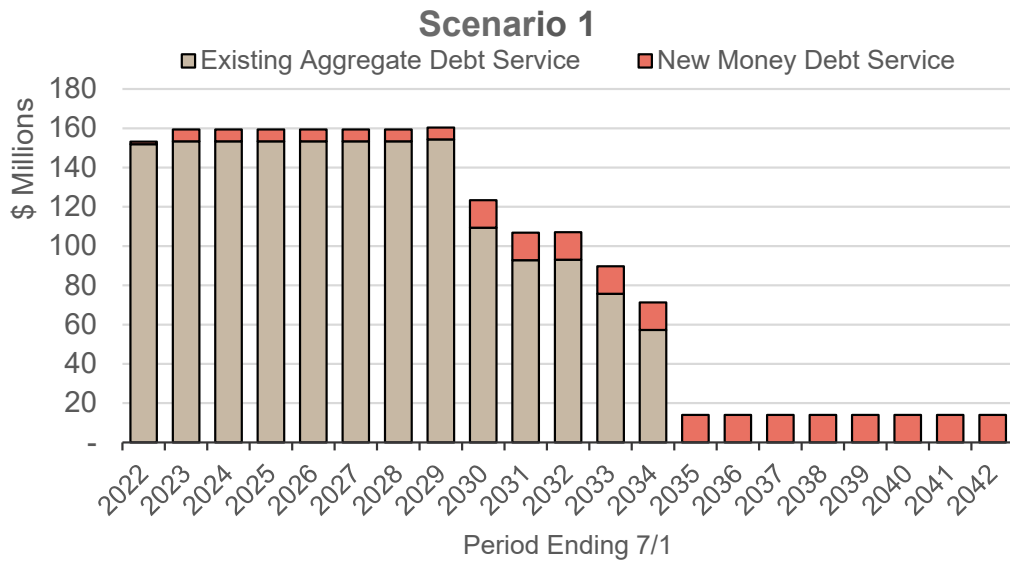
Certificates of Participation, Series 2022B – Overview

- Last December, a Reimbursement Resolution was brought before the Board in anticipation of a New Money issuance
- The Certificates of Participation, Series 2022B will include funding for improvements at the following schools:
 - Rickards Middle School
 - Markham Elementary
 - Stranahan High
- The 2022B Certificates can be structured to take advantage of the material decline in the District's COP debt service starting in 2030, result in a low cost of financing, and enhance future financing capacity
 - As illustrated on the following page, PFM prepared three (3) preliminary scenarios based on different structuring parameters
 - All of the scenarios are sized with no principal amortizing in years 2022 through 2029





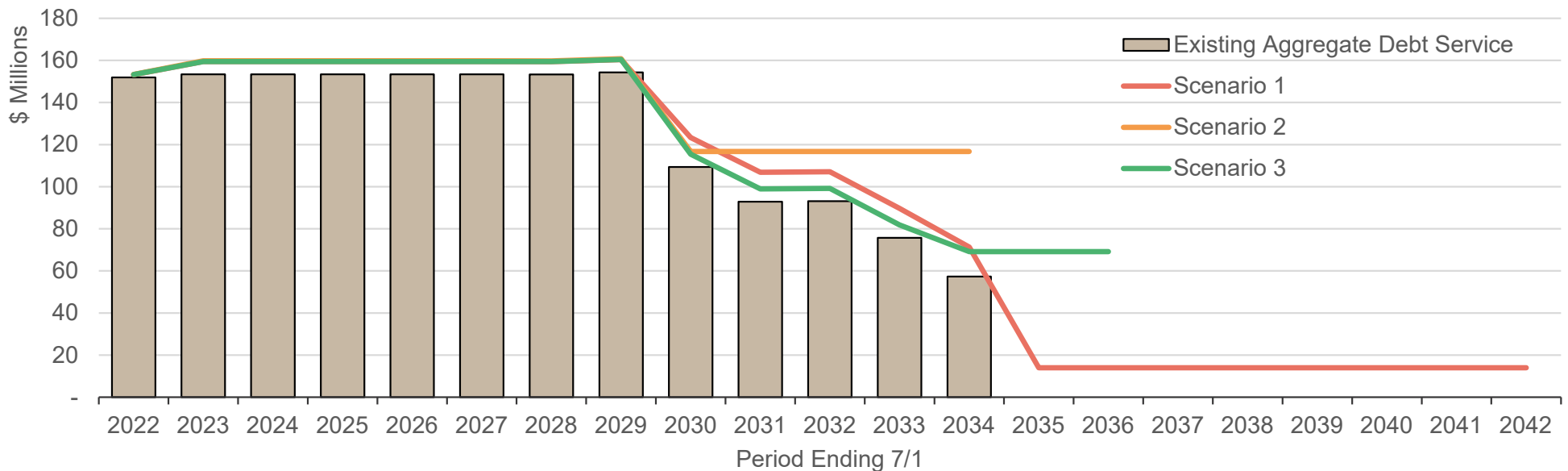
Preliminary Structuring Options for the 2022B Certificates





Preliminary Structuring Options for 2022B Certificates – Comparison

| | Scenario 1: Level (2042 Final Maturity) | Scenario 2: Level Wrapped (2034 Final Maturity) | Scenario 3: Modified (2036 Final Maturity) |
|-----------------------------|---|---|--|
| Project Fund | \$166,200,000 | \$166,200,000 | \$166,200,000 |
| Dated/Delivery Date | 4/12/2022 | 4/12/2022 | 4/12/2022 |
| Final Maturity | 7/1/2042 | 7/1/2034 | 7/1/2036 |
| All-In TIC | 2.62% | 2.13% | 2.49% |
| Average Life (years) | 14.83 | 11.23 | 13.67 |
| Total Interest | \$87,736,695 | \$72,599,788 | \$83,211,747 |
| Total Debt Service | \$225,776,695 | \$201,929,788 | \$218,816,747 |
| Aggregate MADS | \$160,375,438 | \$160,780,288 | \$160,428,988 |





III. Master Equipment Lease



Master Equipment Lease Program

- Authorized for an additional \$225 million over the next 5 years under the existing agreement with Bank of America
- The Master Lease Agreement allows for the financing of:
 - Essential use assets
 - Leased term not more than 125% of useful life
 - Mostly personal type property, but not all
 - Examples include:
 - IT equipment & software
 - Transportation
 - Energy assets
 - Security equipment
 - Astro turf, bleachers, carpet, office furniture, textbooks