



School District of Broward County, Florida

Financial Advisory Committee Meeting

May 21, 2021

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Agenda

- I. Market Update
- II. Certificates of Participation
- III. Tax Anticipation Notes

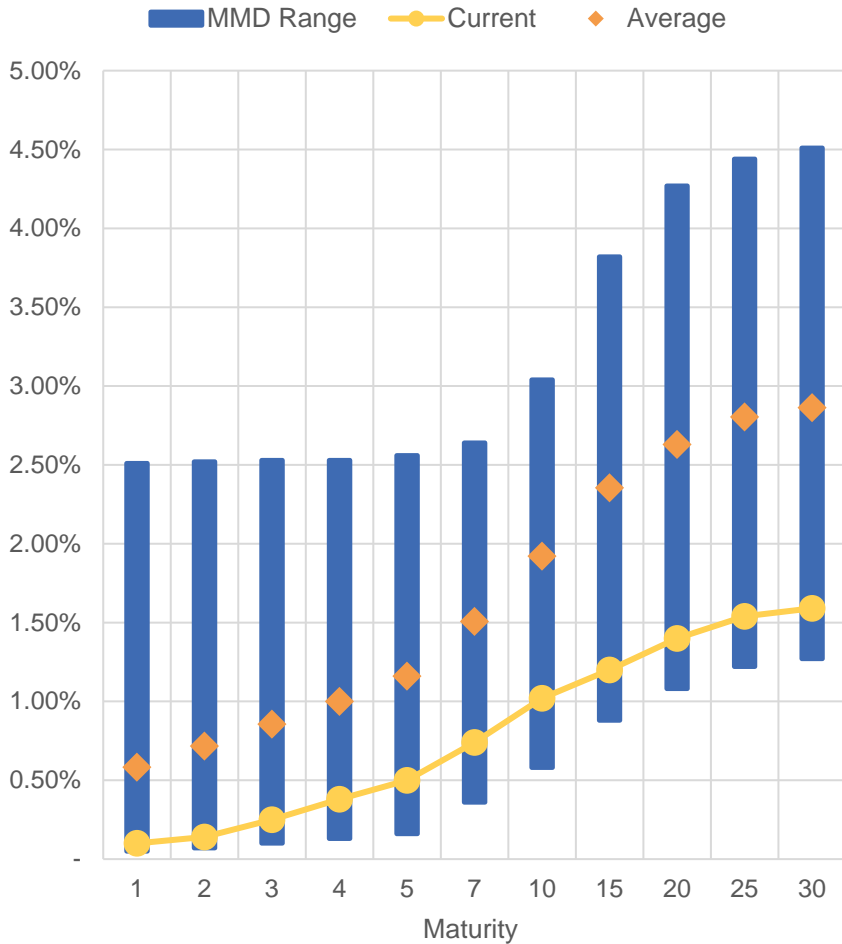


I. Market Update

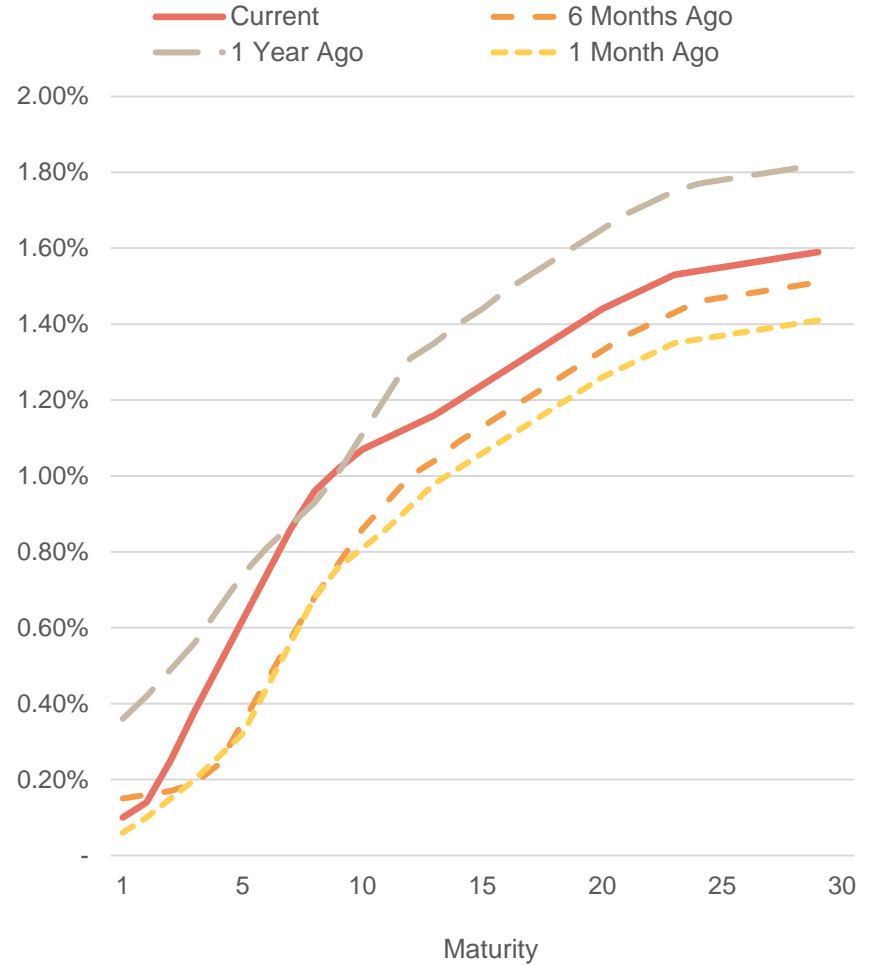


Tax-Exempt Interest Rates

MMD Ranges Over Past 10 Years



MMA AAA G.O. Curve





Market Conditions – Since March 2020

10-Year & 30-Year UST vs. AAA MMD Rates (Since March 2020)





II. Certificates of Participation



Certificates of Participation, Series 2022A (Forward Delivery) – Overview

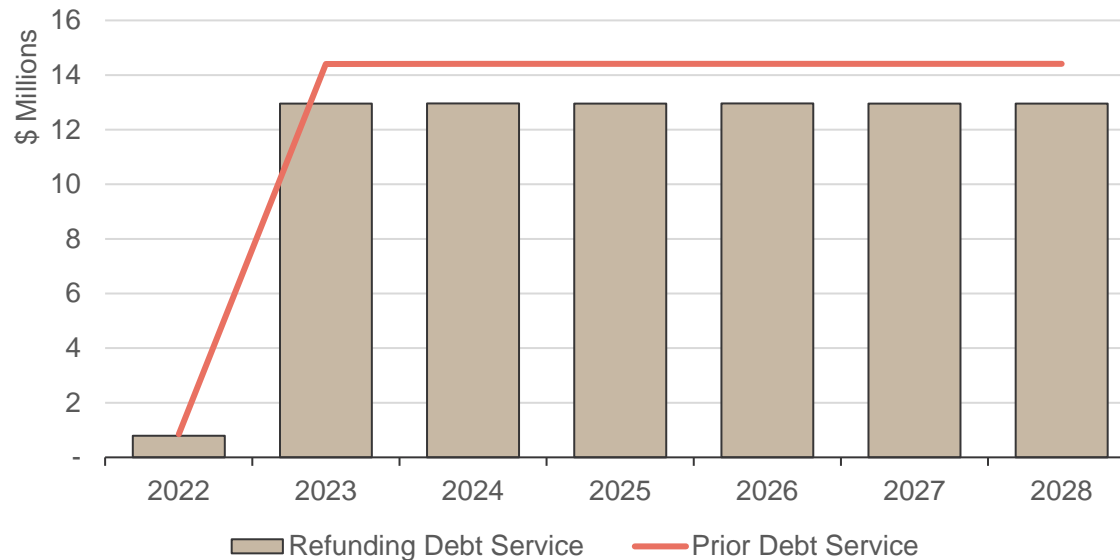
- Following the decision during the March 5th meeting of the Finance Committee to proceed with Morgan Stanley's proposal for a forward refunding of the District's outstanding Certificates of Participation, Series 2012A, the District proceeded with negotiations to ultimately price the Certificates of Participation, Series 2022A on Friday, May 7, 2021
 - The final pricing resulted in an All-In TIC of 1.32%
- The 2022A Certificates were structured to achieve uniform savings. As a result of the refunding, the District will recognize average annual cash flow saving of about \$1.45 million between 2023 through 2028

Summary of Financing Results:	
Dated & Delivery Date	4/4/2022
First Interest Payment	7/1/2022
True Interest Cost (TIC)	1.18%
Average Coupon	5.00%
Average Life	3.884
Summary of Savings Results:	
Amount of Refunded Par	\$74,020,000
Gross Cash Flow Savings	\$8,769,473
Average Annual Cash Flow Savings	\$1,252,782
Net PV Savings	\$8,394,606
Net PV Savings as % of Refunded Par	11.34%



Certificates of Participation, Series 2022A (Forward Delivery) – Savings

Date	Prior Debt Service	Accrued Interest	Prior Net Debt Service	Refunding Debt Service	Savings	PV Savings to 4/4/2022 @ 1.1794498%
7/1/2022	1,756,000	907,266.67	848,733.33	794,660.42	54,072.91	51,344.69
7/1/2023	14,407,000	-	14,407,000.00	12,953,250.00	1,453,750.00	1,433,327.02
7/1/2024	14,412,250	-	14,412,250.00	12,960,000.00	1,452,250.00	1,414,932.43
7/1/2025	14,410,000	-	14,410,000.00	12,957,250.00	1,452,750.00	1,398,688.70
7/1/2026	14,409,250	-	14,409,250.00	12,959,250.00	1,450,000.00	1,379,530.42
7/1/2027	14,408,950	-	14,408,950.00	12,954,500.00	1,454,450.00	1,367,529.37
7/1/2028	14,409,200	-	14,409,200.00	12,957,000.00	1,452,200.00	1,349,252.88
Total	88,212,650	907,266.67	87,305,383.33	78,535,910.42	8,769,472.91	8,394,605.51





III. Tax Anticipation Notes



Tax Anticipation Notes, Series 2021 – Overview

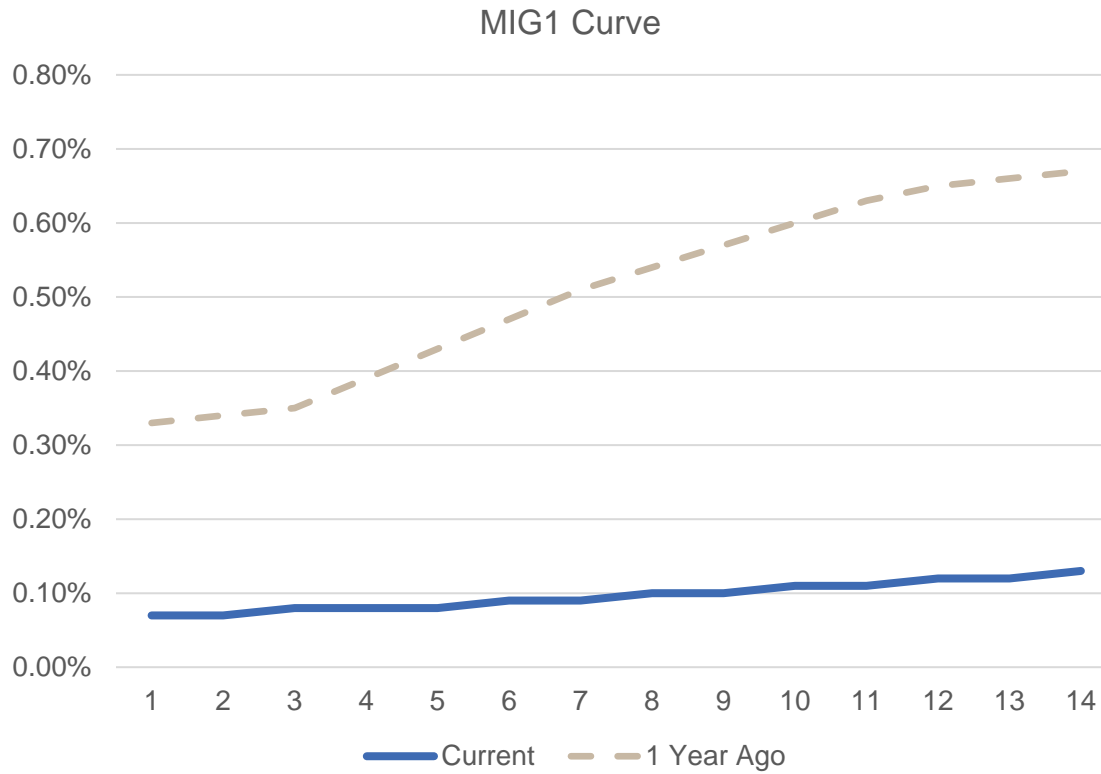
- The District anticipates issuing Tax Anticipation Notes, Series 2021 (the “2021 TAN”) to provide funds for paying operational expenditures of the District during the 2021-22 fiscal year, pending the collection of ad valorem taxes and certain state funds
 - The 2021 TAN would be a short-term borrowing maturing no later than June 30, 2022
- The District has historically issued a TAN each year via a competitive sale. A summary of the bid results during the last five (5) years is provided in the table below:

Series	Principal Bid Amount	Winning Bidder	Final Net Interest Cost (NIC)
2016 TAN	\$125,000,000	PNC Capital Markets	0.52%
2017 TAN	\$125,000,000	Bank of America Merrill Lynch	0.94%
2018 TAN	\$125,000,000	Bank of America Merrill Lynch	1.89%
2019 TAN	\$160,000,000	J.P. Morgan Securities LLC	1.19%
2020 TAN	\$160,000,000	Morgan Stanley & Co, LLC	0.28%



Short-Term Rates

- The graph below shows the current MIG1 curve compared to last year. MIG1 rates for a 12-month terms over the past year are shown on a monthly basis in the table to the right.



Date	MIG1 (12 Months)
5/15/2020	0.65%
6/15/2020	0.38%
7/15/2020	0.29%
8/14/2020	0.19%
9/15/2020	0.21%
10/15/2020	0.21%
11/16/2020	0.28%
12/15/2020	0.24%
1/14/2021	0.17%
2/16/2021	0.13%
3/15/2021	0.16%
4/15/2021	0.16%
5/14/2021	0.12%

Source: Refinitiv
Rates as of May 14, 2021



Tax Anticipation Notes, Series 2021 – Next Steps

- Over the next couple weeks, PFM will work with District staff to develop the timetable for the financing, targeting specific dates for the following key events:

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					

- Prepare Draft Financing Documents
- Request Short-Term Rating from Moody's

June						
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			

- Cash Flow Analysis
- Board Approval of Financing Documents

July						
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

- Competitive Sale
- Closing