

**PRELIMINARY OFFERING STATEMENT DATED \_\_\_\_\_, 2020**

**NEW ISSUE - BOOK-ENTRY ONLY**

**RATINGS: See "RATINGS" herein**

*In the opinion of Greenberg Traurig, P.A., and Edwards & Feanny, P.A., Co-Special Tax Counsel, assuming continuing compliance with certain tax covenants and the accuracy of certain representations of the School Board, under existing statutes, regulations, rulings and court decisions, the portion of the Basic Lease Payments designated and paid as interest to the Series 2020A Certificate holders will be excludable from gross income for federal income tax purposes. The portion of the Basic Lease Payments designated and paid as interest to the Series 2020A Certificate holders will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. No opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2020A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder. See "TAX TREATMENT" herein for a description of certain other federal tax consequences of ownership of the Series 2020A Certificates. Co-Special Tax Counsel is further of the opinion that the Series 2020A Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2020A Certificates will not be subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein; provided, however, that no opinion is expressed with respect to tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2020A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.*

\$ \_\_\_\_\_\*

[SCHOOL  
DISTRICT  
LOGO]

**CERTIFICATES OF PARTICIPATION, SERIES 2020A  
Evidencing Undivided Proportionate Interests of the Owners Thereof in  
Basic Lease Payments to be made by  
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA, as  
Lessee, Pursuant to a Master Lease Purchase Agreement  
with Broward School Board Leasing Corp.,  
as Lessor**

**Dated: Date of Delivery**

**Due: July 1, as shown on the inside cover**

The Certificates of Participation, Series 2020A (the "Series 2020A Certificates") offered hereby evidence undivided proportionate interests in the Basic Lease Payments (as defined herein) to be made by The School Board of Broward County, Florida (the "School Board"), acting as the governing body of the School District of Broward County, Florida (the "District") pursuant to a Master Lease Purchase Agreement, dated as of July 1, 1990, as amended (the "Master Lease") with the Broward School Board Leasing Corp. (the "Corporation"), as amended and supplemented by the following Schedules: (i) Schedule 2020A-1, dated as of \_\_\_\_\_ 1, 2020 (together with the Master Lease, the "Series 2020A-1 Lease"), and (ii) Schedule 2020A-2, dated as of \_\_\_\_\_ 1, 2020 (together with the Master Lease, the "Series 2020A-2 Lease"), each providing for the lease purchase financing of certain educational facilities by the School

Board, as described herein. The Series 2020A-1 Lease and the Series 2020A-2 Lease are collectively referred to herein as the "Series 2020A Leases."

**The School Board and the Corporation have authorized certain amendments to the Master Lease, Schedule 2020A-1 and Schedule 2020A-2 that will only become effective upon the receipt by the School Board of certain consents to such amendments, as described herein. By purchasing the Series 2020A Certificates, the initial Beneficial Owners of the Series 2020A Certificates shall be deemed to have consented to such amendments. See "CERTAIN AMENDMENTS TO THE MASTER LEASE, SCHEDULE 2020A-1 AND SCHEDULE 2020A-2" herein and "APPENDIX C - CERTAIN LEGAL DOCUMENTS - Form of Amendment to Master Lease" and "- Form of Schedule 2020A-1" and "- Form of Schedule 2020A-2" hereto.**

The Series 2020A Certificates are being issued as fully registered Certificates pursuant to the provisions of a Master Trust Agreement, dated as of July 1, 1990, as amended (the "Master Trust Agreement"), as supplemented by a Series 2020A Supplemental Trust Agreement, dated as of \_\_\_\_\_ 1, 2020 (together with the Master Trust Agreement, the "Trust Agreement"), each between the Corporation and U.S. Bank National Association (successor in interest to First Union National Bank of Florida), Miami, Florida, as trustee (the "Trustee"). The interest portion of the Basic Lease Payments represented by the Series 2020A Certificates is payable on July 1 and January 1 of each year, commencing [July 1, 2020] (each an "Interest Payment Date") by check or draft of the Trustee mailed to the Series 2020A Certificate owner of record at the address shown on the registration records maintained by the Trustee as of the fifteenth day of the month (whether or not a business day) next preceding each Interest Payment Date. The Series 2020A Certificates are being issued in denominations of \$5,000 or any integral multiple thereof and will initially be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Series 2020A Certificates (the "Beneficial Owners") will not receive physical delivery of the Series 2020A Certificates. Ownership by the Beneficial Owners of the Series 2020A Certificates will be evidenced through a book-entry only system of registration. As long as Cede & Co. is the registered owner as nominee of DTC, payment of the principal portion and interest portion of the Basic Lease Payments represented by the Series 2020A Certificates will be made directly to Cede & Co., which will in turn remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2020A Certificates are subject to optional, mandatory sinking fund and extraordinary prepayment prior to maturity, as described herein. See "THE SERIES 2020A CERTIFICATES – Prepayment" herein.

**THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION. NONE OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS OBLIGATED TO PAY, EXCEPT FROM SCHOOL BOARD APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2020A LEASES FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE**

THEREUNDER, AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS OR LIMITATION. NONE OF THE CORPORATION, THE TRUSTEE OR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2020A LEASES. SEE "RISK FACTORS" HEREIN.

SEE THE INSIDE COVER FOR CERTAIN ADDITIONAL INFORMATION RELATING TO THE SERIES 2020A LEASES AND THE SERIES 2020A CERTIFICATES.

This cover page and the inside cover page contain certain information for reference only. They are not, and are not intended to be, a summary of the transaction. Investors must read the entire Offering Statement, including the appendices, to obtain information essential to the making of an informed investment decision.

*The Series 2020A Certificates are offered when, as and if delivered and received by the Underwriters, subject to the approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, and Edwards & Feanny, P.A., Miami, Florida, Co-Special Tax Counsel, and certain other conditions. Certain legal matters will be passed upon for the School Board by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and D. Seaton and Associates, P.A., Davie, Florida, Co-Disclosure Counsel. Certain legal matters will be passed upon for the School Board and the Corporation by their General Counsel, Barbara J. Myrick, Esq. \_\_\_\_\_, \_\_\_\_\_, Florida, is serving as Counsel to the Underwriters. PFM Financial Advisors LLC, Orlando, Florida, is acting as Financial Advisor to the District. It is expected that the Series 2020A Certificates will be available for delivery in New York, New York through the offices of DTC on or about \_\_\_\_\_, 2020.*

[INSERT UNDERWRITERS]

Dated: \_\_\_\_\_, 2020

[DAC Logo]

\_\_\_\_\_  
\* Preliminary, subject to change.

## ADDITIONAL INFORMATION

The Series 2020A Certificates are being issued to provide funds for the purposes of (i) financing the costs of acquisition, construction and installation of certain educational facilities within the District, as more particularly described herein and (ii) paying certain costs and expenses associated with the issuance of the Series 2020A Certificates.

The initial term of the Series 2020A-1 Lease will commence on the date of delivery of the Series 2020A Certificates and continue through and including June 30, 2020 and is automatically renewable annually thereafter through June 30, 20\_\_, unless sooner terminated as described herein. The initial term of the Series 2020A-2 Lease will commence on the date of delivery of the Series 2020A Certificates and continue through and including June 30, 2020 and is automatically renewable annually thereafter through June 30, 20\_\_, unless sooner terminated as described herein.

In addition to the Series 2020A Leases, the School Board (i) has heretofore entered into the Prior Leases (as defined herein) under the Master Lease, and (ii) expects to enter into other Leases under the Master Lease in the future. **[For Fiscal Year 2019-20, of the District's [232] total operational schools, there were approximately 23 schools and 117 additions or renovations to schools and related improvements leased under the Master Lease. Based on the District's Pre-K through 12 pupil enrollment of approximately 224,543 students (excluding charter school enrollment) for Fiscal Year 2019-20, approximately 46% of the District's students attended classes in, or otherwise utilized, Facilities leased under the Master Lease during the Fiscal Year ending June 30, 2020 (see "THE MASTER LEASE FACILITIES" and "THE SERIES 2020A FACILITIES" herein). Such percentage does not include the additional students that are expected to attend classes in, or otherwise utilize, the educational facilities constituting the Series 2020A-1 Facilities (as defined herein) upon completion of such Facilities.]** *To determine the above percentage, the number of students attending each facility was calculated as follows: for schools that are built and operating, the number of students for the Fiscal Year 2019-20 was used; for the additions, the number of student stations attributable to each specific classroom or number of students served by such facility for Fiscal Year 2019-20 based on the type of school (elementary, middle or high) or facility (cafeteria, auditorium, gymnasium, etc.) was used. With respect to certain related facilities under the Master Lease (transportation facilities), no student stations were calculated as being attributable to such facilities. Such figures do not include Facilities under the Master Lease which are not subject to surrender and disposition by the Trustee such as the Series 2020A-2 Facilities (as defined herein).* When the School Board appropriates Lease Payments for any of its Facilities leased under the Master Lease, it must appropriate Lease Payments for all other Facilities leased under the Master Lease. Failure to appropriate funds to pay Lease Payments under any such Lease, or an event of default under any such Lease, will result in the termination of all Leases, including the Series 2020A Leases. The proceeds of the disposition of the Series 2020A-1 Facilities leased under the Series 2020A-1 Lease will be applied to the payment of the Series 2020A Certificates allocable to the Series 2020A-1 Lease, after payment of the expenses of the Trustee and then as described in the Series 2020A-1 Lease. In addition, holders of the Series 2020A Certificates will share in the proceeds of the disposition of the Series 2020A-1 Facilities that are Overlapping Facilities (as defined herein) with holders of other Certificates representing an interest in such Overlapping Facility upon termination of the Master Lease. **The School Board may not be dispossessed of the Series 2020A-2 Facilities or any personal property financed, in whole or in part, with proceeds of Series 2020A Certificates. See "THE SERIES 2020A FACILITIES" herein.**

Co-Special Tax Counsel will express no opinion as to the tax exemption or the effect of securities laws with respect to the Series 2020A Certificates following non-appropriation of funds or an event of default under the Master Lease which results in termination of the Lease Terms of the Series 2020A Leases. Transfers of the Series 2020A Certificates may be subject to compliance with the registration provisions of state and federal securities laws following non-appropriation of funds or an event of default under the Master Lease which results in termination of the Lease Terms of all Leases. See "TAX TREATMENT" and "RISK FACTORS" herein.

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

\$ \_\_\_\_\_<sup>(1)</sup> **Serial Series 2020A Certificates**

<b>Maturity<sup>(1)</sup> (July 1)</b>	<b>Principal Amount<sup>(1)</sup></b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>Initial CUSIP No.<sup>(2)</sup></b>
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\$ \_\_\_\_\_<sup>(1)</sup> - \_\_\_\_% Term Series 2020A Certificates due July 1, 20\_\_<sup>(1)</sup>; Yield - \_\_\_\_%;  
Price - \_\_\_\_; Initial CUSIP No. \_\_\_\_\_<sup>(2)</sup>

<sup>(1)</sup> Preliminary, subject to change.

<sup>(2)</sup> CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by S&P Global Market Intelligence, a division of S&P Global Inc. CUSIP data herein is provided for convenience of reference only. The School Board, the Financial Advisor and the Underwriters and their agents take no responsibility for the accuracy of such data.

**THE SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA**

**BOARD MEMBERS**

Donna P. Korn, Chair  
Dr. Rosalind Osgood, Vice Chair  
Lori Alhadeff  
Robin Bartleman  
Heather P. Brinkworth  
Patricia Good  
Laurie Rich Levinson  
Ann Murray  
Nora Rupert

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**DISTRICT OFFICIALS**

**Superintendent of Schools**  
Robert W. Runcie

**Chief Financial Officer**  
Judith M. Marte

**Task Assigned Chief Facilities Officer**  
MaryAnn May, Ph.D.

**Treasurer**  
Ivan Perrone

**Director of Capital Budget**  
Omar Shim

**General Counsel**  
Barbara J. Myrick, Esq.

---

**CO-SPECIAL TAX COUNSEL**

Greenberg Traurig, P.A.  
Miami, Florida

Edwards & Feanny, P.A.  
Miami, Florida

**CO-DISCLOSURE COUNSEL**

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

D. Seaton and Associates, P.A.  
Davie, Florida

**FINANCIAL ADVISOR**

PFM Financial Advisors LLC  
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the School Board or the Underwriters to give any information or to make any representations, other than those contained in this Offering Statement, in connection with the offering contained herein, 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 Offering Statement does not constitute an offer to sell or a solicitation of an offer to buy any securities, other than the securities offered hereby, or an offer or a solicitation of an offer of the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful. The information set forth herein has been obtained from the District, the School Board, the Corporation, DTC and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the District or the School Board with respect to information provided by DTC. The information and expressions of opinion stated herein are subject to change without notice, and neither the delivery of this Offering Statement nor any sale made hereunder under any circumstances, create any implication that there has been no change in the affairs of the District or the School Board since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Offering Statement. The Underwriters have reviewed the information in this Offering Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020A CERTIFICATES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

UPON ISSUANCE, THE SERIES 2020A CERTIFICATES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER INDEPENDENT FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING STATEMENT OR APPROVED THE SERIES 2020A CERTIFICATES FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFERING STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE SCHOOL BOARD OR THE DISTRICT AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2020A CERTIFICATES.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFERING STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFERING STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFERING STATEMENT

ARE FOR CONVENIENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISIONS OR SECTIONS IN THIS OFFERING STATEMENT. THE OFFERING OF THE SERIES 2020A CERTIFICATES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFERING STATEMENT.

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

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2020A Certificates are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

THIS OFFERING STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFERING STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED WEBSITES.

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

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APPENDIX E	FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

## OFFERING STATEMENT

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**CERTIFICATES OF PARTICIPATION, SERIES 2020A**  
**Evidencing Undivided Proportionate Interests of the**  
**Owners Thereof in Basic Lease Payments to be made by**  
**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA,**  
**as Lessee, Pursuant to a**  
**Master Lease Purchase Agreement**  
**with Broward School Board Leasing Corp., as Lessor**

### INTRODUCTION

This Offering Statement, including the cover page, the inside cover page and appendices hereto, is provided to furnish information in connection with the sale and delivery of \$ \_\_\_\_\_\* aggregate principal amount of Certificates of Participation, Series 2020A (the "Series 2020A Certificates").

The Series 2020A Certificates evidence undivided proportionate interests of the owners thereof in the Basic Lease Payments to be made by The School Board of Broward County, Florida (the "School Board") under the Series 2020A Leases (as such term is defined below). The Series 2020A Certificates are being executed and delivered pursuant to a Master Trust Agreement, dated as of July 1, 1990, as amended (the "Master Trust Agreement"), as supplemented by a Series 2020A Supplemental Trust Agreement, dated as of \_\_\_\_\_ 1, 2020 (the "Series 2020A Supplemental Trust Agreement," and together with the Master Trust Agreement, the "Trust Agreement"), each between the Broward School Board Leasing Corp., a Florida not-for-profit corporation (the "Corporation"), and U.S. Bank National Association (as successor in interest to First Union National Bank of Florida), Miami, Florida, as trustee (the "Trustee").

The School Board and the Corporation have authorized certain amendments to the Master Lease, Schedule 2020A-1 (as defined below) and Schedule 2020A-2 (as defined below) that will only become effective upon the receipt by the School Board of certain consents to such amendments, as described herein. By purchasing the Series 2020A Certificates, the initial Beneficial Owners (as defined herein) of the Series 2020A Certificates shall be deemed to have consented to such amendments. See "CERTAIN AMENDMENTS TO THE MASTER LEASE, SCHEDULE 2020A-1 AND SCHEDULE 2020A-2" herein and "APPENDIX C - CERTAIN LEGAL DOCUMENTS - Form of Amendment to Master Lease" and "- Form of Schedule 2020A-1" and "- Form of Schedule 2020A-2" hereto.

The School Board, as the governing body of the School District of Broward County, Florida (the "District"), entered into a Master Lease Purchase Agreement dated as of July 1, 1990, as amended (the "Master Lease") between the Corporation, as lessor, and the

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\* Preliminary, subject to change.

School Board, as lessee, for the purpose of providing for the lease-purchase financing and refinancing from time to time of certain educational facilities, sites and equipment (the "Facilities") from the Corporation. Facilities to be leased from time to time are identified on separate schedules (each a "Schedule") attached to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate lease agreement (individually a "Lease" and collectively the "Leases"). Generally, the Facilities subject to each such Lease are financed or refinanced with separate Series of Certificates. However, certain Facilities (the "Overlapping Facilities") are financed or refinanced by more than one Series of Certificates. See "THE SERIES 2020A FACILITIES – Overlapping Facilities" herein.

[Remainder of page intentionally left blank]

The following table provides a summary of the Leases expected to be in effect following delivery of the Series 2020A Certificates, the designation of the Facilities being lease-purchased by the School Board under each Lease, the related Series of Certificates, the final term of each Lease and the outstanding principal amount of each such related Series of Certificates.

[TO BE UPDATED]

Lease	Related Facilities	Related Series of Certificates	Final Lease Date	Principal Amount Outstanding Immediately Following Issuance of the Series 2019A Certificates
Series 2001A-1	Series 2001A-1	Series 2011A Certificates	June 30, 2026	\$33,715,000 <sup>(1)</sup>
		Series 2017C Certificates		94,150,000 <sup>(2)</sup>
Series 2001B-1	Series 2001B-1	Series 2011A Certificates	June 30, 2026	20,360,000 <sup>(1)</sup>
		Series 2017C Certificates		57,080,000 <sup>(2)</sup>
Series 2003A-1	Series 2003A-1	Series 2012A Certificates	June 30, 2028	103,690,000 <sup>(3)</sup>
Series 2003A-2	Series 2003A-2			
Series 2004-1	Series 2004-1	Series 2012A Certificates	June 30, 2029	5,660,000 <sup>(3)</sup>
		Series 2019A Certificates		105,240,000
Series 2004-QZAB	Series 2004-QZAB	Series 2004-QZAB Certificates	December 22, 2020	106,124
Series 2005A-1	Series 2005A-1	Series 2015A Certificates	June 30, 2031	112,390,000 <sup>(4)</sup>
Series 2005B	Series 2005B	Series 2017A Certificates	June 30, 2031	20,612,000
Series 2006-1	Series 2006-1	Series 2015A Certificates	June 30, 2031	124,670,000 <sup>(4)</sup>
		Series 2019B Certificates		65,085,000
Series 2006-2	Series 2006-2	Series 2015A Certificates	June 30, 2021	5,745,000 <sup>(4)</sup>
Series 2007A-1	Series 2007A-1	Series 2015B Certificates	June 30, 2032	165,855,000
Series 2008A-1	Series 2008A-1	Series 2016A Certificates	June 30, 2033	189,010,000
Series 2008A-2	Series 2008A-2		June 30, 2020	
Series 2009A-1 <sup>(5)</sup>	Series 2009A-1	Series 2009A Certificates (QSCB)	June 30, 2034	22,673,000
Series 2009A-2	Series 2009A-2	Series 2016B Certificates	June 30, 2029	18,735,000
		Series 2017B Certificates	June 17, 2024	56,300,000
Series 2010A <sup>(5)</sup>	Series 2010A	Series 2010A Certificates (QSCB)	June 30, 2027	41,316,000
Series 2020A-1	Series 2020A-1	Series 2020A Certificates	June 30, 20__	\$_____ <sup>(6)</sup>
Series 2020A-2	Series 2020A-2			
Total				<u>\$1,242,392,124</u>

Source: The District.

<sup>(1)</sup> The listed principal amount represents the approximate principal portion of the Series 2011A Certificates allocated between the Series 2001A-1 Lease and Series 2001B-1 Lease.

<sup>(2)</sup> The listed principal amount represents the approximate principal portion of the Series 2017C Certificates allocated among the Series 2001A-1 Lease and Series 2001B-1 Lease.

<sup>(3)</sup> The listed principal amount represents the approximate principal portion of the Series 2012A Certificates allocated among the Series 2003A Leases and Series 2004-1 Lease.

<sup>(4)</sup> The listed principal amount represents the approximate principal portion of the Series 2015A Certificates allocated among the Series 2005A-1 Lease, Series 2006-1 Lease and Series 2006-2 Lease.

<sup>(5)</sup> The School Board designated the Series 2009A-1 Lease and the Series 2010A Lease as "qualified school construction bonds" pursuant to Section 54F of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 6431 of the Code, the School Board made an election to qualify to receive federal subsidy payments from the United States Treasury pursuant to Section 6431(f) of the Code (the "Interest Subsidy") on each interest payment date for the Series 2009A Certificates (QSCB) and Series 2010A Certificates (QSCB). The expected Interest Subsidy will be in an amount equal to the lesser of the applicable amount of interest payable with respect to the Series 2009A Certificates (QSCB) and Series 2010A Certificates (QSCB) on such date or the applicable amount of interest which would have been payable with respect to the Series 2009A Certificates (QSCB) and Series 2010A Certificates (QSCB) if the interest were determined at the applicable tax credit rate for the Series 2009A Certificates (QSCB) and Series 2010A Certificates (QSCB) pursuant to Section 54A(b)(3) of the Code. See "RISK FACTORS - Effect of Sequestration on Lease Payments" herein.

<sup>(6)</sup> Preliminary, subject to change.

The Series 2004-QZAB Certificates, the Series 2009A Certificates (QSCB), the Series 2010A Certificates (QSCB), the Series 2011A Certificates, the Series 2012A Certificates, the Series 2015A Certificates, the Series 2015B Certificates, the Series 2016A Certificates, the Series 2016B Certificates, the Series 2017A Certificates, the Series 2017B Certificates, the Series 2017C Certificates, the Series 2019A Certificates and the Series 2019B Certificates are collectively referred to herein as the "Prior Certificates." The Series 2001A-1 Lease, the Series 2001B-1 Lease, the Series 2003A-1 Lease, the Series 2003A-2 Lease, the Series 2004-1 Lease, the Series 2004-QZAB Lease, the Series 2005A-1 Lease, the Series 2005B Lease, the Series 2006-2 Lease, the Series 2007A-1 Lease, the Series 2008A-1 Lease, the Series 2008A-2 Lease, the Series 2009A-1 Lease, the Series 2009A-2 Lease and the Series 2010A Lease are collectively referred to herein as the "Prior Leases." In addition to the Prior Leases and the Series 2020A Leases the School Board may authorize other Leases in the future. See "THE MASTER LEASE FACILITIES," "THE PRIOR FACILITIES" and "THE MASTER LEASE PROGRAM" herein.

Pursuant to the applicable provisions of Florida law, including particularly Chapters 1001-1013, Florida Statutes, the School Board and Corporation have each duly adopted a Resolution on February \_\_, 2020, authorizing the execution and delivery of (i) Schedule 2020A-1, dated as of \_\_\_\_ 1, 2020 ("Schedule 2020A-1," and together with the Master Lease, the "Series 2020A-1 Lease") and (ii) Schedule 2020A-2, dated as of \_\_\_\_ 1, 2020 ("Schedule 2020A-2," and together with the Master Lease, the "Series 2020A-2 Lease"), each providing for the lease purchase financing and refinancing by the School Board of certain educational facilities, as described herein. The Series 2020A-1 Lease and Series 2020A-2 Lease are collectively referred to herein as the "Series 2020A Leases."

The initial term of the Series 2020A-1 Lease commences on the date of delivery of the Series 2020A Certificates and continues through and including June 30, 2020, and is automatically renewable annually through June 30, 20\_\_, unless sooner terminated as described herein. Subject to the School Board's right to substitute facilities, the Facilities being lease purchased under the Series 2020A-1 Lease include \_\_\_\_\_ (collectively, the "Series 2020A Facilities"). [\_\_\_\_ of the Series 2020A-1 Facilities constitute Overlapping Facilities, as more particularly described in the Series 2020A-1 Lease.] See ""THE SERIES 2020A LEASES" and "THE SERIES 2020A FACILITIES - The Series 2020A-1 Facilities" herein.

The initial term of the Series 2020A-2 Lease commences on the date of delivery of the Series 2020A Certificates and continues through and including June 30, 2020 and is automatically renewable annually through June 30, 20\_\_, unless earlier terminated as described herein. Subject to the Board's right to substitute facilities, the Facilities being lease purchased under the Series 2020A-2 Lease include [comprehensive needs at various schools in the District] (the "Series 2020A-2 Facilities," and together with the Series 2020A-1 Facilities, the "Series 2020A Facilities"). See "THE SERIES 2020A LEASES" and "THE SERIES 2020A FACILITIES - The Series 2020A-2 Facilities " herein.

The School Board currently holds title to the sites on which the Series 2020A-1 Facilities are located (the "Series 2020A-1 Facility Sites"). Pursuant to the Series 2020A Ground Lease, dated as of \_\_\_\_\_ 1, 2020 (the "Series 2020A Ground Lease"), the School Board is leasing the Series 2020A-1 Facility Sites to the Corporation for an initial term which commences on the

date of delivery of the Series 2020A Certificates and ends on June 30, 20\_\_\_, subject to Permitted Encumbrances (as defined in the Series 2020A Ground Lease), and subject to earlier termination or extension as set forth therein. See "APPENDIX C - CERTAIN LEGAL DOCUMENTS - The Series 2020A Ground Lease" hereto.

Pursuant to the Series 2020A Assignment Agreement, dated as of \_\_\_\_\_ 1, 2020 (the "Series 2020A Assignment"), between the Corporation and the Trustee, the Corporation has irrevocably assigned to the Trustee for the benefit of the owners of the Series 2020A Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2020A Leases (e.g., a Series of Certificates issued to refund the Series 2020A Certificates) substantially all of its right, title and interest in and to the Series 2020A Ground Lease and the Series 2020A Leases, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2020A Leases, as herein described. See "APPENDIX C - CERTAIN LEGAL DOCUMENTS - The Series 2020A Assignment" hereto.

Brief descriptions of the District, the School Board, the Corporation and the Series 2020A Facilities are included in this Offering Statement together with summaries of certain provisions of the Series 2020A Certificates, the Master Lease, Schedule 2020A-1, Schedule 2020A-2, the Series 2020A Ground Lease, the Trust Agreement and the Series 2020A Assignment. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Series 2020A Leases, the Trust Agreement, the Series 2020A Ground Lease and the Series 2020A Assignment are qualified in their entirety by reference to the respective complete documents. Copies of the documents may be obtained upon written request and payment of the costs of duplication to the Trustee at U.S. Bank National Association, 200 South Biscayne Boulevard, Suite 1870, Miami, Florida 33131, Attention: Corporate Trust Department. Capitalized terms used herein and not otherwise defined will have the meanings given them in "APPENDIX C - CERTAIN LEGAL DOCUMENTS" hereto.

## **PURPOSE OF THE SERIES 2020A CERTIFICATES**

The Series 2020A Certificates are being issued for the principal purposes of (i) financing the costs of acquisition, construction and installation of the Series 2020A Facilities and (ii) paying certain costs and expenses associated with the issuance of the Series 2020A Certificates. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

## **THE SERIES 2020A CERTIFICATES**

### **General**

The Series 2020A Certificates will be dated the date of delivery, will mature in the years and principal amounts and accrue interest at the fixed interest rates set forth on the inside cover page of this Offering Statement. The Series 2020A Certificates will initially be issued exclusively in "book-entry" form and ownership of one fully registered Series 2020A Certificate for each maturity as set forth on the inside cover page, each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as nominee of The Depository Trust Company, New York, New York ("DTC"). The principal portion and interest

portion of Basic Lease Payments represented by the Series 2020A Certificates are payable in the manner set forth under "BOOK-ENTRY ONLY SYSTEM" herein. Individual purchases of the Series 2020A Certificates will be made in increments of \$5,000 or integral multiples thereof.

The principal portion due on the Series 2020A Certificates at maturity or earlier prepayment represents an undivided proportionate interest in the principal portion of the Basic Lease Payments due on the applicable dates set forth in the Series 2020A Leases. The interest portion due on the Series 2020A Certificates is payable on each January 1 and July 1 (each an "Interest Payment Date"), commencing [July 1, 2020], to and including the date of maturity or earlier prepayment thereof. Such interest portion represents undivided proportionate interests in the interest portion of Basic Lease Payments due on the June 15 and December 15 prior to each Interest Payment Date, commencing [June 15, 2020], to and including the maturity or earlier prepayment of the Series 2020A Certificates, under the Series 2020A Leases

The interest portion of the Basic Lease Payments represented by the Series 2020A Certificates will be computed on the basis of a 360-day year based on twelve 30-day months. The principal portion or Prepayment Price of the Series 2020A Certificates is payable to the registered owner upon presentation at the designated corporate trust office of the Trustee. Except as otherwise provided in connection with the maintenance of a book-entry only system of registration of the Series 2020A Certificates, the interest portion of the Basic Lease Payments represented by the Series 2020A Certificates is payable to the registered owner at the address shown on the registration books maintained by the Trustee as of the 15th day of the month (whether or not a business day) preceding the Interest Payment Date or at the prior written request and expense of any registered owner of at least \$1,000,000 in aggregate principal amount of Series 2020A Certificates by bank wire transfer to a bank account in the United States designated in writing prior to the fifteenth day of the month next preceding each Interest Payment Date. Notwithstanding the above, reference is made to the book-entry system of registration described under "BOOK-ENTRY ONLY SYSTEM" below.

## **Prepayment**

Optional Prepayment. The Series 2020A Certificates maturing on or before July 1, 20\_\_ are not subject to optional prepayment prior to maturity. The Series 2020A Certificates maturing on or after July 1, 20\_\_ are subject to prepayment on or after July 1, 20\_\_, if the School Board elects to prepay the principal portion of the Basic Lease Payments due under the Series 2020A Leases in whole or in part at any time, and if in part, in such order of maturity of Series 2020A Certificates corresponding to the due dates of the principal portion of Basic Lease Payments as shall be designated by the School Board to be prepaid, and by lot within a maturity in such manner as the Trustee may determine, at a Prepayment Price equal to the principal portion of the Basic Lease Payments represented by the Series 2020A Certificates or portions thereof to be prepaid (without premium), plus interest accrued to the Prepayment Date.

Mandatory Sinking Fund Payment. The Series 2020A Certificates maturing on July 1, 20\_\_ are subject to mandatory prepayment prior to maturity in part, from payments of the principal portion of Basic Lease Payments as set forth in the Series 2020A Leases, through the operation of a sinking fund on each July 1 in the years and in the amounts set forth below at a Prepayment Price of par plus the interest accrued to the Prepayment Date.

Year (July 1)	Principal Amount
------------------	---------------------

\*Maturity

Extraordinary Prepayment. The principal portion of Basic Lease Payments due under the Series 2020A Leases represented by the Series 2020A Certificates shall be subject to prepayment in the event either or both of the Series 2020A Leases terminate prior to payment in full of all of the Basic Lease Payments due thereunder to the extent the Trustee has moneys available for such purposes pursuant to the Trust Agreement and the Series 2020A Leases, subject to the limitations provided in the Master Lease.

No Extraordinary Prepayment in the Event of Damage, Destruction or Condemnation of the Series 2020A Facilities. The Series 2020A Certificates are **not** subject to extraordinary prepayment prior to maturity in the event of damage, destruction or condemnation of the Series 2020A Facilities. See "THE SERIES 2020A LEASES - Lease Payments" herein for information regarding the required use of any insurance or condemnation proceeds related to the Series 2020A Facilities allocated to the Series 2020A Certificates in the event of damage, destruction or condemnation of such Series 2020A Facilities.

Selection of Series 2020A Certificates for Prepayment. If less than all of the Series 2020A Certificates are called for prepayment, the particular Series 2020A Certificates, or portions thereof to be prepaid will be in multiples of \$5,000 and, except as otherwise provided in the Trust Agreement, the maturity of the Series 2020A Certificates to be prepaid will be determined by the Trustee. If less than all of the Series 2020A Certificates of like maturity are called for prepayment, the particular Series 2020A Certificates or portions thereof to be prepaid will be selected by lot by the Trustee in such manner as the Trustee deems fair and appropriate. The portion of any Series 2020A Certificate of a denomination of more than \$5,000 to be prepaid will be in the principal amount of \$5,000 or an integral multiple thereof, and, in selecting portions of such Series 2020A Certificates for prepayment, the Trustee will treat each such Series 2020A Certificate as representing that number of Series 2020A Certificates in \$5,000 denominations which is obtained by dividing the principal amount of such Series 2020A Certificate to be prepaid in part by \$5,000.

DTC Procedures. Investors should note that while DTC is the registered owner of the Series 2020A Certificates, partial prepayments of the Series 2020A Certificates will be determined in accordance with DTC's procedures. The School Board intends that prepayment allocations made by DTC, the DTC Participants or such other intermediaries that may exist between the School Board and the Beneficial Owners of the Series 2020A Certificates be made in accordance with the method of selection of Series 2020A Certificates for a partial prepayment described above. However, the selection of the Series 2020A Certificates for prepayment in DTC's book-entry only system is subject to DTC's practices and procedures as in effect at the time of any such partial prepayment. The School Board can provide no assurance that DTC or the DTC Participants or any other intermediaries will allocate prepayments among Beneficial

Owners in accordance with the method of selection of Series 2020A Certificates for a partial prepayment described above.

*Notice of Prepayment.* So long as the Series 2020A Certificates are issued in book-entry-only form, notice of prepayment will be mailed, postage prepaid (not less than 30 days before the Prepayment Date in the case of optional prepayment and not less than five days before the Prepayment Date in the case of extraordinary prepayment resulting from termination of the Series 2020A Leases as a result of non-appropriation or default by the School Board, unless a different notice period is required by DTC) to Cede & Co., as nominee for DTC, and the Trustee will not mail any prepayment notice directly to the Beneficial Owners of the Series 2020A Certificates. See "BOOK-ENTRY ONLY SYSTEM" herein.

[Notwithstanding anything in the Master Trust Agreement to the contrary, prior to notice being given to the Owners of affected Series 2020A Certificates of any optional prepayment of Series 2020A Certificates, either (i) there will be deposited with the Trustee an amount sufficient to pay the principal portion of the Basic Lease Payments represented by Series 2020A Certificates subject to prepayment, plus accrued interest to the prepayment date, [plus any premium applicable to such prepayment,] or (ii) such notice will state that the prepayment is conditioned on the receipt of moneys for such prepayment by the Trustee on or prior to the Prepayment Date. In the event that a conditional notice of prepayment is given and such moneys are not timely received, the prepayment for which such notice was given will not be undertaken.]

*Effect of Prepayment.* If, on the Prepayment Date, moneys for the payment of the Prepayment Price of the Series 2020A Certificates or portions thereof to be prepaid are held by the Trustee and available therefor on the Prepayment Date and if notice of prepayment has been given as required, then from and after the Prepayment Date, the interest represented by the Series 2020A Certificates or the portion thereof called for prepayment will cease to accrue. If such moneys are not available on the Prepayment Date, the principal represented by such Series 2020A Certificates or portions thereof will continue to bear interest until paid at the same rate as would have accrued had it not been called for prepayment.

## **BOOK-ENTRY ONLY SYSTEM**

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CORPORATION AND THE SCHOOL BOARD BELIEVE TO BE RELIABLE, BUT NEITHER THE CORPORATION NOR THE SCHOOL BOARD TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("DTC") will act as securities depository for the Series 2020A Certificates. The Series 2020A Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2020A Certificates, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of

the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "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 (the "Indirect Participants"). DTC has a Standard and Poor's rating of "AA+." The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2020A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2020A Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2020A Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020A Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020A Certificates, except in the event that use of the book-entry system for the Series 2020A Certificates is discontinued.

To facilitate subsequent transfers, all Series 2020A Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020A Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020A Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020A Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an 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 made among them, subject to any statutory

or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020A Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020A Certificates, such as prepayments, defaults, and proposed amendments to the Series 2020A Certificate documents. For example, Beneficial Owners of Series 2020A Certificates may wish to ascertain that the nominee holding the Series 2020A Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Series 2020A Certificates are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Certificates to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020A Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Prepayment proceeds and other payments on the Series 2020A Certificates 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 School Board or the 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 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 School Board, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School Board and/or the Trustee for the Series 2020A Certificates. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

None of the Corporation, the School Board or the Trustee can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2020A Certificates paid to DTC or its nominee, or any prepayment or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 2020A Certificates, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

DTC may discontinue providing its services as securities depository with respect to the Series 2020A Certificates at any time by giving reasonable notice to the School Board. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2020A Certificates are required to be printed and delivered.

The School Board may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event, Series 2020A Certificates will be printed and delivered to Beneficial Owners.

## SECURITY FOR THE SERIES 2020A CERTIFICATES

### General

The Series 2020A Certificates evidence undivided proportionate interests in the principal portion and interest portion of Basic Lease Payments to be made by the School Board under the Series 2020A Leases. The Series 2020A Certificates are secured by and payable from the Trust Estate established for the Series 2020A Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the portion of Basic Lease Payments under the Series 2020A Leases allocable to the Series 2020A Certificates and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Series 2020A Leases and the Trust Agreement, including investment earnings thereon, and any and all monies allocable to the Series 2020A Certificates received by the Trustee pursuant to the Series 2020A Leases and the Trust Agreement which are not required to be remitted to the School Board or the Corporation pursuant to the Series 2020A Leases or the Trust Agreement.

Neither the Corporation nor the School Board will mortgage or grant a security interest in the Series 2020A Facilities to the Trustee. Upon termination of the Series 2020A Leases upon the occurrence of an event of non-appropriation or in the case of certain events of default, the Series 2020A Leases provide that the School Board must surrender possession of the Series 2020A-1 Facilities (but not the Series 2020A-2 Facilities) to the Trustee as assignee of the Corporation for disposition by sale or re-letting of its interest in such Facilities as provided in the Trust Agreement. Any proceeds of the disposition of the Series 2020A-1 Facilities will be applied to the payment of the Series 2020A Certificates allocable to the Series 2020A-1 Lease [(and in the case of disposition of the Overlapping Facilities, equally and ratably with holders of other Certificates representing an interest therein),] after payment of the expenses of the Trustee in accordance with the Series 2020A-1 Leases. **The School Board may not be dispossessed of the Series 2020A-2 Facilities or any personal property financed or refinanced, in whole or in part, with proceeds of Certificates.** See "THE SERIES 2020A FACILITIES" herein for a description of the Series 2020A Facilities [(including the Overlapping Facilities)] against which the Trustee may exercise rights on behalf of the Owners of the Series 2020A Certificates. See also "THE SERIES 2020A LEASES - Effect of Termination for Non-Appropriation or Default" herein.

### Lease Payments

All Lease Payments and all other amounts required to be paid by the School Board under the Series 2020A Leases and the Prior Leases and all other Leases will be made from funds

authorized by law and regulations of the State of Florida Department of Education to be used for such purpose and budgeted and appropriated for such purpose by the School Board. Revenues available to the District for operational purposes and for capital projects such as the Series 2020A Facilities are described under "OPERATING REVENUES OF THE DISTRICT" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein. Such revenues are also used to pay other outstanding obligations of the District.

The Trust Agreement provides for the establishment and maintenance of a Series 2020A Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2020A Leases. Separate Lease Payment Accounts are established for each new group of Facilities to be financed by a Series of Certificates issued under the Trust Agreement. Lease Payments due under the schedules to the Master Lease are subject to annual appropriation by the School Board on an all-or-none basis and are payable solely from legally available funds appropriated by the School Board for such purposes; provided that Lease Payments with respect to a particular schedule and Series of Certificates may be additionally and separately secured by a Credit Facility. Such additional Facilities may be financed through the sale of additional Series of Certificates under the Trust Agreement. THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE LEASE PAYMENTS DUE FOR A PORTION OF THE FACILITIES LEASED UNDER THE MASTER LEASE; IT MUST BUDGET AND APPROPRIATE LEASE PAYMENTS FOR ALL FACILITIES OR NONE OF THEM. THERE CAN BE NO ASSURANCE THAT SUFFICIENT FUNDS WILL BE APPROPRIATED OR OTHERWISE BE MADE AVAILABLE TO MAKE ALL OF THE LEASE PAYMENTS DUE UNDER THE MASTER LEASE.

#### **Limited Obligation of the School Board**

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION. NONE OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS OBLIGATED TO PAY, EXCEPT FROM SCHOOL BOARD APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2020A LEASES FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER, AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NONE OF THE CORPORATION, THE TRUSTEE OR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2020A LEASES. SEE "RISK FACTORS" HEREIN.

## **Prior Leases and Additional Leases**

As noted above, the School Board has entered into the Prior Leases and may enter into other Leases under the Master Lease in addition to the Series 2020A Leases and the Prior Leases. See "INTRODUCTION" and "THE MASTER LEASE PROGRAM" herein. Failure to appropriate funds to make Lease Payments under any Lease will, and certain events of default under a Lease may result in the termination of the Lease Terms of all Leases, including the Series 2020A Leases. Upon any such termination of the Lease Terms of all Leases, the School Board must surrender all Facilities, including the Series 2020A-1 Facilities (except for certain designated Facilities such as the Series 2020A-2 Facilities) to the Trustee for sale or re-letting of the Trustee's interest. The proceeds of the disposition of the Series 2020A-1 Facilities will be applied to the payment of the Series 2020A Certificates allocable to the Series 2020A-1 Lease [(and in the case of disposition of the Overlapping Facilities, equally and ratably with other Certificates representing an interest therein),] after payment of the expenses of the Trustee, in accordance with the Series 2020A-1 Lease. **The School Board may not be dispossessed of the Series 2020A-2 Facilities or any personal property financed, in whole or in part, with proceeds of Certificates.** Except as described herein, in no event will owners of the Series 2020A Certificates have any interest in or right to the proceeds of the disposition of Facilities financed or refinanced with the proceeds of another Series of Certificates. There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Leases and the disposition of the Series 2020A Facilities against which the Trustee has rights will produce sufficient amounts to pay the outstanding Series 2020A Certificates.

For a discussion of remedies available to the Trustee upon the occurrence of an event of the non-appropriation of funds to pay Lease Payments or upon the occurrence of an event of default, see "THE SERIES 2020A LEASES - Termination of Lease Term" and "- Effect of Termination for Non-Appropriation or Default" herein and "APPENDIX C - CERTAIN LEGAL DOCUMENTS - The Master Lease" hereto.

## **Prior Certificates and Additional Certificates**

As noted above, the School Board has multiple Series of Prior Certificates outstanding relating to the Prior Leases. See "INTRODUCTION" herein. With respect to any Additional Lease, one or more series of Additional Certificates may be authorized by the Corporation at the request of the School Board and executed and delivered by the Trustee for the purpose of: (a) financing the cost of acquisition, construction, installation and equipping of any Facilities; (b) financing the cost of completing the acquisition, construction, installation and equipping of any Facilities; (c) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities; or (d) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price (as described under "SECURITY FOR THE SERIES 2020A CERTIFICATES - Optional Prepayment Price" below) of, all or a portion of the Facilities financed from the proceeds of any series of Certificates previously executed and delivered. The aggregate principal amount of Additional Certificates which may be executed and delivered under the provisions of the Master Trust Agreement is not limited, except as may be provided with respect to a particular series of Additional Certificates in any Supplemental Trust Agreement creating such series.

Unless otherwise set forth in a Supplemental Trust Agreement authorizing the issuance of more than one Series of Certificates, each Certificate within a Series of Certificates executed and delivered pursuant to the Trust Agreement shall rank *pari passu* and be equally and ratably secured under the Trust Agreement with each other Certificate of such Series, but not with any Certificates of any other Series, without preference, priority, or distinction of any such Certificate over any other such Certificate, except that to the extent that Basic Lease Payments available for payment to all Certificate holders are less than all amounts owed with respect to all Series of Certificates on any Interest Payment Date, such amounts available shall be applied on a pro rata basis to Certificate holders of all Series in accordance with the ratio that the principal balance of each Series of Certificates outstanding bears to the total amount of Certificates Outstanding under the Trust Agreement.

### **Optional Prepayment Price**

The School Board has the right to prepay all or a portion of the Basic Lease Payments represented by the Series 2020A Certificates and in connection therewith remove all or a portion of the Series 2020A Facilities from the applicable Series 2020A Lease and from the lien of the Series 2020A Ground Lease, if applicable, by paying the Purchase Option Price for the specific Series 2020A Facilities being purchased or, to the extent permitted by law, by substituting other Facilities for the Series 2020A Facilities to be released. In such event, Series 2020A Certificates representing an interest in the prepaid Basic Lease Payments would be paid on the next available date for prepaying the Series 2020A Certificates. The Purchase Option Price, as of each Lease Payment Date, is: (i) the Basic Lease Payment then due plus the amount designated in the applicable Series 2020A Lease; (ii) minus any credits pursuant to the provisions of the applicable Series 2020A Lease; (iii) plus an amount equal to the interest to accrue with respect to the Series 2020A Certificates and any other Certificates representing an interest in the applicable Series 2020A Lease to be prepaid from such Lease Payment Date to the next available date for prepaying the Series 2020A Certificates; (iv) plus an amount equal to any other amounts then due and owing under the applicable Series 2020A Lease.

### **Non-Appropriation Risk**

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS FOR THE PURPOSE OF MAKING LEASE PAYMENTS. UNDER THE MASTER LEASE THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE AVAILABLE REVENUES TO MAKE LEASE PAYMENTS SELECTIVELY ON A LEASE BY LEASE BASIS, BUT MUST APPROPRIATE SUCH REVENUES FOR ALL LEASES OR NONE OF THEM. FOR A DISCUSSION OF REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF THE NON-APPROPRIATION OF FUNDS TO PAY LEASE PAYMENTS, SEE "THE SERIES 2020A LEASES - TERMINATION OF LEASE TERM" AND "- EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT." THERE CAN BE NO ASSURANCE THAT THE REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF NON-APPROPRIATION WILL PRODUCE SUFFICIENT AMOUNTS TO FULLY PAY THE PRIOR CERTIFICATES FOR PAYING SUCH CLAIMS.

## **No Reserve Account for Series 2020A Certificates**

THERE IS NO RESERVE ACCOUNT ESTABLISHED FOR THE SERIES 2020A CERTIFICATES. Pursuant to a Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Lease Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established. See "APPENDIX C - CERTAIN LEGAL DOCUMENTS – The Master Trust Agreement" hereto.

### **CERTAIN AMENDMENTS TO THE MASTER LEASE, SCHEDULE 2020A-1 AND SCHEDULE 2020A-2**

Pursuant to separate Resolutions, adopted by each of the School Board and the Corporation, respectively, on March 1, 2016, the School Board and the Corporation have authorized an Amendment to Master Lease Agreement (the "Amendment to Master Lease"), among the School Board, the Corporation and the Trustee. The Amendment to Master Lease generally provides for certain amendments to the Master Lease which revise the property insurance requirements for the Facilities in order to allow the amount of property insurance required to be maintained under the Master Lease to be determined annually by the Superintendent, in consultation with the Risk Management Department of the School Board. Such provision provides that the School Board shall follow the recommendation of the Superintendent so long as the recommended insurance is available at commercially reasonable costs and otherwise satisfies the requirements of the Master Lease. The School Board is also required to maintain eligibility for assistance by the Federal Emergency Management Agency (see "RISK FACTORS - Property Insurance" herein). The Amendment to the Master Lease also provides that except in certain enumerated circumstances, the terms of the Master Lease or any Schedule thereto shall not be waived, altered, modified, supplemented or amended except upon receipt of the consent of the holders of a majority of the principal amount of Certificates Outstanding who are affected thereby (or in the case of insured Certificates, the related Credit Facility Issuer in lieu of the holders of the Certificates it insures provided such Credit Facility Issuer has not been downgraded below the rating of the District). See "APPENDIX C - CERTAIN LEGAL DOCUMENTS - Form of Amendment to Master Lease Purchase Agreement" hereto for the specific amendments to the Master Lease. Upon receipt of consents to such amendments from holders of not less than a majority in principal amount of Certificates then Outstanding under the Trust Agreement, together with required consents, if any, of municipal bond insurers, such amendments will become effective.

**At the time of issuance of the Series 2020A Certificates, the initial Beneficial Owners of the Series 2020A Certificates, through their purchase of the Series 2020A Certificates, shall be deemed to have consented to the amendments set forth in the Amendment to Master Lease. Upon their issuance, the Series 2020A Certificates will represent approximately \_\_\_\_% of the Certificates Outstanding for purposes of the consent to the Amendment to the Master Lease. The School Board has previously received consent from Beneficial Owners of certain of the Prior Certificates constituting approximately [48.79%] of all Certificates Outstanding for purposes of the consent to the Amendment to the Master Lease. The School Board is also seeking consent to the amendment set forth in the**

**Amendment to Master Lease from a certain Credit Facility Issuer that represents approximately [1.60%] of all Certificates Outstanding for purposes of the Amendment to Master Lease. However, [as consent of other certain municipal bond insurers is required for the Amendment to the Master Lease to become effective,] at this time, the School Board cannot predict, if or when, the amendments contained in the Amendment to Master Lease will become effective. Purchasers of the Series 2020A Certificates should carefully review the proposed amendments. See "APPENDIX C - CERTAIN LEGAL DOCUMENTS - Form of Amendment to Master Lease Purchase Agreement" hereto for the specific amendments.**

In addition, Schedule 2020A-1 contains certain amendments intended to (i) allow for the substitution of Facilities upon meeting certain conditions (see "THE SERIES 2020A FACILITIES - Substitution and/or Additions to Series 2020A Facilities - Substitution" for the requirements for such substitution as contemplated in the amendment provision) and (ii) allow for the release of a Series 2020A-1 Facility or Series 2020A-1 Facilities from the lien of the Series 2020A-1 Lease upon the completion of construction thereof, as evidenced by the execution and delivery of a Certificate of Acceptance to the Trustee pursuant to the Master Lease, and certification of the final cost per student station of such Series 2020A-1 Facility or Series 2020A-1 Facilities by the School Board to the State Department of Education pursuant to Section 1013.64, Florida Statutes, if after the release of such Series 2020A-1 Facility or Series 2020A-1 Facilities the total construction cost of the remaining Series 2020A-1 Facilities exceeds the remaining principal portion of the Basic Lease Payments payable under the Series 2020A-1 Lease (see "THE SERIES 2020A FACILITIES – Release of Series 2020A-1 Facilities" herein). See "APPENDIX C - CERTAIN LEGAL DOCUMENTS - Form of Schedule 2020A-1" hereto for the specific amendments.

Both Schedule 2020A-1 and Schedule 2020A-2 contain amendments intended to allow for the amendment of such Schedule without consent of the holders of the affected Certificates for the purpose of (a) adding a legal description and/or the permitted encumbrances for a Facility Site which has already been designated in such Schedule, (b) adding additional Facilities to be financed under such Schedule, (c) substituting Facilities in accordance with Section 6.4 of the Master Lease, or (d) releasing a Facility or portion thereof if such Facility or portion thereof has been released from the lien of the Master Lease in accordance with the provisions thereof. See "APPENDIX C - CERTAIN LEGAL DOCUMENTS - Form of Schedule 2020A-1" and "- Form of Schedule 2020A-2" hereto for the specific amendments.

**At the time of issuance of the Series 2020A Certificates, the initial Beneficial Owners of the Series 2020A Certificates, through their purchase of the Series 2020A Certificates, shall be deemed to have consented to the amendments set forth in Schedule 2020A-1 and Schedule 2020A-2. The Series 2020A Certificates will represent 100% of the Certificates Outstanding under the Series 2020A Leases. As such, the amendments set forth in Schedule 2020A-1 and Schedule 2020A-2 will become effective immediately upon the issuance of the Series 2020A Certificates.**

**Purchasers of the Series 2020A Certificates should carefully review the proposed amendments. See "APPENDIX C - CERTAIN LEGAL DOCUMENTS - Form of Amendment to Master Lease," "- Form of Schedule 2020A-1" and "- Form of Schedule 2020A-2" hereto. Notwithstanding the foregoing, the consent of a majority of Certificate**

**holders evidencing an interest in the Series 2020A Leases will not be required for the release of any Series 2020A Facilities not subject to the exercise of remedies upon an event of default or event of non-appropriation by the School Board.**

*The Underwriters are not providing consent to or approval of the herein described amendments and the School Board will not deem such amendments to have been consented to or approved by the Underwriters as a result of the Underwriters' purchase of the Series 2020A Certificates in their capacity as underwriters as defined in Section 2(a)(11) of the Securities Act of 1933, as amended.*

## **THE MASTER LEASE FACILITIES**

The Series 2020A Facilities are being financed under the School Board's existing Master Lease as part of the School Board's master lease purchase program (the "Master Lease Program") with the Corporation. The Facilities financed or refinanced by the School Board under the Master Lease Program are subject to annual appropriation on an all or none basis. **[For Fiscal Year 2019-20, of the District's [232] total operational schools, there were approximately 23 schools and 117 additions or renovations to schools and related improvements leased under the Master Lease. Based on the District's Pre-K through 12 pupil enrollment of approximately 224,543 students (excluding charter school enrollment) for Fiscal Year 2019-20, approximately 46% of the District's students attended classes in, or otherwise utilized, Facilities leased under the Master Lease during the Fiscal Year ending June 30, 2020. Such percentage does not include the additional students that are expected to attend classes in, or otherwise utilize, the educational facilities constituting the Series 2020A-1 Facilities upon completion of such Facilities.]** *To determine the above percentage, the number of students attending each facility was calculated as follows: for schools that are built and operating, the number of students for the Fiscal Year 2019-20 was used; for the additions, the number of student stations attributable to each specific classroom or number of students served by such facility for Fiscal Year 2019-20 based on the type of school (elementary, middle or high) or facility (cafeteria, auditorium, gymnasium, etc.) was used. With respect to certain related facilities under the Master Lease (transportation facilities), no student stations were calculated as being attributable to such facilities. Such figures do not include Facilities under the Master Lease which are not subject to surrender and disposition by the Trustee such as the Series 2020A-2 Facilities. For a complete description of the Facilities under the Master Lease Program see "THE SERIES 2020A FACILITIES" and "THE PRIOR FACILITIES" herein.*

Pursuant to the Master Lease, the School Board does not have the ability to appropriate funds to make Lease Payments on one Facility or some combination of Facilities only. The School Board's annual appropriation for Basic Lease Payments must be for all Facilities under the Master Lease Program. In the event the School Board does not appropriate funds in its annual budget for all of such financed Facilities, the School Board would, at the Trustee's option, be required to surrender such Facilities, including the Series 2020A-1 Facilities (other than certain designated Facilities such as the Series 2020A-2 Facilities), to the Trustee for the benefit of the Owners of the Certificates which financed or refinanced such Facilities.

## THE SERIES 2020A FACILITIES

### Series 2020A-1 Facilities

The Series 2020A Project consists of the lease purchase financing of the acquisition and construction of the Series 2020A-1 Facilities, the lease of the Series 2020A-1 Facility Sites by the School Board to the Corporation pursuant to the Series 2020A Ground Lease and the sublease of the Series 2020A-1 Facility Sites back to the School Board. All of the Series 2020A-1 Facilities are located within the District. The School Board holds title to all of the Series 2020A-1 Facility Sites. Under certain conditions set forth in the Series 2020A-1 Lease, the School Board may substitute and/or add components of the Series 2020A-1 Facilities [and/or release Series 2020A-1 Facilities from the Series 2020A-1 Lease]. See also, "-Substitution and/or Additions to Series 2020A-1 Facilities" and "-Release of Series 2020A-1 Facilities" below.

[INSERT FACILITY DESCRIPTIONS]

### Series 2020A-2 Facilities

[The Series 2020A-2 Facilities consist of various safety, ADA compliance, remodeling and renovation, air quality, roofing and technology improvements throughout the District.] **The Series 2020A-2 Facilities are not subject to surrender or disposition by the Trustee upon a non-appropriation of funds or event of default that results in the termination of the Series 2020A-2 Lease.**

### The Estimated Series 2020A Facilities Budget

The following table sets forth the School Board's current estimates of the cost of each of the Facilities comprising the Series 2020A Facilities.

Facilities Description*	Planning/ Design*	Furniture, Fixtures & Equipment*	Construction/ Acquisition*	Total Project Cost*
	\$_____	\$_____	\$_____	\$_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Comprehensive Needs	_____	_____	_____	_____
Total	\$_____	\$_____	\$_____	\$_____

\* The foregoing reflects the current expectations of the School Board and District as of the date of this Offering Statement as to the nature and cost of the Series 2020A Facilities and is subject to change and amendment, without notice.

## **[Overlapping Facility**

The Overlapping Facilities described above under "- The Series 2020A-1 Facilities" are the result of the financing of certain Facilities (or more than one Facility) under more than one Lease on the same Facility Site. Accordingly, the disposition of the proceeds, if any, of these Overlapping Facilities upon the termination of the Lease Term of the Series 2020A-1 Lease, as described herein, will be shared equally and ratably with the owners of the other Series of Certificates, as described in the footnotes under "- The Series 2020A-1 Facilities" above.

In connection with the financing of new Facilities, the School Board may seek to amend the Series 2020A Ground Lease to include such new Facilities as the Overlapping Facilities, however, such amendment would require the prior consent of the owners of the Certificates representing greater than 50% of the principal portion of the Basic Lease Payments allocable to the Facilities subject to the Series 2020A Ground Lease sought to be amended (or a Credit Facility Issuer, if any, that insures such Certificates in lieu of such owners).]

## **Substitution and/or Additions to Series 2020A Facilities**

Substitution. The following reflects the amendments to Section 6.4 of the Master Lease set forth in Schedule 2020A-1. See "CERTAIN AMENDMENTS TO THE MASTER LEASE, SCHEDULE 2020A-1 AND SCHEDULE 2020A-2 " herein. See also "APPENDIX C - CERTAIN LEGAL DOCUMENTS – Master Lease" for the current provision and "APPENDIX C - CERTAIN LEGAL DOCUMENTS – Form of Schedule 2020A-1" for the amended provision.

To the extent permitted by law, on or after the Completion Date, the School Board may substitute for any of the Series 2020A-1 Facilities other facilities owned by the School Board, provided such substituted facilities: (a) have the same or greater remaining useful life; (b) have a fair market value equal to or greater than the portion of the Series 2020A-1 Facilities for which they are substituted (based on an assessment prepared by the District); (c) are of substantially equal usefulness as the Series 2020A-1 Facilities to be replaced and provide essential governmental services; (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances and (e) are approved by the State Department of Education. In order to effect such substitution, Series 2020A-1 Facilities to be replaced will be released from the encumbrance of the Series 2020A-1 Lease and the Series 2020A Ground Lease by appropriate instrument executed by the School Board and the Corporation (or Trustee as assignee of the Corporation) in form sufficient to leave good and marketable fee simple title to such Facilities in the School Board subject only to Permitted Encumbrances, and the facilities to be substituted shall likewise be incorporated into the Series 2020A-1 Lease and Series 2020A Ground Lease. Schedule 2020A-1 will be appropriately amended and the Series 2020A Ground Lease will be amended or canceled and replaced, to reflect such substitution.

There shall also be delivered at the time of substitution an Opinion of Counsel as described in the Master Lease with respect to the substitute Facility Site. The foregoing conditions with respect to substitution only apply to Facilities against which the Trustee has rights such as the Series 2020A-1 Facilities.

Additions. From time to time, the School Board may have remaining funds on deposit in an Acquisition Fund under a particular Lease. This sometimes occurs as a result of a Facility or combination of Facilities being constructed for less than anticipated, a Facility is no longer needed or there are unresolved issues concerning the site on which the Facility is to be built. In such case, the School Board may finance other Facilities under such Lease, in which case such additional Facilities shall be subject to the provisions of the related Lease. In certain cases, such newly added Facilities may be Facilities which are not subject to surrender and disposition by the Trustee.

### **Release of Series 2020A-1 Facilities**

Upon the completion of construction thereof, and certification of the final cost per student station of such Series 2020A-1 Facility or Series 2020A-1 Facilities by the School Board to the State Department of Education pursuant to Section 1013.64, Florida Statutes, the School Board may cause the release of a Series 2020A-1 Facility or Series 2020A-1 Facilities from the lien of the Series 2020A-1 Lease, if after the release of such Series 2020A-1 Facility or Series 2020A-1 Facilities the total construction cost of the remaining Series 2020A-1 Facilities exceeds the remaining principal portion of the Basic Lease Payments payable under the Series 2020A-1 Lease. See "RISK FACTORS – Construction Cost Maximums" herein.

### **THE PRIOR FACILITIES**

The following provides a summarized description of the Facilities being lease-purchased under the Prior Leases and subject to the Master Lease. Under certain conditions set forth in the Master Lease, the School Board may substitute Facilities, modify the plans and specifications therefor or eliminate Facilities.

#### **Series 2001A-1 Facilities**

Coconut Creek Elementary School  
Dillard High School Replacement and Art Center  
Endeavor Primary Learning Center  
Manatee Bay Elementary School  
Miramar High School  
South Broward High School Replacement  
Technology and Support Services Annex  
Westglades Middle School

#### **Series 2001B-1 Facilities**

Atlantic Technical Center Addition  
Broward Estates Elementary School Cafeteria Replacement  
Castle Hill Elementary School Cafeteria Replacement  
Deerfield Beach High School Addition  
Driftwood Elementary School Additions  
Fort Lauderdale High School Addition  
Martin Luther King Elementary School Cafeteria Replacement  
Robert Markham Elementary School Cafeteria Replacement  
Monarch High School  
Pompano Beach High School Institute of International Studies

Silver Shores Elementary School  
Southwest Bus Parking/Maintenance Facility  
Dave Thomas Educational Center – West Campus

**Series 2003A-1 Facilities**

Mary M. Bethune Elementary School Additions  
Broward Fire Academy School Renovation/Replacement  
Cooper City High School Additions  
Blanche Ely High School Additions  
Hallandale High School Remodel  
High School "JJJ"  
Lake Forest Elementary School Replacement  
Lauderdale Manors Elementary School Cafeteria Replacement  
McArthur High School Additions  
Miramar High School Addition  
Plantation High School Renovation/Addition  
Royal Palm Elementary School Addition  
South Plantation High School Addition  
Tedder Elementary School Additions  
Walker Elementary School Addition  
Whiddon-Rogers Education Center Additions

**Series 2003A-2 Facilities\***

District Wide Indoor Environmental Quality Improvements  
District Wide Modular Buildings  
J.P. Taravella High School

**Series 2004-QZAB Facilities\***

Equipment for designated Qualified Zone Academies

**Series 2004-1 Facilities**

Apollo Middle School Addition  
Boulevard Heights Elementary School Cafeteria Replacement  
Broadview Elementary School Addition  
Central Park Elementary School Addition  
Cooper City Elementary School Cafeteria Replacement  
Dolphin Bay Elementary School  
Elementary School Y  
Fox Trail Elementary School Addition  
Glades Middle School  
Harbordale Elementary School Cafeteria Replacement  
Meadowbrook Elementary School Cafeteria Replacement  
Nob Hill Elementary School Addition  
North Fork Elementary School Addition  
Palm Cove Elementary School Addition  
Pasadena Lakes Elementary School Addition  
Annabel C. Perry Elementary School Addition  
Pompano Beach Middle School Addition

Quiet Waters Elementary School Addition  
Sheridan Park Elementary School Addition  
Stirling Elementary School Addition  
Tropical Elementary School Cafeteria Replacement  
Village Elementary School Renovation/Replacement  
Westchester Elementary School Addition  
Winston Park Elementary School Addition

**Series 2005A-1 Facilities**

Atlantic West Elementary School Addition  
Challenger Elementary School Addition  
Coral Springs High School Additions  
Coral Springs Middle School Additions  
Cypress Bay High School Addition  
Cypress Elementary School Addition  
Discovery Elementary School  
Forest Glen Middle School Addition  
Hallandale High School Renovations/Remodel  
Hollywood Hills High School Addition  
Indian Ridge Middle School Additions  
Lloyd Estates Elementary School Cafeteria Replacement  
Margate Elementary School Addition  
Northeast High School Addition  
Nova High/Middle School Additions  
Oakland Park Elementary School Addition  
Pines Middle School Replacement  
Ramblewood Middle School Addition  
Rickards Middle School Addition  
Sandpiper Elementary School Addition  
Seagull School Addition  
Stranahan High School Addition  
Tamarac Elementary School Addition  
Walker Elementary School Addition  
Western High School Addition

**Series 2005B Facilities**

Comprehensive Needs Facilities\*  
Coral Glades High School Addition  
Country Isles Elementary School Addition  
Heron Heights Elementary School

**Series 2006-1 Facilities**

Coral Springs Elementary School Addition  
Fort Lauderdale High School Addition  
Norcrest Elementary School Replacement  
North Andrews Gardens Elementary School Addition  
Orange Brook Elementary School Replacement  
Palmview Elementary School Replacement

Peters Elementary School Replacement  
J.P. Taravella High School Addition  
West Broward High School

**Series 2006-2 Facilities\***

Attucks Middle School Air Handler  
Cooper City High School Additions  
District Wide Modulares/HVAC/Other Repairs  
Elementary Site Acquisition  
Flamingo Elementary School Roofing and Various Repairs  
Sandpiper Elementary School Additions  
Seminole Middle School Repairs  
Silver Lakes Middle School Air Handler  
South Plantation School Additions  
Southwest Ranches Site Acquisition

**Series 2007A-1 Facilities**

Beachside Montessori Village School  
Bennett Elementary School Cafeteria Replacement  
Bethune Elementary School Cafeteria Replacement  
Colbert Elementary School Replacement  
Cypress Elementary School Cafeteria Replacement  
Dania Elementary School Cafeteria Replacement  
Deerfield Beach Elementary School Cafeteria Replacement  
Blanche Ely High School Replacement  
Hollywood Hills School Addition  
Lanier James Education Center Replacement  
Margate Elementary School Cafeteria Replacement  
Mirror Lake Elementary School Cafeteria Replacement  
Pembroke Pines Elementary School Cafeteria Replacement and Expansion  
Pines Lake Elementary School Media Center  
Stoneman Douglas High School Addition  
Tradewinds Land and Addition

**Series 2008A-1 Facilities**

Apollo Middle School Addition  
Boyd Anderson High School Addition  
Coconut Creek High School Addition  
Comprehensive Needs Facilities\*  
Cooper City High School Addition  
Cypress Run Education Center  
Discovery Elementary School  
Stephen Foster Elementary School Addition  
Harbordale Elementary School Addition  
Heron Heights Elementary School  
Lauderdale Manors Elementary School Addition  
Northeast High School Addition  
Nova High School Addition

Peters Elementary School Addition  
Pompano Beach Middle School Addition  
Southwest Bus Parking Facilities  
Tropical Elementary Addition  
Western High School Addition

**Series 2008A-2 Facilities\***

District Wide Brite Project - Financial Software System  
District Wide Indoor Environmental Quality Improvements  
District Wide Modular Buildings/Relocatables  
District Wide Roofing Hurricane Repair Projects

**Series 2009A-1 Facilities**

Banyan Elementary School Addition  
Comprehensive Needs Facilities\*  
Blanche Ely High School Addition  
Fort Lauderdale High School Pool Replacement  
Harbordale Elementary School Addition  
Northeast High School Addition  
Palmview Elementary School Addition  
Parkway Middle School Addition  
Seagull Center Addition  
Walker Elementary School Addition

**Series 2009A-2 Facilities\***

District Wide ADA Improvements  
District Wide Brite Project - Enterprise Resource Planning (ERP) System  
District Wide Indoor Environmental Quality Improvements  
District Wide ITV Towers  
District Wide Modular Buildings/Relocatables  
District Wide Roofing Hurricane Repair Projects  
Regional Athletic Facility at Deerfield Beach High School

**Series 2010 Facilities**

Cooper City High School Phase Replacement  
Ft. Lauderdale High School Phase Replacement

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\*Constitutes designated Facilities that are not subject to remedial action in the event of a default or non-appropriation.

[Remainder of page intentionally left blank]

## ESTIMATED SOURCES AND USES OF FUNDS

It is estimated that proceeds received from the sale and delivery of the Series 2020A Certificates, together with other legally available funds, are expected to be used as follows:

### Estimated Sources:

Aggregate Principal Amount	
Plus/Less: Net Bond Premium/Original Issue	
Discount	_____
 Total Sources of Funds	 =====

### Estimated Uses:

Deposit to Series 2020A Acquisition Account	
Series 2020A Costs of Issuance	
Subaccount <sup>(1)</sup>	_____
 Total Uses of Funds	 =====

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<sup>(1)</sup> Includes, without limitation, printing costs, legal, accounting and financial advisory fees, Underwriters' discount and other costs associated with the issuance of the Series 2020A Certificates.

[Remainder of page intentionally left blank]

## CERTIFICATE PAYMENT SCHEDULE I FOR PRIOR CERTIFICATES

Estimated payment requirements on the Outstanding Series 2004-QZAB, Series 2009A-QSCB, Series 2010A-QSCB, Series 2011A, Series 2012A, Series 2015A and Series 2015B Certificates are as follows.

Period Ending (July 1)	Series 2004-QZAB Certificates	Series 2009A-QSCB Certificates <sup>(1)</sup>	Series 2010A- QSCB Certificates <sup>(1)(2)</sup>	Series 2011A Certificates	Series 2012A Certificates	Series 2015A Certificates	Series 2015B Certificates
2020	\$ 53,062	\$ 4,540,000	\$ 5,785,273	\$ 29,078,750	\$ 20,348,500	\$ 24,015,250	\$ 17,657,750
2021	53,062	4,540,000	5,785,273	29,085,000	14,405,000	24,011,500	17,659,500
2022	0	4,540,000	5,785,273	0	14,411,000	34,828,250	17,657,750
2023	0	4,540,000	5,785,273	0	14,407,000	34,828,000	17,656,500
2024	0	4,513,000	5,785,273	0	14,412,250	34,823,000	17,659,500
2025	0	0	5,785,273	0	14,410,000	34,825,500	17,655,250
2026	0	0	5,785,273	0	14,409,250	34,827,000	17,657,750
2027	0	0	5,785,273	0	14,408,950	34,824,250	17,655,250
2028	0	0	0	0	14,409,200	27,609,000	17,651,500
2029	0	0	0	0	0	16,708,250	17,655,000
2030	0	0	0	0	0	16,705,500	17,653,750
2031	0	0	0	0	0	0	17,651,250
2032	0	0	0	0	0	0	17,655,750
2033	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0
<b>TOTAL<sup>(3)</sup></b>	<b>\$106,124</b>	<b>\$22,673,000</b>	<b>\$46,282,183</b>	<b>\$ 58,163,750</b>	<b>\$135,621,150</b>	<b>\$318,005,500</b>	<b>\$229,526,500</b>

<sup>(1)</sup> Debt Service does not take into account actual and potential reductions in interest subsidies with respect to the Outstanding Series 2009A-QSCB and Series 2010A-QSCB Certificates discussed under "RISK FACTORS - Effect of Sequestration on Lease Payments."

<sup>(2)</sup> Debt service shown is net of interest subsidy of 5.25%.

<sup>(3)</sup> Totals may not add due to rounding.

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## CERTIFICATE PAYMENT SCHEDULE II FOR PRIOR CERTIFICATES

Estimated payment requirements on the Outstanding Series 2016A, Series 2016B, Series 2017A, Series 2017B, Series 2017C, Series 2019A and Series 2019B Certificates are as follows:

Period Ending (July 1)	Series 2016A Certificates	Series 2016B Certificates	Series 2017A Certificates	Series 2017B Certificates	Series 2017C Certificates	Series 2019A Certificates	Series 2019B Certificates	Aggregate Debt Service
2020	\$ 18,663,788	\$ 936,750	\$10,419,494	\$ 2,815,000	\$ 7,561,500	\$ 5,013,517	\$ 3,100,577	\$ 149,989,210
2021	18,660,788	936,750	10,685,621	2,815,000	7,561,500	5,262,000	3,254,250	144,715,243
2022	18,658,788	936,750		2,815,000	35,906,500	5,952,000	3,254,250	144,745,560
2023	18,661,538	936,750		2,815,000	35,124,250	6,687,500	3,254,250	144,696,060
2024	18,662,538	936,750		2,815,000	35,135,250	6,699,500	3,254,250	144,696,310
2025	18,665,538	6,706,750		2,815,000	34,138,250	6,442,250	3,254,250	144,698,060
2026	18,659,038	6,733,250		2,815,000	34,125,000	6,434,000	3,254,250	144,699,810
2027	18,662,038	7,224,000		2,815,000		40,067,750	3,254,250	144,696,760
2028	18,657,538			9,125,000		53,946,250	3,254,250	144,652,738
2029	18,659,288			9,319,500		13,503,000	68,339,250	144,184,288
2030	18,660,288			9,523,500				62,543,038
2031	18,663,788			9,745,250				46,060,288
2032	18,663,188			9,982,500				46,301,438
2033	18,662,438			10,228,000				28,890,438
2034				10,494,750				10,494,750
<b>TOTAL<sup>(1)</sup></b>	<b>\$261,260,575</b>	<b>\$25,347,750</b>	<b>\$21,105,115</b>	<b>\$90,938,500</b>	<b>\$189,552,250</b>	<b>\$150,007,767</b>	<b>\$97,473,827</b>	<b>\$1,646,063,991</b>

<sup>(1)</sup> Totals may not add due to rounding.

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## COMBINED CERTIFICATE PAYMENT SCHEDULE

The estimated combined payment requirements on the Series 2020A Certificates and the Prior Certificates are as follows:

Period Ending July 1	Prior Certificates <sup>(1)</sup>	Series 2020A Certificates			Aggregate Total <sup>(2)</sup>
		Principal Portion	Interest Portion	Annual Basic Lease Payment	
2020	\$ 149,989,210				
2021	144,715,243				
2022	144,745,560				
2023	144,696,060				
2024	144,696,310				
2025	144,698,060				
2026	144,699,810				
2027	144,696,760				
2028	144,652,738				
2029	144,184,288				
2030	62,543,038				
2031	46,060,288				
2032	46,301,438				
2033	28,890,438				
2034	10,494,750				
<b>Total<sup>(2)</sup></b>	<b>\$1,646,063,991</b>				

<sup>(1)</sup> See "CERTIFICATE PAYMENT SCHEDULES I & II FOR PRIOR CERTIFICATES."

<sup>(2)</sup> Totals may not add due to rounding.

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## **THE MASTER LEASE PROGRAM**

In order to provide for the lease purchase financing and refinancing from time to time of Facilities, the School Board has authorized the execution and delivery of the Master Lease between the School Board and the Corporation. Facilities to be leased from time to time will be identified on separate Schedules to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate Lease. See "APPENDIX C - CERTAIN LEGAL DOCUMENTS - The Master Lease" hereto.

The Series 2020A Leases are two of the Leases entered into under the Master Lease and provides for the leasing of the Series 2020A Facilities by the Corporation to the School Board. See "THE SERIES 2020A LEASES" and "THE SERIES 2020A FACILITIES" herein. As noted above, the School Board has previously leased certain Facilities pursuant to the Prior Leases which were funded from the proceeds of the Prior Certificates. See "THE PRIOR FACILITIES" herein. The School Board may arrange for one or more lease purchase financings of additional educational Facilities under the Master Lease in future Fiscal Years. See "SECURITY FOR THE SERIES 2020A CERTIFICATES - Additional Leases" and "- Additional Certificates" herein.

In addition, the School Board may, in the future, also enter into lease purchase arrangements upon terms and conditions other than those in the Master Lease. Failure to make payments under any such lease agreement, or an event of default under any such lease agreement, will not affect the Lease Terms or cause the termination of the Series 2020A Leases or any other Leases. See "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT – Obligations Under Unrelated Lease Purchase Agreements" herein.

## **THE SERIES 2020A LEASES**

The following is a brief summary of certain provisions of the Series 2020A Leases, which is not intended to be definitive. Reference is made to "APPENDIX C - CERTAIN LEGAL DOCUMENTS - The Master Lease," "- Form of Schedule 2020A-1" and "- Form of Schedule 2020A-2" hereto.

### **Authority**

The Series 2020A Leases are authorized under Chapters 1001-1013, Florida Statutes, for the purpose of providing for the acquisition, construction and lease purchase financing of the Series 2020A Facilities.

### **Lease Term**

Under the Series 2020A Leases, the Corporation is leasing to the School Board, and the School Board is leasing from the Corporation, the Series 2020A Facilities. The initial term of the Series 2020A-1 Lease commences on the date of delivery of the Series 2020A Certificates and continues through and including June 30, 2020 and is automatically renewable annually through June 30, 20\_\_, unless sooner terminated in accordance with the provisions of the Series 2020A-1 Lease. The initial term of the Series 2020A-2 Lease commences on the date of delivery

of the Series 2020A Certificates and continues through and including June 30, 2020 and is automatically renewable annually through June 30, 20\_\_, unless sooner terminated in accordance with the provisions of the Series 2020A-2 Lease.

### **Lease Payments**

Subject to the conditions stated in the Series 2020A Leases, the School Board has expressed its current intent to make all Lease Payments due under the Series 2020A Leases; PROVIDED, HOWEVER, THAT NONE OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2020A LEASES FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE UNDER THE SERIES 2020A LEASES, AND THE SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. All Lease Payments due under the Series 2020A Leases will be made from current or other funds authorized by law and regulations of the State Department of Education and appropriated for such purpose by the School Board.

On [June 15, 2020,] and thereafter on December 15 and June 15 of each year, the Lease Payment Dates preceding each Interest Payment Date, the School Board is required to pay to the Trustee the Basic Lease Payment allocable to the Series 2020A Certificates due on such date, which amount corresponds to the amount due to Series 2020A Certificate holders on the next succeeding Interest Payment Date. The School Board is also required to pay, when due, Additional Lease Payments, consisting of, among other things, the fees and expenses of the Trustee and the Corporation. Lease Payments due under the Series 2020A Leases may be reduced, when applicable, by amounts credited as follows:

(a) The Trustee will deposit into the Lease Payment Account established with respect to the Series 2020A Leases interest income in accordance with the Trust Agreement and apply such interest income as a credit against the next ensuing Lease Payment to the extent provided in the Trust Agreement.

*The following reflects the amendments to Section 5.4(b) of the Master Lease as set forth in Schedule 2020A-1. See "APPENDIX C - CERTAIN LEGAL DOCUMENTS - Master Lease" hereto for the current provision.*

(b) The Trustee will deposit in the Series 2020A Lease Payment Account or Acquisition Account, Net Proceeds realized in the event of damage, destruction or condemnation of Series 2020A-1 Facilities to be applied to the prompt repair, restoration or replacement of such Series 2020A-1 Facilities; provided, however, if the School Board has determined that its operations have not been materially affected and that it is not in the best interest of the School Board to repair, restore or replace that portion of the Series 2020A-1 Facilities damaged, destroyed or condemned, then the School Board shall not be required to comply with the

provisions of the preceding clause. In such case, if the Net Proceeds are (a) less than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Series 2020A-1 Facilities and (b) equal or less than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Series 2020A-1 Lease, then such Net Proceeds may, at the option of the School Board, (i) be deposited into the Lease Payment Account for the Series 2020A Certificates relating to such Series 2020A-1 Facilities to be credited against Basic Lease Payments next coming due in accordance with the Master Lease or (ii) deposited in the Acquisition Account for the Series 2020A Certificates relating to such Series 2020A-1 Facilities and applied to pay costs of other Facilities, in which case such other Facilities shall become subject to the provisions of the Series 2020A-1 Lease as fully as if they were originally leased Facilities. If the Net Proceeds are (1) equal or greater than ten percent (10%) of the Remaining Principal Portion of the Basic Lease Payments relating to such Series 2020A-1 Facilities or (2) greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under such Series 2020A-1 Lease, then the pro rata portion of such Net Proceeds allocable to the Series 2020A Certificates shall be deposited to the Acquisition Account and applied to pay the Costs of other Facilities, in which case such other Facilities shall become subject to the provisions of the Series 2020A-1 Lease as fully as if they were the originally leased Facilities; provided, however, at the direction of the School Board, upon delivery to the Trustee of a Favorable Opinion, such Net Proceeds shall be deposited in the related Lease Payment Account to be credited against Basic Lease Payments next coming due under the Series 2020A-1 Lease.

### **Assignment of Lease to Trustee**

Pursuant to the Series 2020A Assignment, substantially all right, title and interest of the Corporation in and to the Series 2020A Ground Lease and in and to the Series 2020A Leases, including the right to receive Basic Lease Payments thereunder, has been absolutely and unconditionally assigned by the Corporation to the Trustee for the benefit of the owners of the Series 2020A Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Series 2020A Leases. The School Board has consented to such assignment.

### **Lease Covenants**

Under the Series 2020A Leases, the School Board is responsible for the acquisition, construction and installation of the Series 2020A Facilities pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction and installation of the Series 2020A Facilities. In the Series 2020A Leases, the School Board covenants that it will: (i) maintain the Series 2020A Facilities at all times during the Lease Term in good repair and condition; (ii) pay applicable taxes, utility charges and other governmental charges; and (iii) provide applicable insurance coverage, including property and liability insurance, all in accordance with the terms and provisions relating to these requirements, contained in the Series 2020A Leases.

## **Budget and Appropriation**

The cost and expense of the performance by the School Board of its obligations under the Series 2020A Leases, under the Prior Leases and any Additional Leases and the incurrence of any liabilities of the School Board under the Series 2020A Leases, the Prior Leases and any Additional Leases including without limitation, the payment of all Lease Payments and all other amounts required to be paid by the School Board under all Leases, are subject to and dependent on appropriations being duly made from time to time by the School Board for such purposes. The School Board may not budget and appropriate available revenues to make Lease Payments selectively on a Lease by Lease basis, but must appropriate such revenues for all Leases or none of them. Under no circumstances will the failure of the School Board to appropriate sufficient funds in any Fiscal Year constitute a default or require payment of a penalty, or in any way limit the right of the School Board to purchase or utilize educational facilities similar in function to those leased under any Lease including the Series 2020A Leases.

Unless the School Board, at a public meeting held prior to the end of the then current Fiscal Year, gives notice of its intent not to appropriate the funds necessary to make the Lease Payments coming due in the following Fiscal Year under all Leases, the Superintendent will include in the Superintendent's tentative budget proposal, in a separate line item, the funds necessary to make such Lease Payments, and all Leases will be automatically renewed on June 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the School Board in the final adopted budget. If Lease Payments are due during the period prior to the adoption of the School Board's final official budget for an ensuing Fiscal Year, the Lease Term of all Leases shall be deemed extended only if the tentative budget or extension of the prior budget (whether by School Board action or operation of law) makes available to the School Board monies which may be legally used to make the Lease Payments due under all Leases during such period. If no such appropriation is made in the budget as finally adopted or if no official budget is adopted as of the last day on which a final budget is required to have been adopted under applicable law and regulations, all Leases will terminate as of the date of adoption of the final official budget or the last date on which a final budget is required to have been adopted, whichever is earlier, and under which no appropriation has been made.

If the School Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate the funds necessary to make Lease Payments under all Leases, no Leases will be automatically renewed for the following Fiscal Year, but will terminate on June 30 of the current Fiscal Year. For a discussion of the effect of termination of the Lease Term of the Leases, see "THE SERIES 2020A LEASES - Effect of Termination for Non-Appropriation or Default."

## **Termination of Lease Term**

The Lease Term of each Lease, including the Series 2020A Leases, will terminate upon the earliest of any of the following events:

- (a) Each Lease will terminate on the latest Lease Payment Date set forth in any Lease;

(b) All Leases will terminate in the event of non-appropriation of funds for the payment of Lease Payments;

(c) All Leases will terminate upon a default by the School Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to the Master Lease; and

(d) A particular Lease will terminate upon payment by the School Board of the Purchase Option Price of the particular Facilities leased under such Lease by the School Board or upon provision for such payment pursuant to the Master Lease.

### **Effect of Termination for Non-Appropriation or Default**

Upon termination of the Lease Term for the reasons referred to in (b) or (c) under "THE SERIES 2020A LEASES - Termination of Lease Term" above, the School Board is required to immediately surrender and deliver possession of all the Facilities financed under all Leases (except for certain designated Facilities such as the Series 2020A-2 Facilities) to the Trustee in the condition, state of repair and appearance required under the Leases and in accordance with the Trustee's instructions. Upon such surrender, the Trustee (or other transferee) will attempt to sell or re-let its interest in such facilities in such manner and to such person or persons for any lawful purpose or purposes as it, in its sole discretion, determines to be appropriate. The Trustee will pursue such rights and remedies as directed by the Holders of a majority in aggregate principal amount of the Series 2020A Certificates and any other Certificates evidencing an interest in the Series 2020A Leases. The proceeds derived from any such sale or reletting of the School Board's leasehold interest in such Facilities, if any, will be applied first to the payment of the fees and expenses of the Trustee, second to payment in full of the Series of Certificates relating to such Facilities and then to the payment of other outstanding amounts as described in said Lease(s). The proceeds of the disposition of the Series 2020A-1 Facilities will be applied to the payment of the Series 2020A Certificates allocable to the Series 2020A-1 Lease [(and in the case of disposition of the Overlapping Facilities, equally and ratably with holders of other Certificates representing an interest therein),] after payment of the expenses of the Trustee, in accordance with the Series 2020A-1 Lease. **Under the Series 2020A Leases, the School Board may not be dispossessed of the Series 2020A-2 Facilities or any personal property financed, in whole or in part, with the proceeds of the Series 2020A Certificates.** See "RISK FACTORS - Limitation Upon Disposition; Ability to Sell or Relet" herein. EXCEPT AS DESCRIBED HEREIN, IN NO EVENT WILL OWNERS OF THE SERIES 2020A CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED OR REFINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES EXCEPT FOR ANY CERTIFICATES ISSUED TO REFUND THE SERIES 2020A CERTIFICATES. EXCEPT AS DESCRIBED HEREIN, IN NO EVENT WILL OWNERS OF THE SERIES 2020A CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED OR REFINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES EXCEPT FOR ANY CERTIFICATES ISSUED TO REFUND THE SERIES 2020A CERTIFICATES.

For a discussion of the remedies available to the Trustee if the School Board refuses or fails to voluntarily deliver possession of the Facilities to the Trustee, see "APPENDIX C - CERTAIN LEGAL DOCUMENTS - The Master Lease" hereto.

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Terms of all Leases for non-appropriation or default and the disposition of the Series 2020A-1 Facilities will produce sufficient amounts to pay the Series 2020A Certificates. Federal income tax status of payments made to Series 2020A Certificate holders after such termination may also be adversely affected. See "TAX TREATMENT" herein. Further, after such termination of the Lease Terms of all Leases, transfer of Series 2020A Certificates may be subject to the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2020A Certificates will not be impaired following termination of the Lease Term of the Leases. See "RISK FACTORS."

## **THE CORPORATION**

Broward School Board Leasing Corp. is a Florida not-for-profit corporation formed in June 1989 for the purpose of acting as lessor under leases with the School Board. The sole member of the Corporation is the School Board. Upon dissolution, all of its assets will be distributed to the School Board. The Board of Directors of the Corporation consists of the members of the School Board and its officers are School Board members and employees. There is no litigation pending against the Corporation.

Pursuant to the Series 2020A Assignment, the Corporation made an absolute and unconditional assignment of substantially all its right, title and interest under the Series 2020A Leases and the Series 2020A Ground Lease to the Trustee, retaining its rights to indemnification and to receive notices under the Master Lease.

The Trustee will directly collect all of the Basic Lease Payments which are the primary source of and security for payment of the Series 2020A Certificates. The credit of the Corporation is not material to any of the transactions contemplated in this Offering Statement. No financial information concerning the Corporation has been included herein, nor is it contemplated that any such financial information will be included in any future Offering Statement relating to the sale of any additional Certificates or other obligations of the School Board or the Corporation.

## **THE SCHOOL BOARD AND THE DISTRICT**

### **General**

Established in 1915, the District is organized under Section 4, Article IX of the Constitution of the State of Florida and Chapter 1001, Florida Statutes. The District covers the same geographic area as the County and provides elementary, secondary and vocational educational services to the unincorporated areas of the County and all of the 31 incorporated municipalities within the County, the largest of which is the City of Fort Lauderdale. The District has a student enrollment that is the second largest in the State and the sixth largest in the

United States. [As of September \_\_, 2019, the District served 266,367 students (including charter school students) and approximately 175,000 adult students in 232 schools, education centers and technical colleges and 89 charter schools. The District is the County’s largest single employer. As of June 30, 2019, the District had approximately 27,143 permanent employees, including over 15,328 classroom instructors.]

Management of the District is independent of the County government and local governments within the County. The District is part of the State system of public education operated under the general direction and control of the State Board of Education. The District is governed by the School Board, which consists of nine elected members. The Superintendent of Schools is appointed by the members of the School Board and serves as the executive officer of the District. The District has taxing authority, as more fully described herein under "OPERATING REVENUES OF THE DISTRICT – Local Sources" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein. The County Tax Collector collects ad valorem taxes for the District, but exercises no control over the District's tax receipts. Additional information concerning the County is contained in "APPENDIX A – INFORMATION REGARDING BROWARD COUNTY, FLORIDA" hereto.

**Statistical Data**

The following tables present a statistical overview of the District's enrollment profiles and data regarding the District's public school facilities.

**Profile of Student Enrollments<sup>(1)</sup>**

	Fiscal Year 2015- 16	Fiscal Year 2016- 17	Fiscal Year 2017- 18	Fiscal Year 2018- 19	Fiscal Year 2019- 20 <sup>(2)</sup>
Pre-Kindergarten to Grade 3	69,619	69,812	68,952	68,154	
Grades 4-8	80,192	80,330	81,696	81,672	
Grades 9-12	70,468	70,404	70,686	70,358	
Centers	5,275	5,194	5,090	4,447	
<b>Total</b>	<b>225,554</b>	<b>225,740</b>	<b>226,424</b>	<b>224,631</b>	

Source: The School Board of Broward County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019.

(1) Excludes charter school enrollment.

(2) Demographics and Student Assignments Department: September \_\_, 2019 student enrollment from TERMS.

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### School Facilities<sup>(1)</sup>

	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20
Elementary	137	136	136	136	136
Middle	40	38	37	37	36
High	33	33	33	33	30
Others <sup>(2)</sup>	28	29	28	28	30
<b>Total</b>	<b>238</b>	<b>236</b>	<b>234</b>	<b>234</b>	<b>232</b>

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2019. Fiscal Year 2019-20 data provided by Broward County Public Schools Assessment and Research Department.

- (1) Excludes charter schools. There are [89] charter schools located within the District for Fiscal Year 2019-20.
- (2) Adult/vocational schools, exceptional centers and combination schools which serve multiple levels.

### Accreditation

All non-charter public schools in the District are fully accredited by AdvancEd, formerly the Southern Association of Colleges and Schools. The District is the second largest fully accredited school district in the nation and is Florida's first fully accredited school system since 1962.

### Honors and Awards

[Sixteen District high schools are named on the list of Best High Schools in the nation for 2018 by U.S. News & World Report and 21 high school seniors were named winners of the National Merit College-Sponsorships by the National Merit Scholarship Corporation.

National Board Certification is an advanced teaching credential that is designed to recognize effective and accomplished teachers. The District leads the State of Florida with its number of National Board Certified teachers. In 2017, the District was named a Great District for Great Teachers by the National Council on Teacher Quality.

In 2018, the District achieved its highest graduation rate in seven years, rising from 71.6 percent to 84.3 percent. Graduation rates for traditional District high schools (excluding centers and charter schools) reached the highest level in seven years, at 95.1 percent, which exceeds the 93.8 percent achieved in 2017.

The District is the first district in the United States to receive the Cambridge District of Year distinction. In the fall of 2018, the District was named District of Year by Cambridge International. The award recognizes school districts for having high academic achievements among students participating in Cambridge programs and for increasing Cambridge opportunities across the District. The District ranked highest among large districts for expanding Cambridge access and services and for student academic achievements.]

## The School Board

The School Board is a public body corporate existing under the laws of the State of Florida, particularly Section 1001.40, Florida Statutes, and is the governing body of the District. The School Board consists of nine members, two of whom are elected by Countywide vote and seven of whom are elected from single member districts for overlapping four-year terms.

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

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

The Chair of the School Board is elected by the members of the School Board annually. The Superintendent of Schools (the "Superintendent") is the ex-officio Secretary of the School Board. The present members of the School Board, any applicable offices and the expiration of their terms are as follows:

Name/Office	Initial Term Commencing November	Current Term Expires November
Donna P. Korn, Chair	2011	2022
Dr. Rosalind Osgood, Vice Chair	2012	2020
Heather P. Brinkworth	2014	2020
Lori Alhadeff	2018	2022
Robin Bartleman	2004	2020
Patricia Good	2010	2020
Laurie Rich Levinson	2010	2022
Ann Murray	2008	2022
Nora Rupert	2010	2022

## Administration

The Chief Executive Officer of the District is the Superintendent, who is appointed by the School Board. The Superintendent's powers and duties include keeping the records of the School Board, acting as custodian for District property, preparing long-term and annual school programs, directing the work of District personnel, making policy recommendations to the School Board in the areas of child welfare, pupil transportation, school plant and District finance,

and performing the additional duties assigned to him by law and the regulations of the State Department of Education.

Set forth below are biographical descriptions of the Superintendent and certain other administrative personnel of the District:

**Robert W. Runcie** was sworn in as Superintendent on October 5, 2011 and became the 19<sup>th</sup> permanent leader in the history of the District. Mr. Runcie began his career as a staff consultant for Arthur Andersen (now Accenture) in 1984. He was the founder and President of Advanced Data Concepts from 1998 to 2003. Mr. Runcie served Chicago Public Schools from 2003 to 2009 as Chief Information Officer, from 2009 to 2011 as Chief Administrative Officer, and his last position there was as Chief Area Instructional Officer. Mr. Runcie is a graduate of the Superintendent's Academy of the Broad Center for the Management of School Systems, 2009. He has a Master's of Management from Kellogg School of Management, Northwestern University, 1991, and Bachelor of Arts, Economics, Harvard College, Cambridge, Massachusetts, 1984.

**Judith M. Marte** joined the District in June 2017 as Chief Financial Officer after serving in the same position at Miami-Dade Public Schools (MDPS) for three years. Over the course of her 15 year career with MDPS, Mrs. Marte held numerous positions including CFO, Deputy CFO and Chief Budget Officer. Prior to relocating to South Florida, she was the CFO for the Lawrence Public Schools in Massachusetts for 13 years. Mrs. Marte received a Master in Business Administration from the University of New Hampshire in 1990 and a Bachelor of Science from Merrimack College in North Andover, Massachusetts. In 2016, she was the recipient of the Bill Wise Award from the Council of Great City Schools for her dedication and contribution to Urban Education. Mrs. Marte is a mentor for the Executive Education Program with the Council of Great City Schools and has been a speaker/presenter at their annual CFO conference for over a decade. In addition, she is active with the Government Finance Officers Association and spoke at their annual conference in Denver in 2016.

**Ivan Perrone** joined the District in 2006 as Treasury Manager, responsible for the day-to-day operation of the Treasurer's Office ensuring adequate cash liquidity in order to match liabilities and invest surplus funds to anticipated cash flow needs. The Superintendent appointed Mr. Perrone to the position of Acting Treasurer in 2013 and to the position of Treasurer in May 2015, where he is now responsible for the management of the District's cash and investment portfolio, in addition to banking and debt administration functions. Prior to joining the District, Mr. Perrone was a Financial Analyst for Siemens Real Estate in Boca Raton, Florida. Prior to Siemens, Mr. Perrone was Controller for the City of North Lauderdale, Florida. Mr. Perrone was both a Financial Analyst I (supporting Canada Technologies) and a Financial Systems Analyst (supporting American Express Technologies) during his time at American Express, Florida. Prior to American Express, Mr. Perrone was the Interim Treasurer for the City of Tamarac, Florida. Mr. Perrone received a Bachelor of Business Administration Degree from Pace University, New York. He is a member of Government Finance Officers Association (GFOA) and the Florida Government Finance Officers Association, South Florida Government Finance Officers and City Clerks Association and Association of Public Treasurers of the United States and Canada.

***Omar Shim*** is the Director of Capital Budget for the District. Mr. Shim began his career in the District in 2000 as a Capital Scheduling and Claims Analyst, then was promoted to Director of Quality Assurance and Assistant to Comptroller in 2003. In 2005 he was appointed as Special Assigned Director of Capital Budget and took over the position permanently in 2006. In that capacity he oversees the District's capital budget and facilitates the process of developing the District Educational Facilities Plan. Mr. Shim graduated from Florida Atlantic University and is a member of the GFOA and the Florida School Finance Officers Association.

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## Employee Relations

### General

As of June 30, 2019, the School Board employed approximately 27,143 persons (full and part-time), the majority of which are represented by collective bargaining agents. The employee groups, bargaining agents/meet and confer groups and the current union contract expiration dates are set forth in the table below:

<u>Employee Group</u>	<u>Bargaining Agents/ Meet and Confer Groups</u>	<u>Contract Expiration<sup>(1)</sup></u>	<u>Status of Negotiations</u>
Teachers	Broward Teachers Union ("BTU") – Teachers Contract	August 15, 2022 <sup>(2)</sup>	Settled for 2018-2019 School Year
Education Support Professionals	BTU – Educational Support Professionals	June 30, 2020 <sup>(2)</sup>	Settled for 2018-2019 School Year
Technical Support Professionals	BTU – Technical Support Professionals	June 30, 2021 <sup>(2)</sup>	Settled for 2018-2019 School Year
Clerical	Federation of Public Employees ("FOPE")	June 30, 2020 <sup>(2)</sup>	Settled for 2018-2019 School Year
Maintenance, Facilities, Transportation, Security Specialists, Campus Monitors	FOPE	June 30, 2020 <sup>(2)</sup>	Settled for 2018-2019 School Year
Food Service	FOPE	August 14, 2020 <sup>(2)</sup>	Settled for 2018-2019 School Year
SIU Investigators	Police Benevolent Association	June 30, 2020 <sup>(2)</sup>	Settled for 2018-2019 School Year
Clerical Confidential	Confidential Office Personnel Association	N/A	N/A
Assistant Principals and Principals	Broward Principals and Assistants Association	N/A	N/A
Educational Support and Management Administrators	Educational Support & Management Association of Broward, Inc.	N/A	N/A

<sup>(1)</sup> Note: When a contract has expired, Florida law requires operating under the expired contract until a new contract has been negotiated and approved.

<sup>(2)</sup> With re-openers each year.

Source: The District.

## **Budget Process**

State law requires the School Board to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following the Broward County Property Appraiser's official certification of taxable property, which usually occurs on or about July 1. The School Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement, and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the Broward County Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed in September of each year, following a final public hearing and in accordance with statutory timelines. The School Board adopted the final budget for the 2019-20 Fiscal Year on September 4, 2019.

As part of the budget process, the District is required to provide advance notice of the purposes for which the District intends to spend budgeted amounts, including those derived from the proceeds of the Local Option Millage Levy, and to adopt a budget which shows the capital outlay expenditures applicable to each project. For information regarding the Local Option Millage Levy see "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein. The District currently lists in such notice all projects which may begin within the Fiscal Year which are reasonably anticipated to be funded from proceeds of the estimated Local Option Millage Levy. This listing is provided to allow for public input for all capital outlay projects which are reasonably anticipated to be funded from such proceeds.

The Superintendent of Schools is responsible for preparing the preliminary and tentative budgets for recommendation to the School Board. Florida law requires the School Board to adopt and maintain a balanced budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. Generally, the final budget is substantially the same as the tentative budget since the School Board's hiring plans and materials purchases have been determined before the final budget is adopted.

## **FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT**

The following briefly describes financial results of the District and certain District liabilities. For additional information concerning such matters see "APPENDIX B - EXCERPTED INFORMATION FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019" hereto.

### **Financial Results**

The Association of School Business Officials International has awarded the District a Certificate of Excellence in Financial Reporting for the past [36] consecutive years and, for the last [23] consecutive years, the District has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. Both awards are given to recognize the high quality of financial reporting undertaken by the District.

The financial and accounting procedures of the District are designed to conform to generally accepted accounting principles applied to governmental units. The District's accounting system is organized on the basis of funds. Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The accounts for the governmental fund types are maintained on a modified accrual basis of accounting, whereby revenues are recognized when they become available and measurable and expenditures are recorded in the accounting period in which the liability is incurred, if measurable, except unmatured interest on general long-term debt, which is recognized when the interest is due. The internal service funds are maintained on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. Agency funds, accounted on the accrual basis, are purely custodial in nature (assets equal liabilities) and as such, do not have a measurement focus.

The District's governmental funds are used to account for the programs and activities of the governmental functions of the District. The General Fund serves as the primary operating fund of the District. Local ad valorem taxes, FEFP (as defined herein) and selected State categorical programs constitute the primary resources of the General Fund. The Special Revenue Funds of the District are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specific purposes. Major sources of revenue for these funds are federal grants and food sales. The Debt Service Funds of the District are used to account for the payment of interest and principal on general long-term debt. Major sources of revenue for these funds include the voter-approved millage levy, non-voted special millage levy and the State Board of Education revenue. Capital Project Funds of the District are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. Major sources of revenue for these funds are local ad valorem taxes, educational impact fees, and State PECO (as defined herein) distributions.

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## General Fund Operations

The following table summarizes the revenues, expenditures and changes in fund balances for the General Fund for the Fiscal Years ended June 30, 2016 through June 30, 2019 (audited) and June 30, 2020 (budgeted).

**School District of Broward County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund**  
**(In Thousands)**  
**For the Fiscal Years Ended June 30**

	Audited				Budgeted
	2016	2017	2018	2019	2020
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Ad Valorem Taxes	\$901,439	\$916,007	\$918,653	\$936,365	1,062,666
Interest Income And Other	57,533	68,238	76,970	98,421	77,258
Total Local Sources	<u>958,972</u>	<u>984,245</u>	<u>995,623</u>	<u>\$1,034,786</u>	<u>1,139,924</u>
<b>State Sources:</b>					
Florida Education Finance Program	655,072	688,328	703,547	710,182	767,686
Other	391,900	399,127	399,908	397,698	398,018
Total State Sources	<u>1,046,972</u>	<u>1,087,455</u>	<u>1,103,455</u>	<u>1,107,880</u>	<u>1,165,704</u>
<b>Federal Sources:</b>					
Other	17,159	22,189	23,890	29,134	24,750
Total Federal Sources	<u>17,159</u>	<u>22,189</u>	<u>23,890</u>	<u>29,134</u>	<u>24,750</u>
<b>Total Revenues</b>	<u>2,023,103</u>	<u>2,093,889</u>	<u>2,122,968</u>	<u>2,171,800</u>	<u>2,330,378</u>
<b>EXPENDITURES:</b>					
Instructional Services	1,372,810	1,419,048	1,465,218	1,492,322	1,593,242
Instructional Support Services	178,344	196,296	206,593	212,184	215,898
Pupil Transportation Services	83,255	87,644	91,950	93,506	86,270
Operation and Maintenance	241,991	246,242	245,021	262,890	274,458
School Administration	130,113	136,711	141,085	144,097	142,549
General Administration	80,767	88,436	96,267	94,438	128,285
Debt Service	276	1,480	952	1,802	1,480
Capital Outlay	-	-	-	6,377	-
<b>Total Expenditures</b>	<u>2,087,556</u>	<u>2,175,857</u>	<u>2,247,086</u>	<u>2,307,616</u>	<u>2,442,182</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>( 64,493)</u>	<u>(81,968)</u>	<u>(124,118)</u>	<u>(135,816)</u>	<u>(111,804)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Loss Revenues	-	-	-	-	-
Capital Lease	-	-	-	-	-
Operating Transfers In	76,231	85,402	94,702	124,970	122,099
Operating Transfers Out	(5,287)	(5,065)	(40)	(40)	(4,399)
<b>Total Other Financing Sources (Uses)</b>	<u>70,944</u>	<u>80,337</u>	<u>94,662</u>	<u>124,930</u>	<u>117,700</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>6,451</u>	<u>(1,631)</u>	<u>(29,456)</u>	<u>(7,886)</u>	<u>5,896</u>
<b>Adjustment to conform with GAAP:</b>	<u>11,298</u>	<u>12,475</u>	<u>13,974</u>	<u>11,514</u>	
<b>Fund Balances, Beginning of Year</b>	<u>161,432</u>	<u>179,181</u>	<u>190,025</u>	<u>160,569</u>	<u>161,197<sup>(1)</sup></u>
<b>Fund Balances, End of Year</b>	<u>\$ 179,181</u>	<u>\$190,025</u>	<u>\$160,569</u>	<u>\$161,197</u>	<u>167,093</u>

<sup>(1)</sup> Reflects 2019 ending fund balance and not beginning fund balance in 2020 budget. Due to timing differences, the actual 2020 beginning fund balance is not available at the time the budget is being prepared.

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2019; Fiscal Year 2019-20 Budgeted figures provided by Broward County Public Schools Budget Office.

## **General Fund Balance Guidelines**

Section 1011.051, Florida Statutes, entitled "Guidelines for general funds" requires that if a school district's General Fund ending balance not classified as restricted, committed or nonspendable in the approved operating budget is projected to fall below three percent (3%) of projected General Fund revenues, the Superintendent shall provide written notification to the district school board and the Commissioner of Education. The section further requires that if the General Fund ending balance not classified as restricted, committed or nonspendable is projected to fall below two percent (2%) of projected General Fund revenues, the Superintendent shall provide written notification to the district school board and the Commissioner of Education. Within 14 days after receiving such notification of an ending balance below two percent (2%), if the Commissioner determines that the district does not have a plan that is reasonably anticipated to avoid a financial emergency as determined pursuant to Florida Statutes pertaining thereto, the Commissioner shall appoint a financial emergency board that may take certain delineated steps to assist a district school board in complying with the General Fund requirements. In Fiscal Year 2017-18, the District's General Fund ending balance not classified as restricted, committed or nonspendable was 3.66% of General Fund Revenues. In Fiscal Year 2018-19, the District's General Fund ending balance not classified as restricted, committed or nonspendable was [3.51]% of General Fund Revenues and for Fiscal Year 2019-20 is budgeted to be \_\_\_% of General Fund Revenues.

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## Capital Projects Fund

The following table shows results for the Capital Projects Fund for the Fiscal Years ended June 30, 2016 through June 30, 2019 (audited) and June 30, 2020 (budgeted).

**The School District of Broward County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Fund**  
(In Thousands)  
**For the Fiscal Years Ended June 30**

	Audited				Budget
	2016	2017	2018	2019	2020
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Ad Valorem Taxes	\$237,117	\$257,476	\$277,021	[\$295,643	
Interest Income And Other	31,310	29,005	29,441	15,487	
Total Local Sources	268,427	286,481	306,462	311,130	
<b>State Sources:</b>					
Public Education Capital Outlay	4,845	7,188	4,808	4,826	
Categorical Programs And Other	12,660	19,244	16,980	68,487	
Total State Sources	17,505	26,432	21,788	73,313	
<b>Federal Sources:</b>					
Grants And Other	-	-	-	-	
Total Federal Sources	-	-	-	-	
Total Revenues	285,932	312,913	328,250	384,443	
<b>Expenditures:</b>					
Capital Outlay And Other	120,892	118,881	149,245	132,000	
Interest Charges And Other	8	9	9	1,656	
Total Expenditures	120,900	118,890	149,254	133,656	
Excess (Deficiency) Of Revenues Over (Under) Expenditures	165,032	194,023	178,996	250,787	
<b>OTHER FINANCING SOURCES (USES):</b>					
Bonds	-	-	-	307,718	
Certificates Of Participation	-	-	-	-	
Premium (Discount) On Long-Term Debt Issue	-	-	-	-	
Capital Lease	-	28,777	22,855	19,967	
Loans					
Sale Of Capital Assets	3,310	627	12,450	2,085	
Other Loss Recoveries	-	-	-	-	
Transfers In	8,000	8	-	-	
Transfers Out	(237,187)	(234,430)	(248,438)	(292,134)	
<b>Total Other Financing</b>	(225,877)	(205,018)	(213,133)	37,636	
Net Changes In Fund Balances	(60,845)	(10,995)	(34,137)	288,423	
<b>Fund Balances, Beginning of Year</b>	387,186	326,341	315,346	281,209	
<b>Fund Balances, End of Year</b>	\$326,341	\$315,346	\$281,209	\$569,632]	

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2019; Fiscal Year 2019-20 budgeted figures provided by Broward County Public Schools Budget Office.

## Long Term Debt

Set forth below is selected information regarding outstanding debt of the District and the County (the boundaries of which are coterminous with the District) as of June 30, 2019. For more detailed financial information concerning the District, see "APPENDIX B – EXCERPTED INFORMATION FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019" hereto.

**School District of Broward County, Florida**  
**Direct and Overlapping Debt**  
**June 30, 2019**  
**(in thousands)**

Direct Debt	
General Obligation	\$ 314,075
Certificates of Participation	1,252,251
Special Obligation Bonds <sup>(1)</sup>	9,526
Capital Leases	65,850
Premium/Discount (net)	145,717
Interest Rate Swap	<u>34,083</u>
Total Direct Debt	<u>\$1,821,502</u>
Overlapping Debt <sup>(2)</sup>	
Broward County <sup>(3)</sup>	<u>\$ 181,970</u>
Total Direct and Overlapping Debt	<u>\$2,003,472</u>

<sup>(1)</sup> Special obligation debt is payable from motor vehicle license and gross receipts taxes.

<sup>(2)</sup> Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2018.

<sup>(3)</sup> Because the County and the District coincide, the percentage of overlap is 100%.

Source: The School District of Broward County, Florida.

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**School District of Broward County, Florida - Outstanding Long-Term Debt  
As of June 30, 2019 (Unaudited)**

<u>Description</u>	<u>Principal Amount Outstanding</u> <sup>(4)</sup>
<b>Self-Supporting State Bonds:</b> <sup>(1)</sup>	
State Board of Education Capital Outlay Bonds, Series 2010-A (Refunding)	2,590,000
State Board of Education Capital Outlay Bonds, Series 2011-A (Refunding)	3,080,000
State Board of Education Capital Outlay Bonds, Series 2014-B (Refunding)	59,000
State Board of Education Capital Outlay Bonds, Series 2017-A	3,119,000
State Board of Education Capital Outlay Bonds, Series 2019-A	678,000
Sub-Total State Board Bonds	\$ 9,526,000
<b>General Obligation Bonds</b> <sup>(2)</sup>	
Series 2015 Bonds	\$ 140,445,000
Series 2019 Bonds	173,630,000
Sub-Total General Obligation Bonds	\$ 314,075,000
<b>Certificates of Participation:</b> <sup>(3)</sup>	
Series 2004 Certificates (QZAB)	\$ 106,124
Series 2009A Certificates (QSCB)	24,032,000
Series 2010A Certificates (QSCB)	41,316,000
Series 2011A Certificates	54,075,000
Series 2012A Certificates	109,350,000
Series 2014A Certificates	113,825,000
Series 2015A Certificates	242,805,000
Series 2015B Certificates	165,855,000
Series 2015C Certificates	65,000,000
Series 2016A Certificates	189,010,000
Series 2016B Certificates	18,735,000
Series 2017A Certificates	20,612,000
Series 2017B Certificates	56,300,000
Series 2017C Certificates	151,230,000
Sub-Total Certificates of Participation	\$1,252,251,124
<b>TOTAL LONG-TERM DEBT OUTSTANDING</b>	<b>\$1,575,852,124</b>

<sup>(1)</sup> Bonds are issued by the State Board of Education on behalf of the District and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax, as well as a pledge of the State's full faith and credit.

<sup>(2)</sup> The issuance of the general obligation bonds was approved by the qualified electors of the District at a referendum held on November 4, 2014. The bonds are secured by a lien and a pledge of proceeds of the levy and collection of ad valorem school district taxes on all taxable real and personal property, excluding homestead exemption as required by Florida law, without limitation as to rate or amount.

<sup>(3)</sup> Subject to annual appropriation. Does not reflect the Series 2019A Certificates and Series 2019B Certificates which were issued in the aggregate principal amounts of \$105,240,000 and \$65,085,000, respectively, on July 18, 2019 to refund the Series 2014A Certificates and Series 2015C Certificates, respectively.

<sup>(4)</sup> Rounded to nearest thousand.

Source: The School District of Broward County, Florida.

**General Obligation Debt.** With the overwhelming support of 73.7% of the voters of the County, an \$800 million general obligation bond referendum was approved on the November 4, 2014 ballot. Proceeds from the general obligations bonds will be used to modernize and improve the safety of outdated educational facilities and upgrade instructional technology. Issuance of the general obligation bonds will allow the District to enhance students' learning environments by focusing on improvements in safety, music, art, athletics, renovations and technology to achieve its long term goals. The District amended the District Educational Facilities Plan to include projects to be funded by the general obligation bonds, when issued. See "DISTRICT EDUCATIONAL FACILITIES PLAN" herein. The District issued its first series of new general obligation bonds in June 2015, its second series of new general obligation bonds in February 2019 and expects to issue additional series of general obligation bonds in several tranches over the next four to five years. Principal and interest on outstanding general obligation bonds will be paid from ad valorem school district taxes levied for such purposes on all taxable real and personal property within the District, excluding exempt property as required by Florida law. The voted millage to be collected by the District in connection with the issuance of general obligation bonds approved on the November 4, 2014 ballot is being levied in the current 2019-20 Fiscal Year of the District and will continue through the final maturity of the general obligation bonds related thereto. The approval of the majority of the qualified electors of the County, voting in a new referendum, is required to issue additional general obligation debt for school construction and renovation.

### **Obligations Under Unrelated Lease Purchase Agreements**

The School Board has in the past and may, in the future, enter into lease purchase agreements upon terms and conditions other than those in the Master Lease. The School Board entered into certain annual appropriation master lease purchase agreements under which it has financed to date [\$196,699,409 of buses, vehicles, equipment, computer devices and software, \$68,850,484 of which is presently outstanding]. The School Board expects to finance additional items from time to time under such leases. These leases are not part of the Master Lease. Unless otherwise expressly provided in this Offering Statement, failure to make payments under any such lease purchase agreements, or an event of default under any such lease purchase agreement, will not affect the Lease Terms or cause the termination of the Series 2020A Leases or any other Leases. Payments under such lease purchase agreements are expected to be made from Local Option Millage Levy revenues, which are the primary source of repayment for the Series 2020A Certificates. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources – Local Option Millage Levy" herein.

### **Florida Retirement System**

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

choose to participate in the FRS; however, participation is generally irrevocable after the entity elects to participate.

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

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

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

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

disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

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

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

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

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

Subject to provisions of Section 121.091, Florida Statutes, the Defined Retirement Option Program (the "DROP") permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months while the member's benefits accumulate in the FRS Trust Fund. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. As of June 30, 2019, the FRS Trust Fund held \$2,542,917,693 in accumulated benefits and interest for 33,490 DROP participants. Of those 33,490 DROP

Participants, 31,749 were active in DROP with balances totaling \$2,277,211,830. The remaining participants were no longer active in the DROP and had balances totaling \$277,211,830 to be processed after June 30, 2019.

The Retiree Health Insurance Subsidy ("HIS") Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

Participating employers must comply with the statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Florida Legislature. Statutes require that any unfunded actuarial liability ("UAL") be amortized within 30 plan years and any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. As of June 30, 2019, the balance of legally required reserves for all defined benefit pension plans was \$163,573,726,217. These funds were reserved to provide for total current and future benefits, refunds and administration of the FRS Pension Plan.

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions for the Fiscal Years ended June 30, 2018 and June 30, 2019, totaled \$149.6 million and \$[115.50] million, respectively, which were equal to the required contributions for each Fiscal Year. This includes the HIS Program and Investment Plan contributions.

As a participating employer in the FRS, the District implemented Government Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment to*

*GASB Statement No. 68*), effective for fiscal years beginning after June 15, 2014. The implementation of these Statements requires the District to record a liability for its proportionate share of the net pension liabilities of the FRS plans.

The scope of GASB Statements Nos. 68 and 71 address accounting and financial reporting for pensions that are provided to employees of state and local governmental employers that meet certain characteristics. These Statements establish standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expense/expenditures. For defined benefit pensions such as the FRS plans, GASB Statements Nos. 68 and 71 identify methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Pursuant to these Statements, the District is required to record a liability for its proportionate share of pension liabilities as reported by the FRS plans. While these Statements require recognition and disclosure of the unfunded pension liability, there is no requirement that such liability be funded. Accordingly, a deficit in unrestricted net position should not be considered, solely, as evidence of financial difficulties. The adoption of GASB Statements Nos. 68 and 71 resulted in a material increase in the District's liabilities and a material decrease in the District's net position. As a result of GASB Statement No. 68, the District's proportionate share of the net pension liabilities of the FRS Pension Plan totaled \$874.6 million at June 30, 2019. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined an actuarial valuation as of that July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the District's proportion was 2.90%, which was a decrease of 0.01% from its proportion measured as of June 30, 2017.

As of June 30, 2019, the District reported a net pension liability of \$436.7 million for its proportionate share of the HIS Plan's net pension liability. The current portion of the net pension liability is the District's proportionate share of benefit payments expected to be paid within one year, net of the District's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, and update procedures were used to determine liabilities as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's 2017-18 fiscal year contributions relative to the total 2017-18 fiscal year contributions of all participating members. As of June 30, 2018, the District's proportionate share was 4.13%, which was a decrease of 0.01% from its proportionate share measured as of June 30, 2017. See APPENDIX B hereto, including the Management's Discussion and Analysis and Note 15 to the Basic Financial Statements and the Required Supplementary Information, for additional information relating to the District's implementation of GASB Statements Nos. 68 and 71.

### **Other Post-Employment Benefits**

In addition to its contributions under the State's retirement plan described above, the District provides other postemployment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy by providing access to health insurance plans. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes. In addition,

retirees are eligible to continue the District-sponsored term life insurance policy provided by the District.

In June 2015, the Governmental Accounting Standards Board issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB No. 75"), which was adopted by the District for the year ended June 30, 2018. GASB No. 75 addresses accounting and financial reporting for OPEB provided to employees of state and local government employers; establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses; requires governments to report a liability, deferred outflows of resources, deferred inflows of resources, and expenses on the face of the financial statement for the OPEB that they provide; and requires more extensive note disclosures and supplementary information about their OPEB liability. The beginning net position of the District was decreased by \$93.8 million due to the implementation of GASB Statement No. 75. The District's total OPEB liability reported at June 30, 2017 increased by \$93.77 million to \$180.8 million as of July 1, 2017, due to the transition in the valuation methods under GASB Statement No. 45 to GASB Statement No. 75, and beginning balances for deferred outflows/inflows of resources were not restated.

The District has historically accounted for its OPEB contributions on a pay-as-you-go basis and the District currently plans to continue such pay-as-you-go funding of its OPEB contributions. As of the valuation date, June 30, 2018, there were approximately 26,745 active participants and 827 inactive participants (retirees and beneficiaries) of the District receiving post-employment benefits. The District provided required employer contributions toward the annual OPEB cost in the amount of \$6.1 million, comprised of benefit payments made on behalf of retirees for claims expense and retention costs. The pay-as-you-go method of funding OPEB allows the District to continue to pay only the current OPEB costs each Fiscal Year, but will produce a growing unfunded actuarial liability for the future. The net OPEB obligation was \$196.8 million at the end of Fiscal Year 2018-19.

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Below are the details regarding the total OPEB liability from June 30, 2018 to June 30, 2019 (in thousands):

	<u>Total OPEB Liability</u>
Balance Recognized at 06/30/2018, as Restated	\$ 174,182
Changes for the Fiscal Year:	
Service Cost	\$ 8,746
Interest on the Total OPEB Liability	6,403
Difference Between Expected and Actual Experience of the Total OPEB Liability	(15,316)
Changes in Assumptions and Other Inputs	28,955
Benefit Payments	<u>(6,133)</u>
Net Changes	<u>22,655</u>
Balance at 06/30/2019	<u>\$ 196,837</u>

Changes of assumptions and other inputs include the change in the discount rate from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of June 30, 2018.

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2019.

For additional information, see Note 14 and Required Supplemental Information of "APPENDIX B - EXCERPTED PAGES FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019" hereto.

### **OPERATING REVENUES OF THE DISTRICT**

The District derives its operating income from a variety of federal, state and local sources. Although Section 1013.15(2)(a), Florida Statutes, provides that operating funds may be specifically authorized by the School Board to make lease payments, the School Board has not previously authorized the use of operating funds to make Lease Payments. In addition, other restrictions applicable to the use of operating funds may conflict with the use of operating funds by the School Board to make Lease Payments under Section 1013.15(2)(a), Florida Statutes, and there can be no assurance that such funds would be available to the School Board to make Lease Payments in the case of such conflicts. The major categories of these income sources for the operating funds are briefly described below. **Prospective purchasers should assume that Operating Funds will not be available to make Lease Payments and that such payments will be made solely from funds appropriated from the Local Option Millage Levy.** See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS."

#### **State Sources**

Florida Education Finance Program. The major portion of State support is distributed under the provisions of the Florida Education Finance Program ("FEFP"), which was enacted by

the State Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent ("FTE") student basis and through a formula that takes into account: (i) varying program costs; (ii) cost differentials between districts; (iii) differences in per-student costs due to the density of student population; and (iv) the required level of local support. Program cost factors are determined by the State Legislature each year. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in other variables comprising the formula, as well as to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in each county. To participate in FEFP funding, the District must levy a minimum millage for operating purposes, which is set by the State Department of Education. Based on the above formula, District's FEFP receipts for Fiscal Year 2017-18 were approximately \$1.5 billion, were approximately \$1.5 billion for Fiscal Year 2018-19 and are budgeted to be approximately [\$1.6] billion in Fiscal Year 2019-20, which amounts include the Required Local Effort (as described below under " - Local Sources").

FEFP Categorical Programs. FEFP categorical programs are lump sum appropriations from the State intended to supplement local school district revenues to enhance the delivery of educational and support services by each school district. In recent years, most categorical programs have been eliminated and the funds are now earmarked within the FEFP base student allocation. The only remaining categorical program is class size reduction. The allocation for class size reduction is based on a funding formula. The majority of funds available therefrom require actual appropriation by the School Board for the purposes for which they were provided.

Total State categorical aid for class size reduction was \$307.6 million for Fiscal Year 2017-18 and [\$304.3] million for Fiscal Year 2018-19 and is budgeted to be [\$302.0] million for Fiscal Year 2019-20.

State Lottery Revenues. A portion of the revenues generated from the State lottery is distributed to each Florida school district as Discretionary Lottery revenue and Florida School Recognition Program revenue. The Florida School Recognition program recognizes schools that have received an "A" or improved at least one letter grade from the previous school year and, under Florida Statutes, is required to be used for nonrecurring bonuses for school faculty and staff, nonrecurring expenditures for educational equipment or materials, for temporary personnel to assist schools in maintaining or improving student performance, or any combination of these. The District received \$13.9 million in Florida School Recognition revenue for Fiscal Year 2017-18, [\$12.4] million in Florida School Recognition revenue for Fiscal Year 2018-19 and is budgeted to receive [\$12.4] million in Florida School Recognition revenue for Fiscal Year 2019-20. The District received \$0.5 million in Discretionary Lottery revenues in Fiscal Year 2017-18 and received [\$0.95] million in Fiscal Year 2018-19. The District is budgeted to receive [\$.094] million in Discretionary Lottery revenues in Fiscal Year 2019-20.

Other State Revenues. The District also receives State educational funding from a variety of miscellaneous State programs, the largest of which is Workforce Development. The District received approximately \$73.4 million for Workforce Development in Fiscal Year 2017-18, received approximately [\$74.0] million for Fiscal Year 2018-19 and is budgeted to receive approximately [\$77.0] million for Fiscal Year 2019-20.

## Local Sources

Ad Valorem Taxes. Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. In addition, the District earns interest on cash invested and collects other miscellaneous revenues.

The Florida Constitution limits the non-voted millage rate that school boards may levy on an annual basis for operational funds to 10 mills (\$10 per \$1,000 of taxable real and personal property value). The millage limitation does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds and certain other short-term, voter approved levies. Chapter 1011, Florida Statutes, further limits the millage levy for operational purposes to an amount established each year by the State appropriations act and finally certified by the Commissioner of the State of Florida Department of Education. Within this operational limit, each school district desiring to participate in the State's allocation of FEFP funds for current operations must levy a non-voted millage rate that is determined annually by the State Legislature and certified by the Commissioner of the State of Florida Department of Education and is referred to as the district "Required Local Effort." For Fiscal Year ending June 30, 2020, the District's required local effort is 3.887 mills, inclusive of a Prior Period Funding Adjustment Millage of 0.062 mills as required by Section 1011.62(4)(e), Florida Statutes. Such Prior Period millage is levied when the preliminary taxable value for the prior year is greater than the final taxable value for such year, thereby resulting in lower than expected revenues from the required local effort millage.

In addition to the "Required Local Effort," school districts are entitled an additional non-voted current operating "discretionary millage" not to exceed an amount established annually by the Legislature and up to 1.5 mills for capital outlay and maintenance of school facilities. However, the District may levy up to 0.25 mills for capital outlay and maintenance of school facilities in lieu of operating discretionary millage. For Fiscal Year ending June 30, 2020, the District's discretionary operating millage is 0.748 mills. The District did not levy any capital outlay discretionary millage for the Fiscal Year ended June 30, 2019. See "AD VALOREM TAXATION - Millage Rates" and "- Historical Millages" herein.

The District, pursuant to authority granted in Section 1011.71(9), Florida Statutes, sought voter approval for the levy of an additional 0.50 mills for operating purposes for a period of four years, commencing with Fiscal Year 2019-20. The voters approved such levy at a special election held on August 28, 2018.

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The following table sets forth the District's operating millage levies for Fiscal Year 2019-20:

Operating Millage	District Levy	Description	Max
Required Local Effort	3.887 mills	Each school district desiring to participate in the State's allocation of FEFP funds for current operations must levy a non-voted millage rate that is determined annually by the State Legislature	3.887 mills
Prior Period RLE Adjustment	0.062 mills	Non-voted; not to exceed amount established annually by the State	0.062 mills
Current Operating Discretionary Millage	0.748 mills	Non-voted; not to exceed amount established annually by the Legislature	0.748 mills
Additional Operating Millage (Voter Approved)	0.500 mills	School boards may, upon approval by voters in a local referendum or general election, levy an additional millage for operating needs up to an amount that when combined with the non-voted millage does not exceed 10 mills. Such levy shall be for a maximum of four years.	0.500 mills

Budgeted revenues from ad valorem taxes are based on applying millage levies to ninety-six percent (96%) of the non-exempt assessed valuation of real and personal property within the County. Ad valorem tax revenue collections for operating levies for Fiscal Year 2017-18 were [\$918.7] million, were [\$936.4] for Fiscal Year 2018-19 and budgeted revenues for Fiscal Year 2019-20 are [\$1,062.7] million. The budgeted increase in ad valorem tax receipts for operating purposes for Fiscal year 2019-20 is due to levy of the additional voter approved operating millage of 0.500 mills described above.

### **Federal Sources**

The District receives certain federal monies, both directly and through the State, substantially all of which are restricted for specific programs. Direct federal revenue sources were approximately [\$2.2] million in Fiscal Year 2017-18, [\$2.5] million in Fiscal Year 2018-19 and are budgeted to be [\$2.3] million in Fiscal Year 2019-20. Federal funds through the State totaled \$21.7 million in Fiscal Year 2017-18 were [\$22.2] million in Fiscal Year 2018-19 and are budgeted to be [\$22.5] million in Fiscal Year 2019-20.

### **AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS**

The School Board derives its revenues for capital outlay projects from certain State and local sources. The major categories of these revenue sources are briefly described below.

## **State Sources**

PECO. One source of state educational funding contributions to the District's capital outlay requirements is the Florida Public Education Capital Outlay Program ("PECO"). The method of allocation of funds to the district school boards is provided by state law based upon a statutory formula, components of which are the number of students in various districts and the proposed uses of the funds by the various districts. The Commissioner of Education administers the PECO program and allocates or reallocates funds as authorized by law. The District received a \$4.8 million PECO allocation in Fiscal Year 2017-18, [\$4.8] million in Fiscal Year 2018-19 and is budgeted to receive \$\_\_\_ million in 2019-20.

C.O. and D.S. Funds. The District receives a portion of the revenues generated by the State from the sale and renewal of motor vehicle licenses. The distributed revenues are designated as capital outlay and debt service ("CO&DS") funds. CO&DS funds can be used by the District to make Lease Payments, but only if the facilities being lease purchased appear on the project priority list approved by the State Board of Education. [None of the Series 2020A Facilities appear on the project priority list.] The District received \$8.2 million of CO&DS funds Fiscal Year 2017-18, [\$8.8] million for Fiscal Year 2018-19 and is budgeted to receive \$8.2 million in CO&DS funds for Fiscal Year 2019-20.

Capital Outlay Bonds. The State of Florida Board of Education Capital Outlay Bonds are serviced entirely by the State using a portion of the District's share of revenue derived from automobile registrations. The annual sinking fund requirements are determined by the State Board of Administration and amounts necessary to retire bonds and pay interest are withheld from amounts due to the District. See "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT – Long Term Debt" herein.

## **Local Sources**

Educational Impact Fees. The County has enacted a County-wide educational impact fee program, which imposes educational impact fees on all new residential construction occurring in the County. Revenues generated through educational impact fee levies are deposited into an educational impact fee trust account and must be used solely for the purpose of providing growth-necessitated capital improvements to educational plants and ancillary plants of the District's school system which have been approved by the School Board in its capital budget consistent with the District's school plant survey filed with the Florida Department of Education. Impact fees may only be used to pay for facilities in the service area where the impact fees were collected.

Such revenues are also available to, but not pledged for, the payment of debt service on obligations of the District (including without limitation, lease purchase obligations), the proceeds of which are used to finance the acquisition and construction of qualifying educational and ancillary plants. [A portion of the educational impact fee revenues is available to pay debt service on the Series 2020A Certificates.]

The educational impact fees are subject to revision and repeal by the Board of County Commissioners of the County. Further, various bills have been introduced in the Florida

Legislature over the past several years that would eliminate the ability of certain governmental entities, including the County or the District, to levy impact fees for the construction or remodeling of educational facilities. To date, such bills have not been passed. However, there can be no assurance that future legislation will not be introduced and enacted that restricts, or eliminates, the District's ability to receive such impact fees.

The following table sets forth the educational impact fee revenues received by the School Board during the last five fiscal years of the District.

**The School District of Broward County, Florida**  
**Educational Impact Fee Revenues**  
**(In thousands)**

<u>Fiscal Year</u>	<u>Revenues</u>
2014-15	\$15,728
2015-16	13,599
2016-17	14,714
2017-18	14,985
2018-19	15,900

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2019.

[The District budgeted impact fee revenues of approximately \$11.0 million for Fiscal Year 2019-20. However, based on current collections, the District now estimates receiving approximately \$\_\_\_ million in impact fee revenues for Fiscal Year 2019-20.] There can be no assurance that impact fee revenues will be available to the District in the future, as impact fee rates, as well as their levy, are subject to the discretion of the Board of County Commissioners of the County. In addition, revenue collections will also vary depending on the rate at which the impact fees are imposed, the categories of building on which they are imposed and the rate of building in the County, all of which are outside the control of the School Board. The table set forth above does not, therefore, provide a reliable indication of the amount of revenues the School Board can expect to receive in future years from the levy of educational impact fees. See "APPENDIX A – INFORMATION CONCERNING BROWARD COUNTY, FLORIDA – Building Permits" hereto.

Local Option Millage Levy. Local revenue for school district support is derived primarily from real and tangible personal property taxes. See also "AD VALOREM TAXATION" herein.

In addition to the millage levies for operating purposes, school boards may levy non-voted millage (the "Local Option Millage Levy") for capital outlay and maintenance purposes, pursuant to Section 1011.71(2), Florida Statutes. Revenues from the Local Option Millage Levy may be used to fund new construction and remodeling projects; maintenance, renovation and repair of existing school plants; purchase, lease-purchase or lease of school buses; purchase, lease-purchase or lease of new and replacement equipment and computer hardware and certain operating software; payment of costs directly related to compliance with

state and federal environmental laws; payment of leasing relocatable educational facilities; payment of the cost of the opening day collection for the library media center of a new school; certain sick or annual leave accrued payments for former employees that transfer to charter schools; payments under lease purchase agreements and certain short-term loans. Currently, the maximum amount of Local Option Millage Levy may be up to 1.50 mills.. In the event that revenues generated from the Local Option Millage Levy are insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount equal to the revenue generated from 0.50 mills of the operating levy may be used to make such Lease Payments. Additionally, if the revenue from 1.50 mills is insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2009 or to meet other critical capital needs, a school board may elect to levy up to 0.25 mills for capital purposes in lieu of a like amount of discretionary operating millage. Prior to July 1, 2012, payments from this millage for lease purchase agreements for educational facilities and sites were not permitted to exceed three-fourths of the proceeds of the Local Option Millage Levy. However, effective July 1, 2012, the three-fourths limitation was waived for lease-purchase agreements originally entered into prior to June 30, 2009. **The Local Option Millage Levy is the School Board's primary source of payment of Basic Lease Payments. The School Board is not required to levy any millage for capital outlay purposes in the future. Since revenues from the levy of the Local Option Millage Levy may be used for, but not pledged to, the payment of Lease Payments under the Leases, the failure of the School Board to levy all of the Local Option Millage Levy would have an adverse effect on Available Revenues from which the School Board may appropriate to make Lease Payments.** See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Funds to Charter Schools" herein.

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The following table sets forth the District's capital outlay levies for Fiscal Year 2018-19:

Capital Outlay Millage	District Levy	Description	Max
Local Option Millage	1.500 mills	Non-voted millage for capital outlay and maintenance purposes.	1.500 mills
Capital Outlay Discretionary Millage	0.000 mills	If revenue from the Local Option Millage is insufficient to make payments due under a lease purchase agreement entered into prior to June 30, 2009, or to meet other critical school district fixed capital outlay needs, a school board may levy up to an additional .25 mills of Local Option Millage Levy in addition to the 1.5 mills, in lieu of levying an equivalent amount of the discretionary mills for operations (i.e. Current Operating Discretionary Millage).	0.250 mills

Local Option Millage Levy revenues for Fiscal Year 2017-18 were \$278.6 million, for Fiscal Year 2018-19 were [\$294.1] million and budgeted revenues for Fiscal Year 2019-20 are [\$312.7] million.

[A school board may not use revenues from the Local Option Millage Levy to pay for any portion of the cost of any new construction of educational plant space with a total cost per student station, including change orders, in excess of the amounts set forth in Section 1013.64(6)(b)1., Florida Statutes, as adjusted (the "Maximum Cost Per Student Station"). For purposes of calculating the Maximum Cost Per Student Station, certain costs such as legal and administrative costs, site improvement costs (incidental to construction), costs related to hurricane sheltering/hardening and school security/hardening capital improvements, among other costs, are not included. As of July 1, 2019, if the new construction of educational plant space is subject to a lease-purchase agreement entered into pursuant to Section 1011.71(2)(e), Florida Statutes (such as the Series 2020A Leases), a district school board (i) may use certain local funding sources (including educational impact fees, and voter approved ad valorem taxes, in each case if legally available for such purpose) to pay for the new construction of educational plant space, and (ii) may, but is not required to, use the Local Option Millage Levy revenues and certain state funding sources to pay for the portion of the cost for new construction of educational plant space which does not exceed the Maximum Cost Per Student Station requirements or to costs which are not included in Maximum Cost Per Student Station calculation. The Series 2020A Facilities are being financed pursuant to a lease-purchase agreement. As such, revenues from the Local Option Millage Levy are only legally available for payment of the Basic Lease Payments represented by the Series 2020A Certificates for the portion of the Series 2020A Facilities that (i) are not included in the Maximum Cost Per Student Station calculation or (ii) are included in the Maximum Cost Per Student Station, but do not exceed the Maximum Cost Per Student Station (collectively, the "LOML Eligible Portion of the Series 2020A Certificates"), which together are currently estimated to equal [100.0]% of such Basic Lease Payments represented by the Series 2020A Certificates. As described herein, other

local revenues such as educational impact fees described herein are legally available to pay both the LOML Eligible Portion of the Series 2020A Certificates and the Basic Lease Payments represented by the Series 2020A Certificates to which the Maximum Cost Per Student Station limit applies, but which are in excess of the Maximum Cost Per Student Station (the "LOML Ineligible Portion of the Series 2020A Certificates"). However, the Board expects to comply with the Maximum Cost Per Student Station limits with respect to the Series 2020A Facilities, and therefore intends to use only Local Option Millage Revenues to pay all Basic Lease Payments represented by the Series 2020A Certificates. See "- Educational Impact Fees" and "RISK FACTORS – Construction Cost Maximums" herein.]

During the Florida Legislature's 2017 Regular Session, the Florida Legislature passed HB 7069 ("HB 7069") which, among other things, requires school districts to distribute local capital outlay funds from the Local Option Millage Levy to charter schools. HB 7069 established the calculation methodology to determine the amount of local capital outlay funds from the Local Option Millage Levy a school district must distribute to each eligible charter school. Such calculation provides that the amount of local capital outlay funds from the Local Option Millage Levy a school district must distribute to each eligible charter school will be reduced by the school district's annual debt service for obligations incurred as of March 1, 2017 that are paid with Local Option Millage Levy revenues, and requires the first payment to charter schools as of February 1 of each year.

The provisions of HB 7069 are subject to lawsuits filed by certain affected school boards, including the School Board. The provisions of HB 7069 were upheld at the trial court in one of the lawsuits filed by the School Board and other plaintiff school boards. That case was appealed to the First District Court of Appeals by the School Board and the other plaintiff school boards and consolidated with another case brought by many of the same plaintiff school boards, including the School Board. The other lawsuit challenging HB 7069 has been stayed by the trial court pending the appeal of the other consolidated case. On August 29, 2019, the First District Court of Appeals upheld the legality of HB 7069. On September 27, 2019, certain of the plaintiff school boards, including the School Board, filed a notice to invoke the discretionary jurisdiction of the Florida Supreme Court in order to appeal such decision. [As of the date hereof, it is uncertain whether the Florida Supreme Court will accept jurisdiction and thereby review the judgment of the lower court.] The final outcome of those lawsuits cannot be determined at this time.

On March 11, 2018, then Governor Rick Scott approved Committee Substitute for House Bill 7055 ("CS/HB 7055"). CS/HB 7055, among other things, revises certain of the requirements of HB 7069 relating to the required sharing of the Local Option Millage Levy revenues with charter schools. CS/HB 7055, among other things, specifies that charter school capital outlay funds shall consist of State funds when such funds are appropriated. However, if in any given year, the amount of State funds is not equal to, or is less than, the average charter school capital outlay funds per unweighted FTE student for the Fiscal Year 2018-19, multiplied by the estimated number of charter school students for the applicable fiscal year and adjusted for inflation from the previous year, charter school capital outlay funds shall also consist of the Local Option Millage Levy revenue. CS/HB 7055 also seeks to clarify that the debt service obligation that can be reduced from the distribution to charter schools is the debt service obligation incurred as of March 1, 2017, which has not been subsequently retired, and also

requires each school district to annually certify to the State of Florida Department of Education the amount of the debt service obligation that can be reduced from the distribution to charter schools.

At this time, the School Board cannot determine the long-term impact of HB 7069, as revised by CS/HB 7055, on the amount of revenues available to the School Board from the Local Option Millage Levy. For Fiscal Year 2017-18, the impact of HB 7069 on the District reduced its capital budget by \$11.5 million. For Fiscal Year 2018-19, there was no impact on the District as Fiscal Year 2018-19 provides the baseline State funding for determining whether charter schools receive any Local Option Millage Levy revenues in future years. The State 2019-20 education budget also provides for sufficient State charter capital outlay funds per FTE student such that the District will not be required to share any Local Option Millage Levy revenues with charter schools in the District in Fiscal Year 2019-20. However, no assurance can be given that the State will continue to allocate sufficient State funds in future years. Even if these provisions of HB 7069 are ultimately upheld, while they will likely result in a reduction of the revenues available to the School Board from the Local Option Millage Levy to make Lease Payments, the School Board, at this time, does not expect them to adversely affect its ability to make Basic Lease Payments under the Master Lease in future years.

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The following table sets forth the millage levy that would provide 1.00x coverage of the maximum annual Basic Lease Payments represented by the Prior Certificates and the Series 2020A Certificates based on current law, assuming a 96% collection of the taxes levied:

**Anticipated Local Option Millage Levy Required  
to Cover Lease Payments Represented by the Prior Certificates  
and the Series 2020A Certificates**

Net Taxable Assessed Valuation (FY 2020) <sup>(1)</sup>	[\$217,135,438,512]
Local Option Millage Levy	1.500
Assumed Tax Collection Rate	96.0%
<b>Total Revenue Generated by 1.50 mill Levy at 96% collection (FY 2019)</b>	<b>\$ _____</b>
<b><i>FY2020 Millage Levy Required to Satisfy Maximum Annual Basic Lease Payments Represented by the Prior Certificates and the Series 2020A Certificates</i></b>	
Maximum Annual Basic Lease Payments (FY 2021) <sup>(2)</sup>	\$ _____
Minimum FY 2019 Millage Needed to Satisfy Maximum Annual Basic Lease Payments <sup>(3)</sup>	_____ mills
<b><i>FY 2020 Sharing of the Local Option Millage Levy with Eligible District Charter Schools - Impact of HB 7069/CS/HB 7055</i></b>	
Annual Debt Service Obligation Incurred as of March 1, 2017	\$ _____ <sup>(4)(5)</sup>
Estimated Total Allocation of Local Option Millage Levy to Eligible District Charter Schools	\$ _____ <sup>(5)</sup>
Less Total Amount of State Charter School Capital Outlay Funding Allocated to Eligible District Charter Schools	\$ _____ <sup>(5)(6)</sup>
Maximum Local Option Millage Levy Revenue to be Shared with Eligible District Charter Schools	\$0.00
Maximum Local Option Millage Levy to be Shared with Eligible District Charter Schools	0.00 mills
Minimum Revenue Remaining from the Local Option Millage Levy After Charter School Payments	\$ _____
<b><i>Local Option Millage Levy Available After Basic Lease Payments and Charter School Payments</i></b>	
Minimum Remaining Millage Levy	_____ mills
Total Minimum Revenue Anticipated from Remaining Local Option Millage Levy	\$ _____]

<sup>(1)</sup> Based on July 1, 2019 valuation of Broward County Property Appraiser prior to adjustments on appeal from taxpayers. See "AD VALOREM TAXATION – Property Assessment and County Property Appraiser" herein.

<sup>(2)</sup> Assumes the Prior Certificates have the financial arrangements, assumptions and accounting practices described in footnotes under "CERTIFICATE PAYMENT SCHEDULE I FOR PRIOR CERTIFICATES" and "CERTIFICATE PAYMENT SCHEDULE II FOR PRIOR CERTIFICATES," which, among other things, takes into account the expected interest subsidies with respect to Direct-Pay Bonds (as defined herein). Also assume the Series 2020A Certificates are issued in the aggregate principal amount of \$\_\_\_\_\_, with a true interest cost of \_\_\_% and a final maturity of July 1, 20\_\_\_. In addition to the maximum annual payments represented by the Prior Certificates and the Series 2020A Certificates, the District also uses a maximum of approximately \_\_\_ mills to make debt service payments on the outstanding balance of its lease purchase agreements outside of the Master Lease, [\$68,850,484] principal amount of which is presently outstanding. These leases are not part of the Master Lease and, in the opinion of Co-Special Tax Counsel, are not included for purposes of calculating the maximum amount of lease payments which can be paid from Local Option Millage Levy revenues. See "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT – Obligations under Unrelated Lease Purchase Agreements."

<sup>(3)</sup> During the 2012 regular session of the Florida legislature, legislation was enacted which waives the 75% limitation on use of the Local Option Millage revenues for lease-purchase agreements originally entered into prior to June 30, 2009. Such legislation became effective on July 1, 2012. See "AD VALOREM TAXATION – Millage Rates" herein. Following the effective date of such legislation, only the Lease Payments with respect to Leases originally entered into after June 30, 2009 are subject to the 75% limitation. Accordingly, as of the date of this Offering Statement, only the Lease Payments related to the Series 2010A Lease and the Series 2020A Leases would be subject to such limitation.

<sup>(4)</sup> Reflects actual Fiscal Year 2019-20 debt service on obligations issued or incurred as of March 1, 2017 that are paid from Local Option Millage Levy Revenues.

<sup>(5)</sup> Data provided by the Florida Department of Education.

<sup>(6)</sup> In future years, if the State does not appropriate an amount at least equal to the average charter school capital outlay per unweighted FTE student for Fiscal Year 2018-19, multiplied by the estimated number of charter school students for the applicable fiscal year and adjusted for inflation from the previous year, charter school capital outlay funds would also consist of Local Option Millage Levy revenue. If the State had not appropriated any funds for such purpose for Fiscal Year 2019-20, the District would have been required to pay \$\_\_\_\_\_ million to charter schools. At this time, the amount of the Local Option Millage revenues to be shared with eligible charter schools in future years cannot be determined because the amount of State funds appropriated for the charter school capital outlay and future charter school enrollment is unknown. See "AD VALOREM TAXATION – Other Constitutional Amendments and Legislation Affecting Ad Valorem Taxes – Distribution of Local Option Millage Funds to Charter Schools."

Source: The School District of Broward County, Florida.

## **DISTRICT EDUCATIONAL FACILITIES PLAN**

Section 1013.35, Florida Statutes, requires the development of a continuous five-year District Educational Facilities Plan or DEFP. In each year, the DEFP is reviewed and revised as necessary to reflect the District's long range capital construction program, changes to the capital construction program resulting from student enrollment changes, and improvements and additions to school and non-school sites. An annual update of the DEFP provides, upon approval by the School Board, a continuous five-year program. The most recent annual update of the DEFP was approved by the School Board on [September 4, 2019] and provides for a facilities plan totaling approximately [\$2.8 billion over the next five-year period ending June 30, 2024.] The current DEFP includes projects expected to be funded from the issuance of general obligation bonds of the District [and the Series 2020A Certificates]. To date, the District has issued two series of general obligation bonds with a combined initial aggregate principal amount of \$329,805,000. See "FINANCIAL RESULTS AND LIABILITIES - Long Term Debt - General Obligation Bonds" herein.

The DEFP is funded from Federal, State and local revenue sources, as well as certificates of participation issued pursuant to the District's master lease program and general obligation bonds. In previous years, the District was faced with significant declines in capital outlay revenues, which have had a major impact on the District's ability to fund the DEFP. Recent and projected increases in the Local Option Millage Levy revenues have helped the District undertake a portion of the deferred maintenance and invest in classroom technology equipment and school buses. Additionally, proceeds of the District's approved general obligation bonds, will provide the funding necessary to meet the most critical life-safety, technology and facility needs. There will also be significant investment into music and arts programs as a result of the overall Safety, Music & Arts, Athletics, Renovation, and Technology (SMART) initiative.

The DEFP is based on an analysis of funding initiatives selected because they have a high impact on the District's Strategic Plan Goals and a high potential for favorable operational results. Before implementing the SMART initiative, the District conducted an independent needs assessment of all schools and facilities. The needs assessment provided an objective status of the physical and educational adequacy of the District's schools and administrative sites. This information forms the basis of current and future capital planning efforts. The most critical priorities are identified by the needs assessment and will address safety and security, repairs and renovations, and technology and technology infrastructure. The DEFP also uses student enrollment projections for the five years 2021-2022 through 2024-2025 to provide a basis for determining capital needs throughout this period. The following table provides historical information relating to student enrollment in the District and projections for such enrollment. The current enrollment projections are compared to the annual benchmark day figures for the 2019-20 school year.

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**The School District of Broward County, Florida  
Student Enrollment Projections**

	2019-20 Annual Benchmark Day Enrollment	2020-21 Annual Benchmark Day Enrollment	2020-21 Increase (Decrease) to 2018-19	2024-25 Projected Annual Benchmark Day Enrollment	2024-25 Increase (Decrease) to 2019-20
Pre-Kindergarten					
Elementary (K-5)					
Middle					
High					
Centers					
Charters					
<b>Total<sup>(1)</sup></b>					

<sup>(1)</sup> The District historically does not provide projected enrollment for pre-kindergarten and centers. The annual benchmark day enrollment for these programs/schools is carried forward into future year projections, resulting in no enrollment gains or losses.

Source: School District of Broward County, Florida - Demographic and Student Assignments Department as of September 2019.

[Total District enrollment is projected to increase by \_\_\_ students, including those in centers and charter schools by the 2024-2025 school year. Based on current demographic data, the District projects that elementary enrollment in District-owned facilities will increase over the next five years by 623 students, middle school enrollment will increase by 138 students and high school enrollment will increase by 616 students.]

Enrollment in charter schools is \_\_\_\_\_ in 99 charter schools in school year 2019-2020. When new charter schools open, their enrollment is drawn from both charter schools and traditional public schools. Therefore, the enrollment for charter schools increases while the enrollment at traditional schools decreases. Since charter schools are considered public schools, their enrollment is, however, included in the District’s total enrollment. Charter school enrollment is projected to increase over the next five years by \_\_\_\_\_.

Legislation passed by the Florida Legislature has resulted in an increase in charter schools and charter school enrollment. Charter schools qualifying as "high-performing" are able to increase enrollment, add grade levels, extend their charter terms and even expand into other districts, with fewer restrictions. Local governing authorities' ability to control development criteria for charter schools has been reduced. The impact of this legislation continues to affect charter school enrollment, therefore, the resulting impact on traditional public school enrollment cannot be determined at this time. See also, "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Schools of Hope" herein.

All projections of the District as to student enrollment are based upon estimates and assumptions made by the District, and although considered reasonable by the District utilizing historical data, are inherently uncertain and subject to significant business, economic and competitive uncertainties and contingencies. The outcome of such factors is difficult to predict and many of such factors are beyond the control of the District. As a result, there can be no assurance that such enrollment rates will occur or be realized as projected.

## **AD VALOREM TAXATION**

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

### **Property Assessment and County Property Appraiser**

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

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

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

the year following the year of sale or change of status; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

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

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

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

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

with regard to all petitions and certify to the Property Appraiser the valuation to be used by June 1 following the tax year in which the assessments were made. The June 1 requirement shall be extended until December 1 in each year in which the number of petitions filed with the Adjustment Board increased by more than 10% over the previous year. These changes are then made to the final tax roll.

### Assessed Value of Taxable Property

The following table sets forth the assessed value of taxable property in the District for current and the last ten fiscal years:

**Broward County, Florida**  
**Net Assessed Value of Taxable Property**  
**Eleven Fiscal Years Ending June 30, 2020**  
**(in Thousands)**

Fiscal Year Ended June 30	Assessed Value <sup>(1)</sup>		Exemptions <sup>(2)</sup>		Net Assessed Value
	Real Property	Personal Property	Real Property	Personal Property	
2011	\$171,869,596	\$7,732,226	\$40,219,956	\$187,099	\$139,194,767
2012	169,479,765	7,421,889	41,083,095	196,897	135,621,662
2013	168,965,812	7,367,500	39,660,644	201,407	136,471,261
2014	178,153,457	7,645,682	42,807,958	948,264	142,042,917
2015	198,141,803	7,700,685	51,306,429	996,305	153,539,754
2016	216,055,369	8,047,509	58,337,283	1,082,829	164,682,766
2017	234,894,131	8,503,953	63,484,062	1,110,211	178,803,811
2018	252,239,719	9,991,198	67,697,864	1,061,203	193,471,850
2019	[268,239,664	10,175,940	72,044,414	1,063,791	205,307,399]
2020 <sup>(3)</sup>					217,135,439

(1) The basis of assessed value is approximately 100% of actual value.

(2) Exemptions allowed by Chapter 196, Florida Statutes.

(3) Based on July 1, 2019 valuation of Broward County Property Appraiser prior to adjustments on appeal from taxpayers. See "Property Assessment and County Property Appraiser" above.

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2019, citing Broward County Property Appraiser. 2020 data provided by the Broward County Property Appraiser (DR-403V).

### Millage Set by Local Governing Body

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

does not apply to taxes approved at referendum by qualified electors in the County for general obligation bonds and certain other short-term, voter approved levies.

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

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuation within the taxing authority's respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. State law requires the Board to adopt and maintain a balanced tentative budget and a balanced final budget, in which anticipated revenues less certain required deductions combined with beginning fund balances equal appropriations. The Board is required to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 29 days following receipt from the Property Appraiser of the preliminary certification of taxable value. The Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement, and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the Property Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed in September of each year, following a final public hearing and in accordance with statutory timelines. The Superintendent is responsible for preparing the preliminary and tentative budgets for recommendation to the Board. Generally, the final budget is substantially the same as the tentative budget since the Board's hiring plans and materials purchases have been determined before the final Budget is adopted. The Board adopted the final budget for the Fiscal Year 2019-20 on September 4, 2019.

As part of the budget process, the District is required to provide advance notice of the purposes for which the District intends to spend budgeted amounts, including those derived from the revenues generated from the Local Option Millage Levy, and to adopt a budget that shows the capital outlay expenditures applicable to each project. For information regarding the Local Option Millage Levy, see "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein. The District currently lists in such notice all projects that may begin within the Fiscal Year which are reasonably anticipated to be funded from revenues generated from the estimated Local Option Millage Levy. This listing is provided to allow for public input for all capital outlay projects that are reasonably anticipated to be funded from the revenues.

Millage Rollback Legislation. In 2007, the Florida Legislature adopted a property tax plan that significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities, and special districts to rollback their millage rates for the Fiscal Year 2007-08 to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-07; provided, however, depending upon the relative

growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-07 ad valorem tax revenues by 0% to 9%. In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body. School districts are not required to comply with the particular provisions of the Millage Rollback Legislation relating to limitations on increases in future years.

The following table contains the tax millage rates of the District for the Fiscal Years shown below:

**School District of Broward County, Florida  
Tax Millage Rates**

	2015-16	2016-17	2017-18	2018-19	2019-20
General Fund:					
Required Local Effort <sup>(1)</sup>	4.9550	4.5880	4.2260	4.0270	3.8870
Discretionary Operating	0.7480	0.7480	0.7480	0.7480	0.7480
Voter Approved <sup>(2)</sup>	N/A	N/A	N/A	N/A	0.5000
Sub Total	5.7030	5.3360	4.9740	4.7750	5.1350
Debt Service <sup>(3)</sup>	0.0710	0.0703	0.0654	0.1279	0.1043
Capital Improvement	1.5000	1.5000	1.5000	1.5000	1.5000
Total	7.2740	6.9063	6.5394	6.4029	6.7393

Source: The District.

N/A = Not Applicable.

<sup>(1)</sup> Inclusive of Prior Period Funding Adjustment Millage, if any.

<sup>(2)</sup> Levied for operating purposes pursuant to Section 1011.71(9), Florida Statutes. See "OPERATING REVENUES OF THE DISTRICT – Local Sources" herein.

<sup>(3)</sup> Levied to pay debt service on voter approved General Obligation Bonds. See "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT – Long Term Debt – General Obligation Debt" herein.

**Tax Collection and Distribution by Tax Collector**

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

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

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

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

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

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

### **Exemptions from Ad Valorem Taxation**

General. State law provides for numerous exemptions and limitations on ad valorem taxation of real property and tangible personal property. Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, literary, charitable, scientific, and governmental uses. Certain additional exemptions and limitations are described below. This description does not purport to describe all exemptions available to property owners in the State, and reference is made to the Constitution of the State of Florida and

Chapter 196, Florida Statutes, for a full description of such exemptions. In addition, State law allows for, but does not mandate, the imposition of some exemptions by local governments by ordinance. Certain recent amendments to existing provisions relating to ad valorem tax exemptions are described under "Legislation Regarding Ad Valorem Taxes – Recent Amendments Relating to Ad Valorem Taxation."

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

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

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

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

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

*Homestead Exemption.* The Constitution of the State of Florida provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence

or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption, up to \$25,000, applicable to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following additional homestead exemptions are authorized by State law.

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

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

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

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

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

property. Florida defines first responders as law enforcement officers, correctional officers, firefighters, emergency medical technicians and paramedics.

*Survivors of First Responders.* Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

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

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

## **Legislation Relating to Ad Valorem Taxation**

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

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

## Ad Valorem Tax Levies and Collections

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

### School District of Broward County, Florida Property Tax Levies and Collections (in Thousands)

Fiscal Year Ended June 30	Total Tax Levy	Less Adjustments		Net Tax Levy	Total Tax Collections Through June 30	Percent of Total Tax Collections To Net Tax Levy
		Deductions <sup>(1)</sup>	Discounts <sup>(2)</sup>			
2015 <sup>(3)</sup>	\$1,142,028	\$11,382	\$39,633	\$1,083,180	\$1,083,193	\$94.85
2016	1,197,902	7,644	41,445	1,148,144	1,149,777	95.85
2017	1,234,873	8,307	42,922	1,182,717	1,185,546	95.78
2018	1,265,190	12,734	44,124	1,206,362	1,207,754	95.35
2019	1,314,563	12,076	45,364	1,254,219	1,255,567 <sup>(4)</sup>	95.41 <sup>(4)</sup>
2020	_____	_____	_____	_____	_____	_____

<sup>(1)</sup> Deductions reflecting adjustments by Value Adjustment Board. See " – Procedures for Property Assessment" above.

<sup>(2)</sup> Reflects discounts for early payment. See " – Procedures for Tax Collection and Distribution" above.

<sup>(3)</sup> Prior year revenue in General Fund and Capital Funds were added here due to negative balances.

<sup>(4)</sup> Represents collections through \_\_\_\_\_, 2020.

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2019, citing Broward County Tax Collector. 2020 figures provided by \_\_\_\_\_.

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## Principal Taxpayers

The following table sets forth the Principal Property Taxpayers in Broward County, Florida in 2019 and 2010:

### Broward County, Florida Principal Taxpayers (in Thousands)

Taxpayer	2019			2010		
	Tax Levy <sup>(1)</sup>	Rank	Percent of Total Aggregate Tax Levy	Tax Levy <sup>(1)</sup>	Rank	Percent of Total Aggregate Tax Levy
Florida Power & Light Co	\$ 74,974	1	1.75%	\$ 33,199	1	0.97%
Sunrise Mills Ltd Prtnr	14,535	2	0.34	8,439	3	0.25
Diplomat Hotel Owner LLC	8,250	3	0.19	6,281	5	0.18
Wal-Mart Stores East LP	5,966	4	0.14	5,528	6	0.16
Publix Supermarkets Inc.	5,344	5	0.12	3,326	9	0.10
Arium Resort LLC	5,126	6	0.12	-	-	-
Harbor Beach Property LLC	4,506	7	0.11	-	-	-
Bellsouth Telecommunications LLC	3,992	8	0.09	9,656	2	0.28
TAF GG Las Olas LP	3,744	9	0.09	-	-	-
City of Fort Lauderdale	3,692	10	0.09	4,375	7	0.13
WCI Communities Inc.	-	-	-	8,205	4	0.24
Pembroke Lakes Mall Ltd	-	-	-	3,333	8	0.10
Northwestern Mutual Life Ins CO	-	-	-	3,308	10	0.10
<b>Total Principal Taxpayers</b>	<u>\$130,129</u>		<u>3.04%</u>	<u>\$85,650</u>		<u>2.51%</u>
<b>All Other Taxpayers</b>	<u>\$4,146,746</u>		<u>96.96%</u>	<u>\$3,333,091</u>		<u>97.49%</u>
<b>Total Aggregate Tax Levy</b>	<u><u>\$4,276,875</u></u>		<u><u>100.00%</u></u>	<u><u>\$3,418,741</u></u>		<u><u>100.00%</u></u>

<sup>(1)</sup> Includes tax levy from all taxing jurisdictions within Broward County.

Source: Comprehensive Annual Financial Report of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2019.

## RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES

### General

During recent years, various other legislative proposals and constitutional amendments relating to ad valorem taxation and District revenues have been introduced in the State Legislature. Many of these proposals provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. Other proposals have sought to restrict the ability of local governments to use certain revenues for payment of debt service or provide for additional procedures and notices to issue tax-supported debt. There can be no assurance that similar or additional legislative or other

proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

Reference is also made to "AD VALOREM TAXATION – Exemptions from Ad Valorem Taxes" and "AD VALOREM TAXATION – Recent Amendments Relating to Ad Valorem Taxation" herein for a discussion of recent amendments to the Florida Constitution and other legislation affecting ad valorem tax revenues.

### **Constitutional Amendments Relating to Class Size Reduction**

Article IX of the State Constitution was amended in 2002 by Amendment 9, which requires that the State Legislature provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Amendment 9, and Sections 1003.03, Florida Statutes, and 1013.735, Florida Statutes, relating to the implementation of Amendment 9, collectively are referred to herein as the "Class Size Legislation."

The Class Size Legislation establishes constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through 3rd grade, 22 for grades 4 through 8 and 25 for grades 9 through 12. Compliance is determined on a period-by-period basis. In the event a school district is not in compliance with such requirements (based on October student enrollment), the legislation provides that the State shall reduce the class size funding, which can be adjusted for good cause. For those school districts that are in compliance with the constitutional amendment, a reallocation bonus of up to 5% of the base student allocation shall be distributed. School districts not in compliance are required to submit to the Commissioner of Education a corrective action plan that describes specific actions the district will take in order to fully comply with the requirements by October of the following year. If the district submits the certified plan by the required deadline, 75% of the funds remaining after the reallocation to school districts will be reallocated based upon each school district's proportion of the total reduction.

The Class Size Legislation also created the "Operating Categorical Fund for Class Size Reduction," the "Classroom for Kids Program," the "District Effort Recognition Grant Program" and the "Class Size Reduction Lottery Revenue Bond Program" to provide funding programs for capital outlays and operating expenditures necessary to satisfy the mandated class size reductions.

The Class Size Legislation requires each school board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses, encouraging the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars.

Through Fiscal Year 2009-10, the District complied with the requirements of the Class Size Legislation which was based on the average class size at all schools. Beginning in Fiscal Year 2010-11, the requirements were based on the number of students in each individual

classroom and subsequently, schools that provided choice (e.g., charter, magnet, career and technical, etc.) continued to be required to meet average class size. [Excluding charter schools, the District was at 100% compliance with class size requirements for Fiscal Years 2017-18, 2018-19 and 2019-20.]

### **Legislative Changes Relating to School Choice**

During the State Legislature's 2016 Regular Session, the Florida Legislature enacted House Bill 7029 ("HB 7029"). Among other things, a parent whose child is not subject to a current expulsion or suspension order may seek enrollment in and transport his or her child to any public school in the State, including a charter school, which has not reached capacity. The school district or charter school shall accept and report the student for purposes of funding through the FEFP. The school district or charter school may provide student transportation at their discretion. HB 7029 requires the capacity determinations of each school district and charter school to be current and identified on their respective school websites. Each school must provide preferential treatment in its controlled open enrollment process to: (1) dependent children of active duty military personnel who moved as a result of military orders, (2) children relocated due to foster care placement in a different school zone, (3) children relocated due to a court ordered change in custody as a result of separation or divorce, or the serious illness or death of a parent, and (4) students residing in the school district. Students residing in the school district may not be displaced by a student from another school district. A student who transfers may remain at the school until the student completes the highest grade level offered. This amendment took effect with the 2017-2018 school year. At present, the impact of the school choice provisions of HB 7029 on the District's finances has been minimal.

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

### **Distribution of Capital Outlay Funds to Charter Schools**

During the Florida Legislature's 2017 Regular Session, the Florida Legislature passed HB 7069 ("HB 7069") which, among other things, requires school districts to distribute local capital outlay funds from the Local Option Millage Levy to charter schools. HB 7069 establishes the calculation methodology to determine the amount of local capital outlay funds from the Local Option Millage Levy a school district must distribute to each eligible charter school. Such calculation provides that the amount of local capital outlay funds from the Local Option Millage Levy a school district must distribute to each eligible charter school will be reduced by the school district's annual debt service obligation incurred as of March 1, 2017 (which does not include the Series 2020A Leases) that are being satisfied by Local Option Millage Levy revenues.

On September 28, 2017, The School Board of Palm Beach County, Florida (the "Palm Beach School Board") filed its own lawsuit challenging the provisions of HB 7069 requiring school districts to distribute Local Option Millage Levy revenues to charter schools against the

Florida State Board of Education, the Florida Department of Education, and its Commissioner, in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, seeking declaratory and injunctive relief. The complaint alleges the provisions of HB 7069 requiring the Palm Beach School Board to distribute Local Option Millage Levy revenues to charter schools in the district (1) constitute an unlawful infringement on the Palm Beach School Board's constitutionally granted authority to operate, control and supervise all free public schools in the District, (2) place an unconstitutional constraint on the Palm Beach School Board's authority to levy ad valorem taxes for its own purposes and (3) are in effect an ad valorem tax levied by the State in violation of the Florida Constitution.

On October 17, 2017, thirteen other Florida district school boards, including the School Board (collectively, the "Plaintiff School Boards"), filed their suit in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida, against the Florida Department of Education, the State Board of Education, and its Commissioner and Chair, challenging, among other things, the provisions of HB 7069 requiring school districts to distribute Local Option Millage Levy revenues to charter schools, and seeking declaratory and injunctive relief. In addition to challenges to other provisions of HB 7069, the complaint alleges that the provisions of HB 7069 which require the Plaintiff School Boards to distribute Local Option Millage Levy revenues to charter schools in their respective districts (1) constitute an unconstitutional infringement on the Plaintiff School Boards' authority to control and supervise the use of Local Option Millage Levy revenues within their jurisdictions by redirecting that authority to the unelected governing boards of charter schools, (2) are in effect an ad valorem tax levied by the State in violation of the Florida Constitution and (3) constitutes an unconstitutional diversion of the Plaintiff School Boards' locally levied and raised ad valorem tax revenues to a state purpose mandated by the Legislature.

On November 13, 2017, nine Florida district school boards, including the School Board (the "Petitioner School Boards") filed petitions for writs of quo warranto and mandamus in the Supreme Court of Florida against the Speaker of the Florida House of Representatives, the President of the Florida Senate, the Florida House of Representatives, the Florida Senate, the Secretary State of Florida and the Florida Commissioner of Education (collectively, the "Respondents"). The petitions requested the Florida Supreme Court exercise its discretion and accept original jurisdiction over the petitions to prevent direct and immediate adverse effects on the functions of Florida school boards. Additionally, in the petitions, the Petitioner School Boards sought (1) a writ of quo warranto finding that certain of the Respondents acted beyond their constitutional authority by enacting HB 7069 in violation of the single-subject requirement of the Florida Constitution, (2) a writ of mandamus directing those Respondents to comply with the single-subject requirement of the Florida Constitution and (3) a writ of mandamus directing the Secretary of State to expunge HB 7069 from the official records of the State of Florida as an unconstitutional law enacted in violation of the Florida Constitution and directing the Commissioner of Education to halt any and all implementation of HB 7069. On December 19, 2017, the Florida Supreme Court transferred the petitions for writs of quo warranto and mandamus to the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida.

The provisions of HB 7069 were upheld at the trial court level in the suit brought by the Plaintiff School Boards. That case was appealed to the First District Court of Appeals by the Plaintiff School Boards and joined with the case brought by the Petitioner School Boards

(collectively, the "Combined Plaintiff School Boards"). The suit brought by the Palm Beach School Board has been stayed by the trial court pending the appeal of the other cases. On August 29, 2019, the First District Court of Appeals upheld the legality of these and other provisions of HB 7069. On September 27, 2019, certain of the Combined Plaintiff School Boards, including the School Board, filed a notice to invoke the discretionary jurisdiction of the Florida Supreme Court in order to appeal such decision. [As of the date hereof, it is uncertain whether the Florida Supreme Court will accept jurisdiction and thereby review the judgment of the lower court.] At this time, the final outcome of such suits cannot be determined. Even if these provisions of HB 7069 are ultimately upheld, they are not expected to adversely affect the ability of the School Board to make Basic Lease Payments.

On March 11, 2018, then Governor Rick Scott approved CS/HB 7055. CS/HB 7055, among other things, revised certain of the requirements of HB 7069 relating to the required sharing of the Local Option Millage Levy revenues with charter schools. CS/HB 7055, among other things, specifies that charter school capital outlay funds shall consist of State funds when such funds are appropriated. However, if in any given year, the amount of State funds is not equal to, or is less than, the average charter school capital outlay funds per unweighted FTE student for the Fiscal Year 2018-19, multiplied by the estimated number of charter school students for the applicable fiscal year and adjusted for inflation from the previous year, charter school capital outlay funds shall also consist of the Local Option Millage Levy revenue. CS/HB 7055 also seeks to clarify that the debt service obligation that can be reduced from the distribution to charter schools is the debt service obligation incurred as of March 1, 2017, which has not been subsequently retired, and also requires each school district to annually certify to the State of Florida Department of Education the amount of the debt service obligation that can be reduced from the distribution to charter schools. For Fiscal Year 2017-18, the impact of HB 7069 and CS/HB 7055 on the District reduced its capital budget by \$11.5 million. For Fiscal Year 2018-19, there was no impact on the District as Fiscal Year 2018-19 provides the baseline State funding for determining whether charter schools receive any Local Option Millage Levy revenues in future years. The State 2019-20 education budget also provides for sufficient State charter capital outlay funds per FTE student such that the District will not be required to share any Local Option Millage Levy revenues with charter schools in the District in Fiscal Year 2019-20. However, no assurance can be given that the State will continue to allocate sufficient State funds in future years.

### **Schools of Hope**

In addition to requiring school districts to share the Local Option Millage Levy revenue with charter schools, HB 7069, as amended by HB 7070 in 2019, also establishes the Schools of Hope Program to encourage traditional public schools within the State and charter operators throughout the country to replicate their model and service students from persistently low-performing schools and students who reside in a Florida Opportunity Zone (as defined therein). These provisions of HB 7069, now codified in Section 1002.333, Florida Statutes, provide for the establishment of Schools of Hope, which are charter schools operated by a Hope Operator to service students from one or more persistently low-performing schools; are located within a Florida Opportunity Zone or in the attendance zone of the persistently low-performing school or within a five mile radius of such school, whichever is greater; and is a Title I eligible school. Section 1002.333, Florida Statutes, defines "persistently low-performing schools" as schools that

have earned three consecutive school grades below a "C" pursuant to Section 1008.34, Florida Statutes, in at least three of the previous five years and has not earned a school grade of "B" or higher in the most recent two school years, and a school that was closed pursuant to Section 1008.33(4), Florida Statutes within two years of a notice of intent, and defines "Hope Operators" as nonprofit organizations that operate three or more charter schools with a record of serving students from low-income families and receives such designation from the Florida Department of Education. Pursuant to Section 1002.333, Florida Statutes, the statutory requirements for the application, approval, and contract that apply to charter schools do not apply to Schools of Hope; instead, a Hope Operator submits a notice of intent to a school district in order to open a School of Hope and the school district is required to enter into a performance based agreement with a Hope Operator within 60 days of receiving a notice of intent.

Section 1002.333, Florida Statutes, also (a) provides Schools of Hope with certain statutory authority, including, but not limited to, allowing a School of Hope to be designated as a local educational agency for the purposes of receiving federal funds; (b) provides that Schools of Hope are exempt from Chapters 1000-1013, Florida Statutes, and all school board policies, except any laws related to (i) the student assessment program and school grading system, (ii) student progression and graduation, (iii) provisions of services to students with disabilities, (iv) civil rights, (v) student health, safety, and welfare, (vi) public meetings, (vii) public records, and (viii) the code of ethics for public officers and employees.; (c) provides provisions for facilities for Schools of Hope; (d) provides provisions for funding Schools of Hope, including that they be funded in accordance with the statutory provisions relating to funding for charter schools and be considered a charter schools for purposes of charter school capital outlay; (e) establishes the School of Hope Program to cover specified operational expenses for Schools of Hope; and (f) establishes the Schools of Hope Revolving Loan Program to help Schools of Hope cover school building construction and startup costs.

The District currently has one school identified as a "persistently low-performing school" under Section 1002.333, Florida Statutes. The establishment of the "schools of hope" provisions are also subject to legal challenge by certain school boards in the State. On August 29, 2019, the First District Court of Appeals ruled that such school boards did not have standing to challenge the Schools of Hope provisions of HB 7069. On September 27, 2019, certain of such school boards appealed the decision to the Florida Supreme Court. It is unclear whether the Florida Supreme Court will accept jurisdiction in the case and hear the appeal. At this time, the School Board cannot determine what impact HB 7069, if ultimately upheld, will have on the District and any "persistently low-performing schools" therein.

### **Public Safety Mandate**

In 2018, the Florida Legislature passed Senate Bill 7026 ("SB 7026") which, among other things, includes provisions designed to: enhance school safety policies, procedures, and personnel at the State and local level; improve and expand mental health services; and revise laws and empower law enforcement and the courts to limit access to firearms by young adults or by individuals exhibiting a risk of harming themselves or others. Specifically, SB 7026 requires each school board and superintendent to partner with law enforcement agencies to establish or assign one or more safe-school officers at each school facility within the district by implementing any combination of the following options: (a) establish school resource officer

programs through cooperative agreements with law enforcement agencies; (b) commission one or more school safety officers for the protection and safety of school personnel, property, and students within the school district; and (c) at a school district's discretion, and if established by the sheriff's office, participate in the Guardian Program, which allows certain school employees (but not employees who exclusively perform classroom duties as classroom teachers) to carry a firearm on school grounds if such employee volunteers and completes the statutorily required training. During the 2019 Legislative session, the State Legislature passed CS/CS/SB 7030 ("SB 7030") which among other things, removes the prohibition on individuals who perform exclusively classroom duties as a teacher from participating in the Guardian Program. However, the decision to allow teachers to be armed guardians remains with each individual school board. In 2018, the School Board adopted a resolution which prohibits arming teachers in the District. The Governor has signed SB 7030 into law. The School Board intends to comply with SB 7026 and SB 7030 through school resource officers and/or the Guardian Program. For Fiscal Year 2018-19, the School Board budgeted approximately \$15 million towards the cost of implementing SB 7026. For Fiscal Year 2019-20, the District expects to budget approximately \$17.6 million towards the cost of implementing SB 7026.

In response to recommendations of outside consultants in the wake of the Marjory Stoneman Douglas shooting, the School Board established an Office of Safety, Security and Emergency Preparedness in order to organize and centralize safety and security functions within the District. The School Board appointed Mr. Brian Katz as Chief of Safety, Security and Emergency Preparedness. With nearly 20 years of public and private sector experience in physical and personnel security, as well as threat analysis and program building expertise, including serving as a Special Agent with the U.S. State Department, Mr. Katz' vast experience is expected provide the leadership needed to overhaul security and emergency response plans, and will augment the implementation of the Enterprise Risk Management framework in order to the identify potential threats and respond accordingly.

## **RISK FACTORS**

Each purchaser of Series 2020A Certificates is subject to certain risks and each prospective purchaser of Series 2020A Certificates is encouraged to read this Offering Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the market price of the Series 2020A Certificates to an extent that cannot be determined.

### **Annual Right of the School Board to Terminate the Series 2020A Leases**

Although the School Board has determined that the Series 2020A Facilities are necessary to its operations and currently intends to continue the Series 2020A Leases in force and effect for their respective maximum Lease Terms and has covenanted in the Series 2020A Leases that the Superintendent will include a sufficient amount in the tentative budget to enable the School Board to make the Lease Payments due in each Fiscal Year, the School Board is not required to appropriate funds for Basic Lease Payments due in each Fiscal Year. If for any Fiscal Year the School Board does not approve a final budget which appropriates sufficient funds from legally available revenues in a line item specifically identified for payment of its obligations under the

Series 2020A Leases or any other Leases, or if no final budget is adopted as of the last day upon which a final budget is required to have been adopted under Florida law for payment of its obligations under such Leases, the Master Lease shall terminate as of the date of adoption of the final official budget, or such last day, whichever is earlier.

**THE LIKELIHOOD THAT THE SERIES 2020A LEASES WILL BE TERMINATED AS THE RESULT OF AN EVENT OF NON-APPROPRIATION IS DEPENDENT UPON CERTAIN FACTORS THAT ARE BEYOND THE CONTROL OF THE SERIES 2020A CERTIFICATE HOLDERS, INCLUDING THE CONTINUING FUTURE UTILITY OF THE SERIES 2020A FACILITIES AND OTHER FACILITIES OF THE SCHOOL BOARD AND CHANGES IN POPULATION OR DEMOGRAPHICS WITHIN THE DISTRICT.**

### **Limitation Upon Disposition; Ability to Sell or Relet**

Following an event of default under the Series 2020A Leases or non-appropriation of funds, the Trustee as assignee of the Corporation may take possession of the Series 2020A-1 Facilities (but not the Series 2020A-2 Facilities) and sell or re-let the leasehold interests therein. The Trustee's ability to actually achieve such a disposition of such Series 2020A-1 Facilities is limited by its inability to convey fee simple title to the Series 2020A Facilities and by the governmental nature of the Series 2020A-1 Facilities. Moreover, it is possible that a court of competent jurisdiction could enjoin the sale or re-letting of the Trustee's interest in such Series 2020A-1 Facilities because of the essential governmental nature thereof. There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Leases and the disposition of such Series 2020A-1 Facilities will produce sufficient amounts to make timely payments of the principal and interest portions due on the outstanding Series 2020A Certificates.

### **Tax Effect Upon Termination of Series 2020A Leases**

Upon termination of the Series 2020A Leases there is no assurance that payments made by the Trustee with respect to the Series 2020A Certificates and designated as interest will be excludable from gross income for federal income tax purposes. See "TAX TREATMENT" herein.

### **Applicability of Securities Laws**

After termination of the Series 2020A Leases, the transfer of a Series 2020A Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2020A Certificates will not be impaired following termination of the Series 2020A Leases.

### **Local Option Millage Levy Revenue**

The amount which can be realized by the District derived from the Local Option Millage Levy can be affected by a variety of factors not within the control of the District or the School Board including, without limitation, fluctuations in the level of the assessed valuation of property within the District. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS."

Moreover, the School Board is not legally required to impose the Local Option Millage Levy. See "SECURITY FOR THE SERIES 2020A CERTIFICATES – Limited Obligation of the School Board" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" herein.

The maximum Local Option Millage Levy is also subject to change pursuant to changes in applicable law and may be subject to sharing with charter schools in the District in future years. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" and "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Distribution of Capital Outlay Funds to Charter Schools" herein for information regarding legislation that requires the School Board to share Local Option Millage Levy revenues with charter schools in the District.

### **Educational Impact Fees**

The educational impact fees are subject to revision and repeal by the Board of County Commissioners of the County. Further, various bills have been introduced in the Florida Legislature over the past several years that would eliminate the ability of certain governmental entities, including the County or the District, to levy impact fees for the construction or remodeling of educational facilities. To date, such bills have not been passed. However, there can be no assurance that legislation will not be introduced and enacted in the current or future legislative sessions that restricts, or eliminates, the District's ability to receive such impact fees.

### **Construction Cost Maximums**

Section 1013.64(6)(b), Florida Statutes, prohibits a district school board from using funds from any sources (including educational impact fees) for new construction of educational plant space with a total cost per student station, including change orders, greater than the amounts set forth in Section 1013.64(6)(b)1., Florida Statutes, as adjusted. However, if a contract for architectural and design services or for construction management services has been executed before July 1, 2017, a district school board may use funds from any sources for the new construction of educational plant space and such educational plant space is exempt from the total cost per student station requirements. As of July 1, 2019, if the new construction of educational plant space is subject to a lease-purchase agreement entered into pursuant to Section 1011.71(2)(e), Florida Statutes (such as the Series 2020A Leases), a district school board (i) may use certain local funding sources (including educational impact fees, and voter approved ad valorem taxes, in each case if legally available for such purpose) to pay for the new construction of educational plant space, and (ii) may, but is not required to, use certain state funding sources (including the Local Option Millage Levy revenues) to pay for the portion of the cost for new construction of educational plant space which does not exceed the total cost per student station requirements or for certain other costs that are not included in cost per student station calculation (such as legal and administrative costs, site improvement costs, costs related to hurricane sheltering/hardening and school security hardening/capital costs). The Series 2020A Facilities are being financed pursuant to a lease-purchase agreement. [As described herein, the School Board expects to comply with the total cost per student station requirements with respect to the Series 2020A Facilities and therefore will use Local Option Millage Levy revenues proceeds to

pay all of the Basic Lease Payments represented by the Series 2020A Certificates as authorized by Section 1013.64(6)(b), Florida Statutes.]

### **State Revenues**

A large portion of the District's funding is derived from State sources. See "FINANCIAL RESULTS AND LIABILITIES OF THE DISTRICT" herein. A significantly large percentage of such State revenues is generated from the levy of the State sales tax. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized.

On May 4, 2019, the Florida Legislature adopted a State education budget for State fiscal year 2019-20 providing for an approximately \$687.6 million or 4.20% increase in State and local FEFP funding for K-12 public schools over State fiscal year 2018-19 reflecting a per-pupil increase of approximately \$243 per student or 3.27% over fiscal year 2018-19. The estimated increase for the District is approximately \$53.9 million in State and local FEFP funds over fiscal year 2018-19. The Governor approved the State fiscal year 2019-20 budget on June 21, 2019. However, there can be no assurance that funding for K-12 public schools will increase exactly as provided for in the approved budget. See also, "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES" herein.

[DESCRIBE 2021 STATE EDUCATION BUDGET]

### **Additional Leases**

Pursuant to the Master Lease, the School Board has previously entered into the Prior Leases and may enter into other Leases in addition to the Series 2020A Leases. Failure to appropriate funds to make Lease Payments under any such Lease will, and an event of default under any such Lease may, result in the termination of all Leases, including the Series 2020A Leases. Upon any such termination of all Leases, the School Board must surrender all Facilities (except certain designated facilities such as the Series 2020A-2 Facilities) to the Trustee for sale or lease. The proceeds of any such disposition of the Facilities will be applied to the payment of the applicable Series of Certificates. The proceeds derived from any such sale or reletting of the School Board's leasehold interest in such Facilities, if any, will be applied first to the payment of the fees and expenses of the Trustee, second to payment in full of the Series of Certificates relating to such Facilities and then to the payment of other outstanding amounts as described in said Lease(s). The proceeds of the disposition of the Series 2020A-1 Facilities will be applied to the payment of the Series 2020A Certificates allocable to the Series 2020A-1 Lease [(and in the case of disposition of the Overlapping Facilities, equally and ratably with holders of Certificates representing an interest therein)], after payment of the expenses of the Trustee, in accordance with the Series 2020A Leases. In no event will owners of the Series 2020A Certificates have any interest in or right to any proceeds of the disposition of Facilities other than the Series 2020A-1 Facilities. There can be no assurance that the remedies available to the Trustee upon any such termination of all Leases and the disposition of such Facilities will produce sufficient amounts to pay the applicable outstanding Series 2020A Certificates.

## **Additional Indebtedness**

The School Board may issue additional indebtedness from time to time other than in connection with the Master Lease secured by or payable from available revenues without the consent of the Owners of the Series 2020A Certificates. Incurring such additional indebtedness may adversely affect the School Board's ability to make Lease Payments under the Master Lease.

## **Legislative Changes**

In recent years, legislation has been introduced that has required that certain percentages of school district funding be spent on particular activities and imposed additional funding restrictions and other requirements on school districts. Other proposals have sought to provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at historical levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES" herein.

## **Effect of Sequestration on Lease Payments**

Pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended, the President of the United States ordered that certain automatic spending cuts be implemented pursuant to calculations provided by the United States Office of Management and Budget in its Report to the Congress on sequestration dated March 1, 2013. The cuts include mandatory reductions in the amounts scheduled to be paid by the federal government to issuers of Build America Bonds, Qualified Zone Academy Bonds, Qualified School Construction Bonds, New Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds (collectively, "Direct-Pay Bonds") under Section 6431 of the Internal Revenue Code.

Payments to issuers of Direct-Pay Bonds from the budget accounts associated with these bonds were originally subject to an effective reduction of 8.7 percent of the amount budgeted for such payments on and after March 1, 2013 through September 30, 2013. For payments to issuers of Direct-Pay Bonds for federal fiscal year 2019, which ended September 30, 2019, the annual sequester rate is 6.2 percent. Unless otherwise resolved, sequestration may continue through the end of federal fiscal year 2024, with reductions in subsidy payments expected to vary between 5.5 percent and 7.3 percent of what would otherwise be received.

For federal fiscal year 2019-20 (ending September 30, 2020), the School Board anticipates its aggregate expected QSCB Interest Subsidies (relating to the Series 2009A Certificates (QSCB) and the Series 2010A Certificates (QSCB)) of \$14,366,632 to be reduced by 5.9% (which equates to a [\$847,631] reduction), resulting in a corresponding increase in interest costs for the District that must be paid from other revenue sources. The sequestration rate for federal fiscal year 2019-20 has not been announced as of the date hereof.

## **Climate Change and Natural Disasters**

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on communities including the District. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the District. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs.

In 2017, Hurricane Irma struck the State causing damage to District property requiring substantial debris cleanup and minor roof and other damage. The District incurred approximately \$18 million in costs related thereto. The District's Risk Management Administration is working with the Federal Emergency Management Agency ("FEMA") and the State of Florida to determine potential reimbursements for storm preparation and debris removal costs. The District does not expect reimbursement from insurance providers under its property and casualty policy, but may receive some reimbursement under a smaller policy that covers damage at sites for which FEMA paid a claim in a previous storm. However, the District cannot predict the timing or amount of such reimbursements.

## **Property Insurance**

Principally as a result of the substantial property damage caused by hurricanes and other storms in Florida and other parts of the United States over the last few years, property insurance premiums have risen dramatically for Florida property owners. It has become impossible or economically impracticable for many school districts within the State to obtain property insurance with the level of coverage they have historically secured. The property insurance requirements contained within the Master Lease provisions require the District to obtain property insurance coverage to the extent available at commercially reasonable rates. As described herein, the School Board and Corporation have authorized the Amendment to Master Lease to allow the amount of property insurance required to be maintained under the Master Lease to be determined annually by the Superintendent, in consultation with the Risk Management Department of the School Board. Such provision provides that the School Board shall follow the recommendation of the Superintendent so long as the recommended insurance is available at commercially reasonable costs and otherwise satisfies the requirements of the Master Lease. The School Board is also required to maintain eligibility for assistance by FEMA. See "CERTAIN AMENDMENTS TO THE MASTER LEASE, SCHEDULE 2020A-1 AND SCHEDULE 2020A-2" herein. In the event the District suffers substantial damage to its property that is not covered by its current insurance or it is not eligible for federal reimbursement, the District's financial condition could be adversely impacted.

## **Cybersecurity**

Computer networks and systems used for information transmission and collection are vital to the efficient operations of the District. District systems provide support to departmental operations and District services by collecting and storing sensitive information, including

intellectual property, security information, proprietary business process information, information regarding suppliers and business partners, and personally identifiable information of students and employees (collectively, "Computer Information"). The secure processing, maintenance and transmission of Computer Information is critical to effective departmental operations and the appropriate provision of services. Increasingly, governmental entities are being targeted by cyber-attacks seeking to obtain Computer Information or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers and hackers can exploit in their efforts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to a loss of Computer Information or other system disruptions. The District has a multilayered information security program with several established protocols and procedures which include Acceptable Usage Policies and Information Security Guidelines. The District has next generation firewalls with unified threat management features enabled which include firewall, application control, web filter, and intrusion detection and prevention. Cyber security operations are handled internally. The District has had cyber security events where information was compromised within the last three years. There is a mandatory Security and Privacy Awareness training that all District employees must take to educate users regarding cyber security threats and ways to avoid becoming a victim as well as learn about protections in place through the District and ways to minimize vulnerabilities both at work and at home. The District also maintains cyber risk insurance to help mitigate its exposure to security attacks that are known to cripple an organization's technology system and/or fraudulently confiscate funds.

While District cybersecurity and operational safeguards are periodically tested, no assurances can be given that such measures will ensure against all cybersecurity threats or attacks. Cybersecurity breaches could damage or compromise the District's computer network and the confidentiality, integrity, or availability of the District's computer system or the Computer Information. The potential disruption, access, modification, disclosure or destruction of Computer Information could result in the interruption of District services, the initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, and could cause a material disruption in the District's operations or the appropriate provision of District services. The costs of remedying any such damage or protecting against future attacks could be substantial and in excess of the maximum amount of the District's cyber risk insurance policy. Further, the litigation to which the District could be exposed following a cybersecurity breach could be significant, which could cause the District to incur material costs related to such legal claims or proceedings.

## **LITIGATION**

[To be reviewed by General Counsel]

There is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the Series 2020A Certificates; (ii) questioning or affecting the validity of the Series 2020A Leases or the obligation of the School Board to make Lease Payments; or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Series 2020A Certificates.

[The School Board has been named as a defendant in connection with the school shooting incident at Marjory Stoneman Douglas High School on February 14, 2018. The plaintiffs in such suits allege the District was negligent in protecting the students and others at the school. The General Counsel's Office and Risk Management Administration to the School Board assert that there are substantial defenses to these litigation matters that will not materially adversely affect the School Board's financial position. Additionally, the School Board, as an agency and/or subdivision of the State of Florida, enjoys the waiver of sovereign immunity for liability for torts. This waiver of sovereign immunity prevents the School Board from being liable for any claim or judgement, or portions thereof, which, when totaled with all other claims or judgements arising out of the same incident or occurrence exceed \$300,000. If a claim or judgment is in excess of this amount, the claim or judgement may be settled and paid pursuant to a claims bill filed and approved by the Florida Legislature. During the 2019 Florida legislative session, legislation was filed seeking to establish a compensation fund for victims of the shooting, with such fund being funded from general appropriations by the State and applicable insurance coverages. However, such legislation was not passed by the Florida Legislature. At this time, the School Board is unable to quantify the likelihood that a claims bill or other similar bills will be passed by the Florida Legislature in the current legislative session or in the future, or whether any such bills would require payment of any amounts by the School Board. Notwithstanding the foregoing, General Counsel and the Risk Management Administration to the School Board do not expect such litigation to adversely impact its ability to make Lease Payments on the Series 2020A Certificates.]

The School Board is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, the General Counsel Office and Risk Management Administration to the School Board believes that there are substantial defenses to such litigation and disputes and that, in any event, any ultimate liability, in excess of applicable insurance coverage, resulting therefrom will not materially adversely affect the financial position or results of operations of the District, or the School Board and its ability to make Lease Payments.

## **RATINGS**

Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings ("Fitch") have assigned ratings of "\_\_\_\_" (\_\_\_\_\_ outlook) and "\_\_\_" (\_\_\_\_\_ outlook), respectively, to the Series 2020A Certificates. Such ratings and outlooks reflect only the views of such organizations and any desired explanation of the significance of such ratings and outlooks should be obtained from the rating agency furnishing the same. An explanation of the rating and outlook given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23<sup>rd</sup> Floor, New York, New York 10007, (212) 553-0300. An explanation of the ratings and outlook given by Fitch may be obtained from Fitch at 33 Whitehall Street, New York, New York 10004, (212) 908-0500. There is no assurance that such rating and outlooks will continue for any given period of time, or that they will not be revised downward or withdrawn entirely by such rating agencies, if in their judgment circumstances so warrant. Any downward revision or withdrawal of such ratings or outlooks may have an adverse effect on the market price of the Series 2020A Certificates.

The above ratings and outlooks are not recommendations to buy, sell or hold the Series 2020A Certificates.

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that full and fair disclosure is made of any bonds or other debt obligations of the District that have been in default as to payment of principal or interest at any time after December 31, 1975. The District is not and has not since December 31, 1975, been in default as to payment of principal and interest on its bonds or other debt obligations.

## **CERTAIN LEGAL MATTERS**

Legal matters incident to the authorization, execution, delivery and sale of the Series 2020A Certificates are subject to the approving legal opinion of Co-Special Tax Counsel, Greenberg Traurig, P.A., Miami, Florida, and Edwards & Feanny, P.A., Miami, Florida. The proposed form of such opinion is included herein as APPENDIX D. Certain legal matters will be passed upon for the School Board and the Corporation by Barbara J. Myrick, Esquire, General Counsel. Certain legal matters relating to disclosure will be passed upon for the School Board by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and D. Seaton and Associates, P.A., Davie, Florida, Co-Disclosure Counsel. \_\_\_\_\_, \_\_\_\_\_, Florida, is serving as Counsel to the Underwriters. Co-Special Tax Counsel, Co-Disclosure Counsel and Counsel to the Underwriters will receive fees for services provided in connection with the issuance of the Series 2020A Certificates, which fees are contingent upon the issuance of the Series 2020A Certificates.

Co-Special Tax Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Co-Special Tax Counsel as of the date thereof. Co-Special Tax Counsel assume no duty to update or supplement their opinions to reflect any facts or circumstances that may thereafter come to Co-Special Tax Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Co-Special Tax Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Co-Special Tax Counsel's professional judgment based on their review of existing law, and in reliance on the representations and covenants that they deem relevant to such opinion.

## **UNDERWRITING**

### **General**

The Series 2020A Certificates are being purchased by \_\_\_\_\_, acting on behalf of itself and \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ (collectively, the "Underwriters"), at an aggregate purchase price of \$\_\_\_\_\_ (which represents the \$\_\_\_\_\_ aggregate principal amount of the

Series 2020A Certificates, plus/less a net bond premium/original issue discount of \$\_\_\_\_\_ and minus an Underwriters' discount of \$\_\_\_\_\_).

The Underwriters will purchase all of the Series 2020A Certificates if any are purchased. The obligation to make such purchase is subject to certain terms and conditions contained in a Certificate Purchase Agreement and to the approval of certain legal matters by counsel.

[BofA Securities, Inc., one of the Underwriters of the Series 2020A Certificates, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for its selling efforts with respect to the Series 2020A Certificates.

Citigroup Global Markets Inc. ("Citigroup"), one of the Underwriters of the Series 2020A Certificates, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup will compensate Fidelity for its selling efforts with respect to the Series 2020A Certificates.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2020A Certificates, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase the Series 2020A Certificates from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2020A Certificates that such firm sells.

Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2020A Certificates, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2020A Certificates.]

The Underwriters may offer and sell the Series 2020A Certificates to certain dealers and others at prices lower than the public offering prices. After the initial public offering, the respective offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments

(which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the School Board. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of the Series 2020A Certificates or other offerings of the School Board.

Co-Special Tax Counsel and Co-Disclosure Counsel may, from time-to-time, serve as counsel to the Underwriters on matters unrelated to the issuance of the Series 2020A Certificates.

## **TAX TREATMENT**

[To be reviewed by Co-Special Tax Counsel]

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the School Board must continue to meet after the issuance of the Series 2020A Certificates in order that the interest portion of the Basic Lease Payments represented by the Series 2020A Certificates be and remain excludable from gross income of the holders thereof for Federal income tax purposes. The School Board's failure to meet these requirements may cause the interest portion of the Basic Lease Payments designated and paid as interest to the Series 2020A Certificate holders to be included in gross income for Federal income tax purposes retroactively to the date of execution and delivery of the Series 2020A Certificates. The School Board has covenanted to take the actions required by the Code in order to maintain the excludability from gross income for Federal income tax purposes of the interest portion of the Basic Lease Payments designated and paid as interest to the Series 2020A Certificate holders and not to take any actions that would adversely affect that excludability. Co-Special Tax Counsel expects to deliver opinions at the time of issuance of the Series 2020A Certificates substantially in the form set forth in Appendix D.

In the opinion of Co-Special Tax Counsel, assuming continuing compliance by the School Board with the tax covenants referred to above and the accuracy of certain representations of the School Board, under existing statutes, regulations, rulings and court decisions, the interest portion of the Basic Lease Payments represented by the Series 2020A Certificates will be excludable from gross income for Federal income tax purposes. The interest portion of the Basic Lease Payments represented by the Series 2020A Certificates will not be an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals. No opinion is expressed with respect to the Federal income tax consequences of any payments received with respect to the Series 2020A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

Co-Special Tax Counsel is further of the opinion that the Series 2020A Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2020A Certificates will not be subject to taxation under the laws of the State of Florida,

except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein; provided, however, that no opinion is expressed with respect to tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2020A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

Except as described above, Co-Special Tax Counsel will express no opinion regarding the Federal or State income tax consequences resulting from the receipt or accrual of the interest portion of the Basic Lease Payments designated and paid as interest to the Series 2020A Certificate holders or the ownership or disposition of the Series 2020A Certificates. Prospective purchasers of Series 2020A Certificates should be aware that the ownership of Series 2020A Certificates may result in other collateral Federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2020A Certificates or, in the case of a financial institution, that portion of the owner's interest expense allocable to the interest portion of the Basic Lease Payments represented by the Series 2020A Certificates, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest portion of the Basic Lease Payments represented by the Series 2020A Certificates, (iii) the inclusion of the interest portion of the Basic Lease Payments represented by the Series 2020A Certificates in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest portion of the Basic Lease Payments represented by the Series 2020A Certificates in the passive income subject to Federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion by recipients of certain Social Security and Railroad Retirement benefits of receipts and accrual of the interest portion of the Basic Lease Payments represented by the Series 2020A Certificates in determining whether a portion of such benefits are included in gross income for Federal income tax purposes.

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

### **Possibility of Future Changes in Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above, including, without limitation, the excludability from gross income of interest on the Series 2020A Certificates, adversely affect the market price or marketability of the Series 2020A Certificates, or otherwise prevent the holders from realizing the full current benefit of the status of the interest

thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Series 2020A Certificates. If enacted into law, such legislative proposals could affect the market price or marketability of the Series 2020A Certificates. Prospective purchasers of the Series 2020A Certificates should consult their tax advisors as to the impact of any proposed or pending legislation.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2020A Certificates is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2020A Certificates from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2020A Certificates, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2020A Certificates and proceeds from the sale of Series 2020A Certificates. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2020A Certificates. This withholding generally applies if the owner of Series 2020A Certificates (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2020A Certificates may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **ORIGINAL ISSUE DISCOUNT AND PREMIUM**

Certain of the Series 2020A Certificates ("Discount Certificates") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Certificate determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Certificate over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Certificate (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2016 Certificates, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Certificate.

Certain of the Series 2020A Certificates ("Premium Certificates") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at

maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Certificate, based on the yield to maturity of that Premium Certificate (or, in the case of a Premium Certificate callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Certificate), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Certificate. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Certificate, the owner's tax basis in the Premium Certificate is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Certificate for an amount equal to or less than the amount paid by the owner for that Premium Certificate.

Owners of Discount and Premium Certificates should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Certificates and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

### **FINANCIAL ADVISOR**

The School Board has retained PFM Financial Advisors LLC, Orlando, Florida, as financial advisor with respect to the planning, structuring, execution and issuance of the Series 2020A Certificates. The financial advisor will receive fees for services provided in connection with the issuance of the Series 2020A Certificates, which fees are contingent upon the issuance of the Series 2020A Certificates. Fees may also be paid to PFM Asset Management LLC for bidding investments on behalf of the School Board. The financial advisor is not obligated to undertake and have not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Offering Statement.

PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

### **BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year ended June 30, 2019 and the report thereon of Moore Stephens Lovelace, P.A., independent certified public accountants, dated November 21, 2019, are included in APPENDIX B of this Offering Statement as part of the public records of the School Board. Moore Stephens Lovelace, P.A., has not participated in the preparation of this Offering Statement.

## **CONTINUING DISCLOSURE**

The School Board has covenanted for the benefit of Series 2020A Certificate holders to provide certain financial information and operating data relating to the School Board in each year (the "Annual Report"), to provide notices of the occurrence of certain enumerated events, and to comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement to be executed by the School Board and Digital Assurance Certification, L.L.C. ("DAC") as of the date of issuance of the Series 2020A Certificates, as such Dissemination Agent Agreement may be amended from time to time in accordance with the terms thereof (the "Dissemination Agent Agreement"). Such covenant shall only apply so long as the Series 2020A Certificates are Outstanding, and shall also cease upon the termination of the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule") by legislative, judicial or administration action. The Annual Report will be filed by the School Board or its dissemination agent, if any, with the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system described in the Dissemination Agent Agreement attached hereto as APPENDIX E hereto. The notices of material events will be filed by the School Board, or its dissemination agent, if any, with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in "APPENDIX E – Form of Disclosure Dissemination Agent Agreement" hereto. Failure of the School Board to comply with the Dissemination Agent Agreement is not considered an event of default under the Series 2020A Leases, the Trust Agreement or the Series 2020A Certificates; however, any Series 2020A Certificate holder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the School Board to comply with its obligations under the Dissemination Agent Agreement.

The covenants of the School Board in the Dissemination Agent Agreement have been made in order to assist the Underwriters in complying with the Rule. No party other than the School Board is obligated to provide, nor is expected to provide, any continuing disclosure information in connection with the issuance of the Series 2020A Certificates in order to comply with the Rule.

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**MISCELLANEOUS**

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Offering Statement nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District or the School Board from the date hereof.

This Offering Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Offering Statement involving matters of opinion, whether or not expressly so stated are intended as such and not as representations of fact. This Offering Statement is not to be construed as a contract or agreement between the District and the purchasers or the holders of any of the Series 2020A Certificates.

This Offering Statement has been duly executed and delivered by the authority of the School Board.

**THE SCHOOL BOARD OF BROWARD  
COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Superintendent of Schools

**APPENDIX A**

**INFORMATION CONCERNING BROWARD COUNTY, FLORIDA**

**APPENDIX B**

**EXCERPTED INFORMATION FROM THE COMPREHENSIVE ANNUAL  
FINANCIAL REPORT OF THE SCHOOL BOARD OF BROWARD COUNTY,  
FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**APPENDIX C**

**CERTAIN LEGAL DOCUMENTS**

The Master Lease  
Form of Amendment to Master Lease

Form of Schedule 2020A-1  
Form of Schedule 2020A-2

The Series 2020A Ground Lease

The Master Trust Agreement

Form of Series 2020A Supplemental Trust Agreement

The Series 2020A Assignment

**APPENDIX D**

**FORM OF CO-SPECIAL TAX COUNSEL OPINION**

**APPENDIX E**

**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**