

PRELIMINARY OFFERING STATEMENT DATED _____ 2012

NEW ISSUE: BOOK ENTRY ONLY

RATINGS:

See "RATINGS" herein.

In the opinion of Greenberg Traurig P.A., and KnoxSeaton, Co-Special Tax Counsel to the School Board, 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 2012A 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 2012A Certificate holders will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. However, no opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2012A 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 2012A Certificates. Co-Special Tax Counsel are further of the opinion that the Series 2012A Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2012A 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 2012A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

\$ _____ *

**CERTIFICATES OF PARTICIPATION, SERIES 2012A
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 inside cover.

The Certificates of Participation, Series 2012A (the "Series 2012A Certificates") evidence undivided proportionate interests in Basic Lease Payments (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 as of December 20, 2000 (collectively, the "Master Lease"), as supplemented by (i) Amended and Restated Schedule No. 2001A-1 dated as of April 1, 2012 (together with the Master Lease, the "Series 2001A-1 Lease") on a pro rata basis with the Outstanding the Series 2004B Certificates and the Series 2011A Certificates allocable to the Series 2001A-1 Lease; (ii) Amended and Restated Schedule 2001B-1 dated as of April 1, 2012 (together with the Master Lease, the "Series 2001B-1 Lease") on a pro rata basis with the Outstanding Series 2004B Certificates and the Series 2011A Certificates allocable to the Series 2001B-1 Lease; (iii) Amended and Restated Schedule 2003A-1 dated as of April 1, 2012 (together with the Master Lease, the "Series 2003A-1 Lease") and Amended and Restated Schedule 2003A-2 dated as of April 1, 2012 (together with the Master Lease, the "Series 2003A-2 Lease") on a pro rata basis with the Outstanding Series 2003A Certificates allocable to the Series 2003A-1 Lease and the Series 2003A-2 Lease; and (iv) Amended and Restated Schedule 2004-1 dated as of April 1, 2012 (together with the Master Lease, the "Series 2004-1 Lease," and collectively with the Series 2001A-1 Lease, Series 2001B-1 Lease, Series 2003A-1 Lease and Series 2003A-2 Lease, the "Refinanced Leases") on a pro rata basis with the Outstanding Series 2004C Certificates and the Series 2004D Certificates allocable to the Series 2004-1 Lease. The Refinanced Leases are entered into by and between the Broward School Board Leasing Corp., a single-purpose not-for-profit Florida corporation created by the School Board (the "Corporation"), as lessor, and the School Board, as lessee. The Series 2012A Certificates are being issued to refund the Refunded Certificates consisting of the Refunded Series 2001A Certificates, the Refunded Series 2001B Certificates, the Refunded 2003A Certificates and the Refunded Series 2004C Certificates (each as hereinafter defined), and to pay certain costs of issuance of the Series 2012A

Certificates. See "REFUNDING PLAN" herein. The Corporation has assigned substantially all of its interest in the Refinanced Leases to the Trustee. See "THE MASTER LEASE PROGRAM" herein.

The Series 2012A Certificates will be executed and delivered in fully registered form and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Individual purchases of Series 2012A Certificates will be made in denominations of \$5,000 or any integral multiple thereof. Purchasers of Series 2012A Certificates will not receive physical delivery of Series 2012A Certificates. The interest component of Basic Lease Payments represented by the Series 2012A Certificates is payable on January 1 and July 1 of each year, commencing July 1, 2012, and the principal component of such Basic Lease Payments, will be paid by U.S. Bank National Association, Miami, Florida (successor in interest to First Union National Bank of Florida), as Trustee, to Cede & Co., as nominee for DTC and registered owner of the Series 2012A Certificates. Such principal and interest payments will be subsequently disbursed to DTC participants and thereafter to the beneficial owners of the Series 2012A Certificates, all as further described in this Offering Statement. See "THE SERIES 2012A CERTIFICATES – Book-Entry-Only System" herein.

The principal portion of the Basic Lease Payments represented by the Series 2012A Certificates is subject to optional [and mandatory] prepayment prior to maturity as described herein. See "THE SERIES 2012A CERTIFICATES" herein.

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS (AS DEFINED HEREIN). 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 REFINANCED LEASES FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER. SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

SEE THE INSIDE COVER PAGE FOR THE MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND INITIAL CUSIP NUMBERS FOR THE SERIES 2012A CERTIFICATES.

[The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Series 2012A Certificates maturing on July 1 in the year ____ and bearing interest at the rate of ____ per annum, (the "Insured Series 2012A Certificates"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Series 2012A Certificates by _____ (the "Insurer"). See "CERTIFICATE INSURANCE" herein.]

[Insert Logo]

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

The Series 2012A Certificates are offered when, as and if delivered and received by the Underwriters, subject to an approving legal opinion of Co-Special Tax Counsel, Greenberg Traurig, P.A., Miami, Florida, and KnoxSeaton, Miami, Florida and certain other conditions. Certain legal matters will be passed on for the School Board and the Corporation by their counsel, J. Paul Carland, Esq., and for the Underwriters by their Co-Counsel, Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida, and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida. Public Financial Management, Inc., Orlando, Florida, and Fidelity Financial Services, L.C., Fort Lauderdale, Florida, are acting as Co-Financial Advisors to the District. It is expected that the Series 2012A Certificates will be available for delivery through DTC in New York, New York on or about April __, 2012.

BofA MERRILL LYNCH

CITI

Morgan Stanley

J.P. Morgan

Raymond James & Associates, Inc.

**Rice Financial Products
Company**

Dated: _____, 2012

*Preliminary, subject to change.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES, YIELDS AND INITIAL CUSIP NUMBERS ⁽¹⁾**

\$ _____ * Serial Series 2012A Certificates

<u>Due</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP</u> <u>No. ⁽¹⁾</u>
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[\$ _____ * ____ % Term Series 2012A Certificates due July 1, 20__ * Price _____
Initial CUSIP No. _____ ⁽¹⁾]

⁽¹⁾ The District is not responsible for the use of CUSIP Numbers, nor is a representation made as to their correctness. The CUSIP Numbers are included solely for the convenience of the readers of this Offering Statement.

*Preliminary, subject to change

THE SCHOOL DISTRICT OF BROWARD COUNTY, FLORIDA

Board Members

Ann Murray, Chair
Laurie Rich Levinson, Vice Chair
Robin Bartleman
Maureen S. Dinnen
Patricia Good
Donna P. Korn
Katherine M. Leach
Nora Rupert
Benjamin J. Williams

District Officials

Superintendent of Schools

Robert W. Runcie

Deputy Superintendent, Facilities and Construction Management

Thomas Lindner

Chief Financial Officer

I. Benjamin Leong, CPA

Treasurer

Henry L. Robinson

Director of Financial Reporting

Oleg Gorokhovskiy

Director of Capital Budget

Omar Shim

General Counsel

J. Paul Carland, Esq.

Co-Special Tax Counsel

Greenberg Traurig, P.A.
Miami, Florida

KnoxSeaton
Miami, Florida

Co-Financial Advisors

Public Financial Management, Inc.
Orlando, Florida

Fidelity Financial Services, L.C.
Fort Lauderdale, Florida

CERTAIN OF THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE DISTRICT, THE STATE OF FLORIDA, THE DEPOSITORY TRUST COMPANY ("DTC"), AND OTHER SOURCES THAT ARE BELIEVED TO BE RELIABLE. 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. 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 SHALL CREATE, UNDER ANY CIRCUMSTANCES, ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT SINCE THE DATE HEREOF.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE SCHOOL BOARD OR ANY UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFERING STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFERING STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2012A CERTIFICATES BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE DELIVERY OF THIS OFFERING STATEMENT AT ANY TIME DOES NOT IMPLY THAT ANY INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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 2012A CERTIFICATES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFERING STATEMENT.

UPON ISSUANCE, THE SERIES 2012A 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 2012A CERTIFICATES FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY ENTER INTO OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2012A CERTIFICATES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT

OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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 OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

THIS OFFERING STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE SCHOOL BOARD OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2012A CERTIFICATES.

[_____ ("INSURER") MAKES NO REPRESENTATION REGARDING THE SERIES 2012A CERTIFICATES OR THE ADVISABILITY OF INVESTING IN THE SERIES 2012A CERTIFICATES. IN ADDITION, INSURER HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFERING STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING INSURER SUPPLIED BY INSURER AND PRESENTED UNDER THE HEADING "CERTIFICATE INSURANCE" AND "APPENDIX E - SPECIMEN MUNICIPAL BOND INSURANCE POLICY." NONE OF THE SCHOOL BOARD, THE CORPORATION OR THE UNDERWRITERS TAKES RESPONSIBILITY FOR THE ACCURACY THEREOF.]

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

THIS PRELIMINARY OFFERING STATEMENT IS IN A FORM "DEEMED FINAL" BY THE DISTRICT FOR PURPOSES OF RULE 15c2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN FINANCIAL INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

RED HERRING LANGUAGE

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment. The Series 2012A Certificates may not be sold nor may offers to buy be accepted prior to the time the Offering Statement is delivered in final form. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or a solicitation of any offer to but nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of any such jurisdiction.

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OFFERING STATEMENT

relating to

\$ _____ *

**CERTIFICATES OF PARTICIPATION, SERIES 2012A
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

General

This Offering Statement, including the cover page, the inside cover page and all appendices, is provided to furnish information in connection with the sale and delivery of \$ _____ * Certificates of Participation, Series 2012A 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 the Broward School Board Leasing Corp., as Lessor (the “Series 2012A Certificates”). See “THE SERIES 2012A CERTIFICATES” herein.

The Series 2012A Certificates are payable from Basic Lease Payments (the “Basic Lease Payments”) to be made by The School Board of Broward County, Florida (the “School Board”) under the Master Lease Purchase Agreement, dated as of July 1, 1990, as amended as of December 20, 2000 (collectively, the “Master Lease”), as supplemented by (i) Amended and Restated Schedule No. 2001A-1 dated as of April 1, 2012 (“Amended and Restated Schedule 2001A-1” and together with the Master Lease, the “Series 2001A-1 Lease”) on a pro rata basis with the Series 2004B Certificates in the amount of \$25,695,000 that will remain Outstanding until July 1, 2017, and the Series 2011A Certificates in the amount of \$121,650,000 that will remain Outstanding until July 1, 2014, amending and restating Schedule No. 2001A-1 dated as of May 1, 2001, as amended and restated as of March 1, 2004 and June 1, 2011 (the “Original Series 2001A-1 Lease”); (ii) Amended and Restated Schedule 2001B-1 dated as of April 1, 2012 (“Amended and Restated Schedule 2001B-1” and together with the Master Lease, the “Series 2001B-1 Lease”) on a pro rata basis with the Series 2004B Certificates in the amount of \$46,225,000 that will remain Outstanding until July 1, 2017, and the Series 2011A Certificates in the amount of \$49,775,000 that will remain Outstanding until July 1, 2022, amending and restating Schedule 2001B-1 dated as of January 1, 2002, as amended and restated as of May 1, 2002, August 1, 2002, March 1 2004, June 1, 2006, July 1, 2010 and June 1, 2011 (the “Original Series 2001B-1 Lease”); (iii) Amended and Restated Schedule 2003A-1 dated as of April 1, 2012 (“Amended and Restated Schedule 2003A-1” and together with the Master Lease, the “Series 2003A-1 Lease”) and Amended and Restated Schedule 2003A-2 dated as of April 1, 2012 (“Amended and Restated Schedule 2003A-2” and together with the Master Lease, the “Series 2003A-2 Lease”) on a pro rata basis with the Series 2003A Certificates in the amount of \$ _____ that will remain Outstanding until July 1, 201_, amending and restating Schedule 2003A-1 dated as of February 1, 2003, as amended and restated as of August 1, 2003,

* Preliminary, subject to change

May 15, 2005 and July 1, 2010 (the "Original Series 2003A-1 Lease") and amending and restating Schedule 2003A-2 dated as of February 1, 2003 (the "Original Series 2003A-2 Lease"); and (iv) Amended and Restated Schedule 2004-1 dated as of April 1, 2012 ("Amended and Restated Schedule 2004-1" and together with the Master Lease, the "Series 2004-1 Lease," and collectively with the Series 2001A-1 Lease, Series 2001B-1 Lease, Series 2003A-1 Lease and Series 2003A-2 Lease, the "Refinanced Leases") on a pro rata basis with the Series 2004C Certificates in the amount of \$_____ that will remain Outstanding until July 1, 201_, and with the Series 2004D Certificates in the amount of \$113,825,000 that will remain Outstanding until July 1, 2029, amending and restating Schedule 2004-1 dated as of June 1, 2004, as amended and restated as of June 1, 2006, June 1, 2008, June 1, 2009 and March 10, 2011 (the "Original Series 2004-1 Lease"). The Refinanced Leases are entered into by and between the Broward School Board Leasing Corp., a single-purpose not-for-profit Florida corporation created by the School Board (the "Corporation"), as lessor, and the School Board, as lessee.

The Series 2012A Certificates are being issued to refund (i) all of the outstanding Certificates of Participation, Series 2001A (the "Series 2001A Certificates"), currently outstanding in the principal amount of \$43,990,000 (the portion of the Series 2001A Certificates to be refunded is referred to as the "Refunded Series 2001A Certificates"); (ii) all of the Certificates of Participation, Series 2001B (the "Series 2001B Certificates"), currently outstanding in the principal amount of \$51,930,000 (the portion of the Series 2001B Certificates to be refunded is referred to as the "Refunded Series 2001B Certificates"); (iii) \$_____ of the Certificates of Participation, Series 2003A (the "Series 2003A Certificates"), currently outstanding in the principal amount of \$164,370,000 (the portion of the Series 2003A Certificates to be refunded is referred to as the "Refunded Series 2003A Certificates" and the remaining \$_____ portion of the Series 2003A Certificates not being refunded is referred to as the "Outstanding Series 2003A Certificates"); and (iv) \$_____ of the Certificates of Participation, Series 2004C (the "Series 2004C Certificates"), currently outstanding in the principal amount of \$69,030,000 (the portion of the Series 2004C Certificates to be refunded is referred to as the "Refunded Series 2004C Certificates" and the remaining \$_____ portion of the Series 2004C Certificates not being refunded is referred to as the "Outstanding Series 2004C Certificates") (the Refunded Series 2001A Certificates, the Refunded Series 2001B Certificates, the Refunded Series 2003A Certificates and the Refunded Series 2004C Certificates are referred to together as the "Refunded Certificates"), and to pay certain costs of issuance of the Series 2012A Certificates. See "REFUNDING PLAN" herein.

The Series 2012A Certificates are being executed and delivered pursuant to a Master Trust Agreement dated as of July 1, 1990, as amended as of March 18, 1997 (collectively, the "Master Trust Agreement") and as amended and supplemented by the Series 2012A Supplemental Trust Agreement dated as of April 1, 2012 (the "Series 2012A Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement") between the Corporation and U.S. Bank National Association, Miami, Florida (as successor in interest to First Union National Bank of Florida), as trustee (the "Trustee").

The Corporation has assigned to the Trustee substantially all of its interest in (i) the Series 2001A-1 Lease pursuant to the Series 2001A Assignment Agreement dated as of May 1, 2001 (the "Series 2001A Assignment Agreement"), (ii) the Series 2001B-1 Lease pursuant to the

Series 2001B Assignment Agreement dated as of January 1, 2002 (the “Series 2001B Assignment Agreement”), (iii) the Series 2003A-1 Lease and the Series 2003A-2 Lease pursuant to the Series 2003A Assignment Agreement dated as of February 1, 2003 (the “Series 2003A Assignment Agreement”), and (iv) the Series 2004-1 Lease pursuant to the Series 2004 Assignment Agreement dated as of June 1, 2004 (the “Series 2004 Assignment Agreement,” and collectively with the Series 2001A Assignment Agreement, Series 2001B Assignment Agreement and Series 2003A Assignment Agreement, the “Refinanced Assignment Agreements”).

[The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Insured Series 2012A Certificates (as defined on the inside cover of this Offering Statement) when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Series 2012A Certificates by [INSURER]. See "CERTIFICATE INSURANCE" herein.]

The School Board And The District

The District encompasses all of Broward County, Florida (the “County”) and has the second largest student enrollment in the State of Florida (the “State”) and the sixth largest in the United States. The District is the largest fully accredited K-12 and adult school system in the nation. The District is part of the State system of public education and is governed by an elected nine-member School Board. An appointed Superintendent of Schools serves as executive officer of the District. Various federal, state and local sources of revenue are available to the District for its operating and capital needs, as more fully described under “REVENUE SOURCES OF THE DISTRICT” herein. Pursuant to State law, the School Board develops a continuous five-year District Educational Facilities Plan (the “DEFP”) to meet the District’s school facilities needs. The DEFP is adopted by the School Board each year prior to the adoption of its annual capital outlay budget. The most recent annual update of the DEFP was approved by the School Board on September 8, 2011 and provides for a five-year facilities plan totaling approximately \$1.32 billion. The DEFP is expected to be funded from federal, State and local revenue sources. The School board does not expect to issue Additional Certificates to fund its current DEFP. See “THE SCHOOL BOARD AND THE DISTRICT – District Educational Facilities Plan” herein.

The Master Lease Program

Pursuant to applicable Florida law, the School Board, as the governing body of the District, entered into the Master Lease for the purpose of lease purchase financing and refinancing from time to time certain real property, facilities and related equipment (“Facilities”) from the Corporation. The Master Lease provides that 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, each Schedule, together with the provisions of the Master Lease, constitutes a separate lease agreement (individually a “Lease” and collectively the “Leases”).

The Refinanced Leases are five of twenty-three Leases that are outstanding under the Master Lease. The School Board leases three high schools, a middle school, two elementary schools, a primary learning center and an office facility under the Series 2001A-1 Lease (the “Series 2001A-1 Facilities”), six elementary schools, four high schools, two additional educational facilities and a bus parking facility under the Series 2001B-1 Lease (the “Series 2001B-1 Facilities”), six elementary schools, eight high schools, and two other educational

facilities under the Series 2003A-1 Lease (the “Series 2003A-1 Facilities”), improvement, replacement or construction of one high school, and District wide modular buildings and indoor air quality systems under the Series 2003A-2 Lease (the “Series 2003A-2 Facilities”), and twenty-one elementary schools and three middle schools under the Series 2004-1 Lease (the “Series 2004-1 Facilities,” and collectively with the Series 2001A-1 Facilities, Series 2001B-1 Facilities, Series 2003A-1 Facilities and Series 2003A-2 Facilities, the “Refinanced Facilities”). The School Board currently leases a total of 125 schools, consisting of 77 elementary schools, 22 middle schools, and 26 high schools, and various other educational facilities, pursuant to the Master Lease. See “SECURITY FOR THE SERIES 2012A CERTIFICATES – Current Leases and Additional Leases” and “– Outstanding Certificates and Additional Certificates,” and “THE MASTER LEASE PROGRAM” herein.

Failure to appropriate funds to pay Lease Payments (as defined in the Master Lease) under any Lease will, and an event of default under any Lease may, result in the termination of all Leases, including the Refinanced Leases. Upon any such termination, any proceeds of the disposition of leased Facilities (other than the Series 2003A-2 Facilities or any Facilities that are excluded from surrender under the terms of any additional Leases) will be applied to payment of the related Series of Certificates, to the extent and as provided in the Master Trust Agreement, as supplemented and amended by the related Supplemental Trust Agreement, and the related Lease, and as further described herein. Owners of Series 2012A Certificates shall only have an interest in and be entitled to proceeds resulting from the disposition of the Refinanced Facilities other than the Series 2003A-2 Facilities, subject to the rights of the holders of other Certificates in Leases related to Facilities that are included in the Refinanced Facilities (the “Overlapping Facilities”). See “THE REFINANCED FACILITIES” for additional information regarding the Overlapping Facilities. In no event will owners of Series 2012A Certificates have any interest in or right to any proceeds of the disposition of Facilities other than Overlapping Facilities leased under any Lease other than (i) the Series 2001A-1 Lease on a pro rata basis with (a) the Outstanding Series 2004B Certificates allocable to the Series 2001A-1 Lease and (b) the Outstanding Series 2011A Certificates allocable to the Series 2001A-1 Lease; (ii) the Series 2001B-1 Lease on a pro rata basis with (a) the Outstanding Series 2004B Certificates allocable to the Series 2001B-1 Lease and (b) the Outstanding Series 2011A Certificates allocable to the Series 2001B-1 Lease; (iii) the Series 2003A-1 Lease and the Series 2003A-2 Lease on a pro rata basis with the Outstanding Series 2003A Certificates allocable to the Series 2003A-1 Lease and the Series 2003A-2 Lease; and (iv) the Series 2004-1 Lease on a pro rata basis with (a) the Outstanding Series 2004C Certificates allocable to the Series 2004-1 Lease and (b) the Series 2004D Certificates allocable to the Series 2004-1 Lease.

[Should termination of the Master Lease occur, the Insured Series 2012A Certificates will not be prepaid except at the option of [INSURER] or to the extent the Trustee has moneys available therefor. An event of non-appropriation or an event of default under the Master Lease which results in termination of the Lease Term of the Refinanced Leases will not result in termination of any insurance policy issued by [INSURER].]

Each purchaser of Series 2012A Certificates is subject to certain risks and particular attention should be given to the factors described under “RISK FACTORS” herein, which, among others, could affect the market price of the Series 2012A Certificates to an extent that cannot be determined.

The Refinanced Ground Leases

General

The School Board currently holds title to or holds a long term lease on (i) the 8 sites upon which the Series 2001A-1 Facilities are constructed (the “Series 2001A-1 Facility Sites”), (ii) the 13 sites upon which the Series 2001B-1 Facilities are constructed (the “Series 2001B-1 Facility Sites”), (iii) the 16 sites upon which the Series 2003A-1 Facilities are constructed (the “Series 2003A-1 Facility Sites”), and (iv) the 24 sites upon which the Series 2004-1 Facilities are constructed (the “Series 2004-1 Facility Sites,” and collectively with the Series 2001A-1 Facility Sites, Series 2001B-1 Facility Sites and Series 2003A-1 Facility Sites, the “Refinanced Facility Sites”).

The Series 2001A-1 Ground Lease

Pursuant to the Series 2001A-1 Ground Lease, dated as of May 1, 2001, (the “Series 2001A-1 Ground Lease”) between the School Board and the Corporation, the School Board leases or subleases to the Corporation the Series 2001A-1 Facility Sites for an initial term commencing on the date of delivery of the Series 2001A-1 Ground Lease and ending on June 30, 2031 subject to Permitted Encumbrances (as defined in the Series 2001A-1 Ground Lease). The initial term of the Series 2001A-1 Ground Lease may be extended at the option of the Corporation for an additional five years and is subject to early termination as provided therein. See “APPENDIX C — Forms of Certain Legal Documents – Form of Series 2001A-1 Ground Lease.”

The Series 2001B-1 Ground Lease

Pursuant to the Series 2001B-1 Ground Lease, dated as of January 1, 2002, as amended as of May 1, 2002, August 1, 2002, June 1, 2006, and July 1, 2010 (the “Series 2001B-1 Ground Lease”), between the School Board and the Corporation, the School Board leases or subleases to the Corporation the Series 2001B-1 Facility Sites for an initial term commencing on the date of delivery of the Series 2001B-1 Ground Lease and ending on June 30, 2031 subject to Permitted Encumbrances (as defined in the Series 2001B-1 Ground Lease). The initial term of the Series 2001B-1 Ground Lease may be extended at the option of the Corporation for an additional five years and is subject to early termination as provided therein. See “APPENDIX C — Forms of Certain Legal Documents – Form of Series 2001B-1 Ground Lease.”

The Series 2003A-1 Ground Lease

Pursuant to the Series 2003A-1 Ground Lease, dated as of February 1, 2003, as amended as of August 1, 2003 and July 1, 2010 (the “Series 2003A-1 Ground Lease”), between the School Board and the Corporation, the School Board leases or subleases to the Corporation the Series 2003A-1 Facility Sites for an initial term commencing on the date of delivery of the Series 2003A-1 Ground Lease and ending on June 30, 2033 subject to Permitted Encumbrances (as defined in the Series 2003A-1 Ground Lease). The initial term of the Series 2003A-1 Ground Lease may be extended at the option of the Corporation for an additional five years and is subject to early termination as provided therein. See “APPENDIX C — Forms of Certain Legal Documents – Form of Series 2003A-1 Ground Lease.”

The Series 2004-1 Ground Lease

Pursuant to the Series 2004-1 Ground Lease, dated as of June 1, 2004, as amended as of June 1, 2006 (the “Series 2004-1 Ground Lease,” and collectively with the Series 2001A-1 Ground Lease, Series 2001B-1 Ground Lease and Series 2003A-1 Ground Lease, the “Refinanced Ground Leases”), between the School Board and the Corporation, the School Board leases or subleases to the Corporation the Series 2004-1 Facility Sites for an initial term commencing on the date of delivery of the Series 2004-1 Ground Lease and ending on June 30, 2034 subject to Permitted Encumbrances (as defined in the Series 2003A-1 Ground Lease). The initial term of the Series 2004-1 Ground Lease may be extended at the option of the Corporation for an additional five years and is subject to early termination as provided therein. See “APPENDIX C — Forms of Certain Legal Documents – Form of Series 2004-1 Ground Lease.”

The Refinanced Leases

Pursuant to the applicable provisions of Florida law, including particularly Florida Statutes, Chapters 1001 – 1013, the School Board has, by resolution adopted by the School Board on March 20, 2012, authorized the execution and delivery of Amended and Restated Schedule 2001A-1, Amended and Restated Schedule 2001B-1, Amended and Restated Schedule 2003A-1, Amended and Restated Schedule 2003A-2, and Amended and Restated Schedule 2004-1.

The Series 2001A-1 Lease

The Series 2001A-1 Lease has a Lease Term that ends on June 30, 2026, unless earlier terminated as described herein. The Series 2001A-1 Facilities lease purchased by the School Board under the Series 2001A-1 Lease consist of educational facilities within the District, as more particularly described herein. See “THE REFINANCED LEASES” and “THE REFINANCED FACILITIES” herein.

The Series 2001B-1 Lease

The Series 2001B-1 Lease has a Lease Term that ends on June 30, 2026, unless earlier terminated as described herein. The Series 2001B-1 Facilities lease purchased by the School Board under the Series 2001B-1 Lease consist of educational facilities within the District, as more particularly described herein. See “THE REFINANCED LEASES” and “THE REFINANCED FACILITIES” herein.

The Series 2003A-1 Lease

The Series 2003A-1 Lease has a Lease Term that ends on June 30, 2028, unless earlier terminated as described herein. The Series 2003A-1 Facilities lease purchased by the School Board under the Series 2003A-1 Lease consist of educational facilities within the District, as more particularly described herein. See “THE REFINANCED LEASES” and “THE REFINANCED FACILITIES” herein.

The Series 2003A-2 Lease

The Series 2003A-2 Lease has a Lease Term that ends on June 30, 2028, unless earlier terminated as described herein. The Series 2003A-2 Facilities lease purchased by the School Board under the Series 2003A-2 Lease consist of educational facilities within the District, as

more particularly described herein. See “THE REFINANCED LEASES” and “THE REFINANCED FACILITIES” herein.

The Series 2004-1 Lease

The Series 2004-1 Lease has a Lease Term that ends on June 30, 2029, unless earlier terminated as described herein. The Series 2004-1 Facilities lease purchased by the School Board under the Series 2004-1 Lease consist of educational facilities within the District, as more particularly described herein. See “THE REFINANCED LEASES” and “THE REFINANCED FACILITIES” herein.

The Assignment Agreements

The Corporation has irrevocably assigned to the Trustee, for the benefit of the owners of the Series 2012A Certificates and any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the applicable lease (i) pursuant to the Series 2001A Assignment Agreement, substantially all of its right, title and interest in and to the Series 2001A-1 Ground Lease and the Series 2001A-1 Lease, on a pro rata basis with the the Series 2004B Certificates in the amount of \$25,695,000 that will remain Outstanding until July 1, 2017, and the Series 2011A Certificates in the amount of \$121,650,000 that will remain Outstanding until July 1, 2017, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2001A-1 Lease, as described herein, (ii) pursuant to the Series 2001B Assignment Agreement, substantially all of its right, title and interest in and to the Series 2001B-1 Ground Lease and the Series 2001B-1 Lease, on a pro rata basis with the Series 2004B Certificates in the amount of \$46,225,000 that will remain Outstanding until July 1, 2017, and the Series 2011A Certificates in the amount of \$49,775,000 that will remain Outstanding until July 1, 2022, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2001B-1 Lease, as described herein, (iii) pursuant to the Series 2003A Assignment Agreement, substantially all of its right, title and interest in and to the Series 2003A-1 Ground Lease, the Series 2003A-1 Lease and the Series 2003A-2 Lease, on a pro rata basis with the Series 2003A Certificates in the amount of \$_____ that will remain Outstanding until July 1, 201_, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2003A-1 Lease and Series 2003A-2 Lease, as described herein, and (iv) pursuant to the Series 2004 Assignment Agreement, substantially all of its right, title and interest in and to the Series 2004-1 Ground Lease and the Series 2004-1 Lease, on a pro rata basis with the Series 2004C Certificates in the amount of \$_____ that will remain Outstanding until July 1, 201_, and with the Series 2004D Certificates in the amount of \$113,825,000 that will remain Outstanding until July 1, 2029, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2004-1 Lease, as described herein. See “APPENDIX C – Forms of Certain Legal Documents – Forms of Assignment Agreements.”

Current Leases and Additional Leases; Outstanding Certificates and Additional Certificates

The School Board and the Corporation have previously entered into twenty-three Leases that are currently in effect (the “Current Leases”), as more fully described herein under “SECURITY FOR THE SERIES 2012A CERTIFICATES – Current Leases and Additional Leases” and “– Outstanding Certificates and Additional Certificates” and “THE MASTER

LEASE PROGRAM.” The School Board and the Corporation may, in the future, finance and refinance Facilities under Leases, in addition to the Current Leases, including the Refinanced Leases. With respect to the Current Leases, the Corporation has previously authorized and the Trustee has previously executed and delivered various Series of Certificates of Participation which, as of March 1, 2012 were outstanding in the aggregate principal amount of \$1,907,842,000 (the “Outstanding Certificates”). The School Board and the Corporation may also cause Certificates of Participation in addition to the Outstanding Certificates and the Series 2012A Certificates to be issued in connection with additional Leases. The Outstanding Certificates, together with the Series 2012A Certificates and any additional Certificates executed and delivered under the Trust Agreement are referred to herein collectively as the “Certificates.”

The School Board and the Corporation have entered into, and may, in the future, also enter into lease agreements that result in the issuance of certificates of participation upon terms and conditions other than those in the Trust Agreement. The School Board has also entered into various other leases for computers, furniture, buses, other motor vehicles and other equipment that are not leased pursuant to the Master Lease, and for which no certificates of participation were issued under the Trust Agreement. No certificates of participation are currently outstanding under any lease agreement entered into by the School Board and the Corporation, other than the Certificates issued pursuant to the terms of the Trust Agreement and in connection with the delivery of the Current Leases. See “SECURITY FOR THE SERIES 2012A CERTIFICATES – Current Leases and Additional Leases” herein.

[Certificate Insurance

The scheduled payment of the principal and interest in respect of the Insured Series 2012A Certificates when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Series 2012A Certificates by [INSURER]. See "CERTIFICATE INSURANCE" herein.]

Miscellaneous

This Offering Statement contains brief descriptions of, among other matters, the School Board, the District, the Corporation, and the Facilities financed with the Refunded Certificates, together with summaries or copies of certain provisions of the Series 2012A Certificates, the Refinanced Leases, the Trust Agreement, the Refinanced Ground Leases, and the Refinanced Assignment Agreements. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to such documents are qualified in their entirety by reference to the respective documents for a more complete description of such provisions. Copies of the documents may be obtained upon written request 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 and not otherwise defined herein will have the meanings ascribed to such terms in the legal documents entered into by the School Board or the Corporation in connection with the issuance of the Series 2012A Certificates. See “APPENDIX C – Forms of Certain Legal Documents.” This Offering Statement speaks only as of its date and the information contained herein is subject to change.

REFUNDING PLAN

The Series 2012A Certificates are being issued to refund the Refunded Certificates in order to achieve debt service savings for the District. The Refunded Certificates consist of (i) all of the outstanding Series 2001A Certificates, of which \$43,990,000 in principal amount is currently Outstanding, (ii) all of the Series 2001B Certificates, of which \$51,930,000 is currently Outstanding, (iii) \$_____ of the Series 2003A Certificates, of which \$164,370,000 is currently Outstanding, which will leave \$_____ of Outstanding Series 2003A Certificates, and (iv) \$_____ of the Series 2004C Certificates, of which \$69,030,000 is currently Outstanding, which will leave \$_____ of Outstanding Series 2004C Certificates.

The Refunded Certificates will be refunded by payment of the following amounts (each a "Prepayment Price") on the respective dates indicated (each a "Prepayment Date") for each Series of the Refunded Certificates: (i) on July 1, 2012, for the Refunded Series 2001A Certificates, a Prepayment Price in an amount equal to the principal portion of Basic Lease Payments represented by the Refunded Series 2001A Certificates; (ii) on __, 201-, for the Refunded Series 2001B Certificates, an amount equal to the principal portion of Basic Lease Payments represented by the Refunded Series 2001B Certificates; (iii) on July 1, 2013, for the Refunded Series 2003A Certificates, an amount equal to the principal portion of Basic Lease Payments represented by the Refunded Series 2003A Certificates; and (iv) on July 1, 2014, for the Refunded Series 2004C Certificates, an amount equal to the principal portion of Basic Lease Payments represented by the Refunded Series 2004C Certificates. The Refunded Certificates will be irrevocably called for redemption on the Prepayment Date.

A portion of the proceeds from the sale of the Series 2012A Certificates, along with other legally available funds of the District, will be deposited into an irrevocable escrow deposit trust fund (the "Escrow Fund") and held pursuant to an Escrow Deposit Agreement dated as of April 1, 2012 (the "Escrow Deposit Agreement") between the District and U.S. Bank National Association as escrow agent (in such capacity, the "Escrow Agent"), in an amount which, based on the Verification Report of [_____] as verification agent (the "Verification Agent"), will provide moneys sufficient to pay as the same become due on the Prepayment Date the applicable Prepayment Price of the Refunded Certificates. The Escrow Deposit Agreement requires the School Board to deposit the amount of any deficiency in the Escrow Fund upon notice from the Escrow Agent. For information relating to the mathematical verification of the sufficiency of the moneys held under the Escrow Deposit Agreement to pay the applicable Prepayment Price on the Prepayment Date, see "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

By deposit of a portion of the proceeds of the Series 2012A Certificates, together with other legally available funds of the District, and the giving of certain instructions and notices as required by the Master Trust Agreement, the District will have effected the defeasance of the Refunded Certificates under the Master Trust Agreement. On the date of delivery of the Series 2012A Certificates, Greenberg Traurig, P.A. and KnoxSeaton, as Co-Special Tax Counsel, will render an opinion (in reliance upon various certifications and reports, including the Verification Report of the Verification Agent) that as a result of the defeasance, the Refunded Certificates will be deemed to have been paid and cease to benefit from the pledge of the trust estate and all covenants, agreements and other obligations of the School Board under the Trust Agreement.

The moneys held under the Escrow Deposit Agreement will not be available to pay the principal of and interest on the Series 2012A Certificates.

THE SERIES 2012A CERTIFICATES

General

The Series 2012A Certificates will be initially dated their date of delivery and will mature in the years and principal amounts and represent interest at the rates set forth on the inside cover page of this Offering Statement. The Series 2012A Certificates will be delivered in registered form in the denominations of \$5,000 or any integral multiple thereof.

The principal portion represented by the Series 2012A Certificates due at maturity or earlier prepayment represents undivided proportionate interests in the principal portion of the Basic Lease Payments due on each of the dates set forth (i) on Amended and Restated Schedule 2001A-1 to the Master Lease, payable on a pro rata basis with the Series 2004B Certificates in the amount of \$25,695,000 that will remain Outstanding until July 1, 2017, and the Series 2011A Certificates in the amount of \$121,650,000 that will remain Outstanding until July 1, 2014, (ii) on Amended and Restated Schedule 2001B-1 to the Master Lease, payable on a pro rata basis with the Series 2004B Certificates allocable to the Series 2001B-1 Lease in the amount of \$46,225,000 that will remain Outstanding until July 1, 2017, and the Series 2011A Certificates allocable to the Series 2001B-1 Lease in the amount of \$49,775,000 that will remain Outstanding until July 1, 2022, (iii) on Amended and Restated Schedule 2003A-1 and Amended and Restated Schedule 2003A-2 to the Master Lease, payable on a pro rata basis with the Series 2003A Certificates in the amount of \$_____ that will remain Outstanding until July 1, 201_, and (iv) on Amended and Restated Schedule 2004-1 to the Master Lease, payable on a pro rata basis with the Series 2004C Certificates in the amount of \$_____ that will remain Outstanding until July 1, 201_, and with the Series 2004D Certificates in the amount of \$113,825,000 that will remain Outstanding until July 1, 2029. The interest portion due with respect to the Series 2012A Certificates, payable on January 1 and July 1 of each year to and including the date of maturity or earlier prepayment, whichever is earlier, commencing on July 1, 2012 (each a "Payment Date"), represents undivided proportionate interests in the interest portion of the Basic Lease Payments due on the December 15 and June 15 prior to each January 1 and July 1 of each year as set forth (i) on Amended and Restated Schedule 2001A-1 to the Master Lease, payable on a pro rata basis with the Outstanding Series 2004B Certificates and the Series 2011A Certificates allocable to the Series 2001A-1 Lease, (ii) on Amended and Restated Schedule 2001B-1 to the Master Lease, payable on a pro rata basis with the Outstanding Series 2004B Certificates and the Series 2011A Certificates allocable to the Series 2001B-1 Lease, (iii) on Amended and Restated Schedule 2003A-1 and Amended and Restated Schedule 2003A-2 to the Master Lease, payable on a pro rata basis with the Outstanding Series 2003A Certificates, and (iv) on Amended and Restated Schedule 2004-1 to the Master Lease, payable on a pro rata basis with the Outstanding Series 2004C Certificates and Series 2004D Certificates, to and including the maturity or earlier prepayment of each Series 2012A Certificate.

Ownership of Certificates

The person in whose name any Series 2012A Certificate is registered upon the books of the Trustee will be treated as the absolute owner of such Series 2012A Certificate, whether such Series 2012A Certificate is overdue or not, for the purpose of receiving payment of, or on account of, the principal portion or Prepayment Price, if applicable, and interest portion of Basic Lease Payments represented by such Series 2012A Certificate and for all other purposes. All such payments so made to any such Series 2012A Certificate holder or upon his or her order will

be valid and effectual to satisfy and discharge the liability upon such Series 2012A Certificate to the extent of the sum or sums so paid, and neither the Trustee, the Corporation nor the School Board will be affected by any notice to the contrary. The Series 2012A Certificates will be initially issued in book-entry only form and registered in the name of Cede & Co., as nominee for DTC, who will be treated for all purposes as the absolute owner of the Series 2012A Certificates. See “THE SERIES 2012A CERTIFICATES – Book-Entry Only System” herein.

[Certificate Insurance

The scheduled payment of the principal and interest in respect of the Insured Series 2012A Certificates (as defined on the inside cover hereof) when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Series 2012A Certificates by [INSURER]. See “CERTIFICATE INSURANCE” herein.]

Prepayment

Mandatory Sinking Fund Prepayment

The Series 2012A Certificates maturing on July 1, 201__ 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 2012A Lease, through the operation of a sinking fund on each July 1 in the years and in the following amounts set forth below at a Prepayment Price of par plus the interest accrued to the Prepayment Date.

<u>Year</u> <u>(July 1)</u>	<u>Principal Amount</u>
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*

* Final Maturity.

Optional Prepayment

The Series 2012A Certificates maturing on or before July 1, 20__ shall not be subject to prepayment at the option of the School Board. The Series 2012A Certificates maturing on or after July 1, 20__ shall be subject to prepayment in whole or in part on or after July 1, 20__, if the School Board elects to prepay the principal portion of Basic Lease Payments due under the Refinanced Leases allocable to the Series 2012A Certificates.

Selection of Series 2012A Certificates for Prepayment; Notice of Prepayment.

If less than all of the Series 2012A Certificates are called for prepayment, the particular Series 2012A Certificates or portions thereof to be prepaid will be in multiples of Authorized Denominations. The particular Series 2012A 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. In selecting portions of such Series 2012A Certificates for prepayment, the Trustee will treat each such Series 2012A Certificate as representing that number of Series 2012A Certificates in Authorized Denominations which is obtained by dividing the principal amount of such Series 2012A Certificates to be prepaid in part, by the applicable Authorized Denomination.

DTC Procedures. Investors should note that while DTC is the registered owner of the Series 2012A Certificates, partial prepayments of the Series 2012A 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 2012A Certificates be made in accordance with the method of selection of Series 2012A Certificates for a partial prepayment described above. However, the selection of the Series 2012A 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 2012A Certificates for a partial prepayment described above.

So long as the Series 2012A 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 (not less than five days nor more than ten days before the Prepayment Date in the case of prepayment for termination of the Lease Term in certain events of non-appropriation or default under any Lease, 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 2012A Certificates. See "THE SERIES 2012A CERTIFICATES – Book-Entry Only System" herein.

Effect of Prepayment

If, on the Prepayment Date, moneys for the payment of the Prepayment Price of the Series 2012A 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 2012A 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 2012A 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"), New York, New York, will act as securities depository for the Series 2012A Certificates. The Series 2012A Certificates will be issued as

fully-registered certificates 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 Series 2012A Certificate will be issued for each maturity of the Series 2012A Certificates, in the aggregate principal amount of such maturity. The Series 2012A Certificates will be deposited with DTC.

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

So long as the book-entry only system is in effect, beneficial interests in the Series 2012A Certificates will be available in book-entry form only in Authorized Denominations. Purchasers of beneficial interests in the Series 2012A Certificates will not receive certificates representing their beneficial interests in the Series 2012A Certificates purchased.

Purchases of Series 2012A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012A Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2012A Certificate (the "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 2012A Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in

Series 2012A Certificates except in the event that use of the book-entry system for the Series 2012A Certificates is discontinued.

To facilitate subsequent transfers, all Series 2012A 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 2012A 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 2012A Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012A Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2012A Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012A Certificates, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2012A Certificates may wish to ascertain that the nominee holding the Series 2012A 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 2012A Certificates within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2012A Certificates unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (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 Series 2012A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

The principal and interest components of the Basic Lease Payments represented by the Series 2012A 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 Trustee on a payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC (nor its nominee), the School Board, the Corporation or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of Basic Lease Payments represented by the Series 2012A Certificates 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 the Trustee, 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 Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2012A Certificates at any time by giving reasonable notice to the School Board and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2012A Certificates, as applicable, are required to be printed and delivered.

The School Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event Series 2012A Certificates will be printed and delivered.

In either of the situations described in the preceding two paragraphs, definitive replacement certificates shall be issued only upon surrender to the School Board and the Trustee of the Series 2012A Certificates of each maturity by DTC, accompanied by registration instructions for the definitive replacement certificates for such maturity from DTC. The School Board shall not be liable for any delay in delivery of such instructions and conclusively may rely on and shall be protected in relying on such instruction of DTC.

NONE OF THE DISTRICT, THE SCHOOL BOARD, THE CORPORATION OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE BENEFICIAL OWNERS, DTC PARTICIPANTS OR THE PERSONS FOR WHOM DTC PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE SERIES 2012A CERTIFICATES FOR THE ACCURACY OF THE RECORDS OF DTC, CEDE & CO. OR ANY DTC PARTICIPANT WITH RESPECT TO THE SERIES 2012A CERTIFICATES OR THE PROVIDING OF NOTICE OR PAYMENT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AND INTEREST REPRESENTED BY THE SERIES 2012A CERTIFICATES TO DTC PARTICIPANTS OR BENEFICIAL OWNERS, OR THE SELECTION OF SERIES 2012A CERTIFICATES FOR PREPAYMENT.

None of the School Board, the District, the Corporation or the Trustee can give any assurances that DTC, DTC Participants or others will distribute payments of principal or interest components represented by the Series 2012A Certificates paid to DTC or its nominee, or any prepayment or other notices, to the Beneficial Owners or that DTC 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 2012A 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.

SECURITY FOR THE SERIES 2012A CERTIFICATES

General

The Series 2012A Certificates evidence undivided proportionate interests in Basic Lease Payments made by the School Board under the Series 2001A-1 Lease, on a pro rata basis with the Outstanding Series 2004B Certificates and the Series 2011A Certificates allocable to the Series 2001A-1 Lease, the Series 2001B-1 Lease on a pro rata basis with the Outstanding Series

2004B Certificates and the Series 2011A Certificates allocable to the Series 2001B-1 Lease, the Series 2003A-1 Lease and the Series 2003A-2 Lease on a pro rata basis with the Outstanding Series 2003A Certificates, and the Series 2004-1 Lease on a pro rata basis with the Outstanding Series 2004C Certificates and Series 2004D Certificates. The Series 2012A Certificates are secured by and payable from the portion of the Trust Estate derived from Basic Lease Payments made under such Leases and only to the extent that the Trustee has actually received sufficient income or proceeds from such portion of the Trust Estate to make such payments.

The Corporation will not mortgage or grant a security interest in the Refinanced Facilities to the Trustee. However, upon termination of the Refinanced Leases in certain events of non-appropriation or default, the Refinanced Leases (except the Series 2003A-2 Lease) provide that the School Board must surrender the Refinanced Facilities (except the Series 2003A-2 Facilities) subject thereto to the Trustee, as assignee of the Corporation, for disposition as provided in the Trust Agreement, and, except as otherwise described herein with respect to the exercise of remedies available under the Master Lease upon termination of the term of the Refinanced Leases, any proceeds of any such disposition allocable to the Series 2012A Certificates will be applied to the payment of the Series 2012A Certificates. Accordingly, upon termination of the Refinanced Leases in certain events of non-appropriation or default, the Trustee may not have sufficient funds to pay the Series 2012A Certificates. The Series 2003A-2 Facilities subject to the Series 2003A-2 Lease are not subject to the exercise of remedies by the Trustee. See "THE REFINANCED LEASES – Effect of Termination for Non-Appropriation or Default" herein.

[The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Insured Series 2012A Certificates (as defined on the inside cover hereof), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Series 2012A Certificates by [INSURER]. See "CERTIFICATE INSURANCE" herein.]

Lease Payments

All Lease Payments under the Refinanced Leases and all other Leases are payable solely from funds appropriated by the School Board for such purpose from funds authorized by law and regulations of the State Department of Education. Lease Payments consist of Basic Lease Payments, Additional Lease Payments, and all other amounts required to be paid by the School Board. Revenues available to the School Board for operational purposes and capital projects are described under "REVENUE SOURCES OF THE DISTRICT" herein.

The Series 2001A Supplemental Trust Agreement provides for the establishment and maintenance of a Series 2001A Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2001A-1 Lease. The Series 2001B Supplemental Trust Agreement provides for the establishment and maintenance of a Series 2001B Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2001B-1 Lease. The Series 2003A Supplemental Trust Agreement provides for the establishment and maintenance of a Series 2003A Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2003A-1 Lease and the Series 2003A-2 Lease. The Series 2004 Supplemental Trust Agreement provides for the establishment and maintenance of a Series 2004 Lease Payment Account for deposit of Basic Lease Payments appropriated and paid under the Series 2004-1 Lease. Prior to each Payment Date, the School Board will transfer sufficient funds to the Trustee for deposit to the applicable Lease Payment Account to be applied

to pay the entire interest and principal portion of the Basic Lease Payments due under the applicable Lease on such date.

Lease Payments due under all Schedules to the Master Lease are subject to annual appropriation by the School Board on an all-or-none basis and are payable on a parity basis solely from legally available funds appropriated by the School Board for such purpose; provided that Lease Payments with respect to a particular Schedule and Series of Certificates may be additionally and separately secured by a Credit Facility. There is no limit on the number of additional Facilities that may be financed under the Master Lease. Such additional Facilities may be financed through the sale of additional Series of Certificates under the Trust Agreement.

Limited Obligation

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 Department of Education. None of the District, the School Board, the State, or any political subdivision or agency thereof is obligated to pay, except from appropriated funds, any sums due under the Refinanced Leases from any source of taxation, and the full faith and credit of the District, the School Board, the State or any political subdivision or agency thereof is not pledged for payment of such sums due thereunder. Such sums do not constitute an indebtedness of the District, the School Board, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

Current Leases and Additional Leases

Failure to appropriate funds to make Lease Payments under any Lease will, or an event of default under any Lease may, result in the termination of all Leases, including the Refinanced Leases. Upon any such termination of all Leases, the School Board must surrender possession of certain Facilities, including the Refinanced Facilities (but not the Series 2003A-2 Facilities subject to the Series 2003A-2 Lease) to the Trustee for sale or lease. The proceeds of any such disposition of a portion of such Facilities will be applied to the payment of the Series 2012A Certificates in accordance with the terms of the Refinanced Leases, to the extent and as provided in the applicable Lease. In no event will owners of the Series 2012A Certificates have any interest in or right to any proceeds of the disposition of Facilities other than Overlapping Facilities financed with the proceeds of another Series of Certificates, except as provided in the Refinanced Leases, as applicable. There can be no assurance that the remedies available to the Trustee upon any such termination of all Leases and the disposition of the applicable Facilities will produce sufficient amounts to pay the outstanding Series 2012A Certificates. “THE REFINANCED LEASES – Effect of Termination for Non-Appropriation or Default” herein.

For a discussion of remedies available to the Trustee in the event of the non-appropriation of funds to pay Lease Payments, see “THE REFINANCED LEASES – Termination of Lease Term” and “– Effect of Termination for Non-Appropriation or Default” herein. For a discussion of remedies available to the Trustee in the event of default by the School Board under any Lease, see “THE REFINANCED LEASES – Termination of Lease Term” and “– Effect of Termination for Non-Appropriation or Default” and “APPENDIX C – Forms of Certain Legal Documents – Form of Master Lease Purchase Agreement – Events of Default and Remedies.”

The School Board and the Corporation have entered into, and may, in the future, also enter into lease agreements upon terms and conditions other than those in the Master Lease and which result in the issuance of certificates of participation that are not secured by the Trust Agreement. The School Board has also entered into various other leases for computers, furniture, buses, other motor vehicles and other equipment that are not leased under the Master Lease, and for which no certificates of participation were issued under the Trust Agreement. No certificates of participation are currently outstanding under any lease agreement entered into by the School Board and the Corporation, other than the Outstanding Certificates issued in connection with the execution and delivery of the Current Leases.

Outstanding Certificates and Additional Certificates

The Trustee, at the direction of the Corporation, has issued the Outstanding Certificates under the Trust Agreement and in connection with the execution and delivery of the Current Leases. As of March 1, 2012, \$1,907,842,000 in aggregate principal amount of Outstanding Certificates were outstanding. In addition to the Outstanding Certificates and the Series 2012A Certificates the School Board and the Corporation may also cause Certificates to be issued in relation to the execution and delivery of additional Leases.

The Series 2012A Certificates will evidence undivided proportionate interests in the Basic Lease Payments to be made under (i) the Series 2001A-1 Lease, on a pro rata basis with the Outstanding Series 2004B Certificates and the Series 2011A Certificates allocable to the Series 2001A-1 Lease, (ii) the Series 2001B-1 Lease on a pro rata basis with the Outstanding Series 2004B Certificates and the Series 2011A Certificates allocable to the Series 2001B-1 Lease, (iii) the Series 2003A-1 Lease and the Series 2003A-2 Lease on a pro rata basis with the Outstanding Series 2003A Certificates, and (iv) the Series 2004-1 Lease on a pro rata basis with the Outstanding Series 2004C Certificates and Series 2004D Certificates. Holders of the Series 2012A Certificates will have no right to the Basic Lease Payments made under any other Lease. See “THE REFINANCED FACILITIES – General,” “THE MASTER LEASE PROGRAM” AND “THE REFINANCED LEASES – Effect of Termination for Non-Appropriation or Default” herein.

Future Certificate Sales

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 with respect to additional Leases entered into in the future, for the purpose of (a) financing the cost of acquisition, construction 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 of, all or a portion of the Facilities financed from the proceeds of any Series of Certificates previously executed and delivered. Additional Certificates may also be issued in connection with any lease agreements entered into by the School Board in the future upon terms and conditions other than those in the Master Lease.

In addition to the issuance of the Series 2012A Certificates, the School Board may finance or refinance a portion of the cost of its DEFP through the issuance of additional

Certificates of Participation from time to time. See “THE SCHOOL BOARD AND THE DISTRICT – District Educational Facilities Plan” herein. The aggregate principal amount of Additional Certificates that may be executed and delivered under the provisions of the Trust Agreement is not limited. The School Board does not presently expect to issue Additional Certificates to fund its current DEFP.

Non-Appropriation Risk

The School Board is not legally required to appropriate moneys for the purpose of making Lease Payments. For a discussion of remedies available to the Trustee in the event of the non-appropriation of funds to make Lease Payments, see “THE REFINANCED LEASES – Termination of Lease Term” and “– Effect of Termination for Non-Appropriation or Default” herein. There can be no assurance that the remedies available to the Trustee in the event of non-appropriation will produce sufficient amounts to pay the outstanding Series 2012A Certificates.

Optional Prepayment Price

Title to the Refinanced Facilities (except the Series 2003A-2 Facilities) will remain in the Corporation. The School Board has the right to acquire title to all or any portion of such Facilities, subject to the Refinanced Leases, as applicable, by paying the Purchase Option Price for the specific Facilities being purchased or by substituting other School Board facilities for the Facilities being acquired. Title to the Series 2003A-2 Facilities subject to the Series 2003A-2 Lease is in the name of the School Board.

The Purchase Option Price with respect to any of the Refinanced Facilities as of each Lease Payment Date, is (i) the allocable Basic Lease Payment then due, plus the amount allocable to such Facilities as the Remaining Portion of the Purchase Option Price, (ii) minus any credits pursuant to the provisions of the applicable Lease, (iii) plus an amount equal to the interest to accrue with respect to the Outstanding Certificates to be prepaid as a result of the release of such Facilities from the applicable Lease, including the Series 2012A Certificates, from such Lease Payment Date to the next available date for prepaying the Outstanding Certificates to be prepaid, including the Series 2012A Certificates, and (iv) plus an amount equal to a pro rata portion of any Additional Lease Payments then due and owing under the applicable Lease.

No Reserve Account

There is no Reserve Account for the Series 2012A Certificates. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any additional Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest components of the Basic Lease Payments related to such Series of Certificates. Any such Reserve Account shall secure only the Series of Certificates for which it has been established. See “APPENDIX C – Forms of Certain Legal Documents – Form of Master Trust Agreement.”

[CERTIFICATE INSURANCE]

The following information has been furnished by _____ (“_____”) for use in this Offering Statement. Reference is made to "APPENDIX E: SPECIMEN

MUNICIPAL BOND INSURANCE POLICY" for a specimen copy of [INSURER]'s municipal bond insurance policy.

The Policy

Concurrently with the issuance of the Insured Series 2012A Certificates, _____ ("____" or the "Insurer") will issue its Municipal Bond Insurance Policy (the "Policy") for the Insured Series 2012A Certificates. The Policy guarantees the scheduled payment of principal and interest represented by the Insured Series 2012A Certificates when due as set forth in the form of the Policy included as Appendix E to this Offering Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

[INSURER NAME]

[INSERT INSURER INFORMATION]]

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, as amended. 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. By virtue of its accreditation by the Southern Association of Colleges and Schools, the District operates the largest fully accredited school system in the nation. As of August 31, 2011, the District had approximately 256,872 students enrolled in grades pre-kindergarten to 12, approximately 27,000 permanent employees, including over 16,140 classroom instructors, and included 300 schools comprised of 141 elementary schools, 42 middle schools, 33 high schools, 16 adult/vocational schools and other centers and 68 charter schools. The District is the County's largest single employer. The General Fund, the primary operating fund of the District, had an annual operating budget of \$1.98 billion for Fiscal Year 2010-2011 and has an operating budget of \$1.91 billion for Fiscal Year 2011-2012. See "REVENUE SOURCES OF THE DISTRICT - Operating Revenues" herein.

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 "REVENUE SOURCES OF THE DISTRICT." The County Tax Collector collects ad valorem taxes for the District, but exercises no control over the District's tax receipts.

The District is committed to providing each child equal educational opportunities, as reflected in the mission statement adopted by the School Board:

“The School Board of Broward County, Florida is dedicated to meeting the educational needs of all students in a safe learning environment.”

To further its mission, the School Board has adopted specific goals and objectives and regularly evaluates its progress in meeting those goals and objectives.

The County

As discussed above, management of the District is separate from the County, but the District covers the same geographic area. Information regarding the County herein is provided for the purpose of providing general information about the geographic area in which the District is located.

Broward County, created in October 1915 by the legislature of the State of Florida, is located on the southeast coast of Florida and has an area of approximately 1,197 square miles. The County is bordered on the south by Miami-Dade County and on the north by Palm Beach County. Located within the County are 31 municipalities. The County ranks second in the State and 18th in the nation with a 2010 Census population of approximately 1.75 million persons. Broward County's 2011 population is estimated to be 1,753,142. Approximately 50% of the County's population lives in its seven largest cities: Fort Lauderdale, Hollywood, Miramar, Pembroke Pines, Coral Springs, Pompano Beach and Davie. Four airports, including the Fort Lauderdale-Hollywood International Airport, are located in the County. Port Everglades, the State's deepest harbor and a leading international cruise port, is located less than two miles from Fort Lauderdale-Hollywood International Airport.

For a more detailed description of the County, including certain statistical and demographic data concerning the County, see “APPENDIX A – General Information Regarding Broward County, Florida.” The information about the County contained herein and in APPENDIX A has been obtained from the County and is believed to be reliable. No representation is made by the School Board or the Underwriters as to the accuracy or completeness of such information.

Governance of the District

The School Board is a public body corporate existing under the laws of the State, 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. The School Board's duties and powers include 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, 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, the adoption of the school tax millage levy, and the establishment of a system of accounting and budgetary controls. Accounting reports and the annual budget must be filed with the State 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, their respective offices and the expiration of their terms is as follows:

<u>Name/Office</u>	<u>Initial Term Commencing November</u>	<u>Current Term Expires November</u>
Ann Murray, Chair	2008	2014
Laurie Rich Levinson, Vice Chair	2010	2014
Robin Bartleman	2004	2012
Maureen S. Dinnen	2004	2012
Patricia Good	2010	2014
Donna P. Korn*	2011	2012
Katherine M. Leach*	2011	2012
Nora Rupert	2010	2014
Benjamin J. Williams	2000	2012

*Appointed effective August 2011 to replace resigning or removed members.

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 19th permanent leader in the 94-year history of Broward County Public Schools. 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.

Thomas Lindner was assigned to serve as Acting Deputy Superintendent, Facilities and Construction Management for the District effective January 1, 2010. Mr. Lindner is also the

Executive Director of Physical Plant Operations. Mr. Lindner has a degree in Engineering and Management from the United States Naval Academy in Annapolis, MD and an M.S. degree from the Naval Postgraduate School in Monterey, California. While in the Navy he served in the weapons and engineering departments and rose through the ranks to become one of the youngest destroyer commanding officers in the Navy at the time. He also specialized in personnel and training after receiving his masters degree. In the private sector he has worked in Corporate Facility Management at AutoNation and JM Family Enterprises.

I. Benjamin Leong became the Comptroller of the District in 1998. In July, 2000, the Superintendent assigned to Mr. Leong the duties of chief financial officer and in July, 2004, his title was officially changed to Chief Financial Officer. Mr. Leong joined the District as Director of Management/Facility Audits in April, 1995. Prior to joining the District, Mr. Leong was the Auditor General of the New York City School Construction Authority (SCA). The SCA is a public benefit corporation established by the New York State legislature in 1989 to accelerate and improve the building and renovation of New York City public schools. The SCA is one of the largest school construction agencies in the United States. Prior to serving for the SCA, Mr. Leong was appointed Special Assistant to the Chancellor of New York City public schools. As Special Assistant to the Chancellor for financial affairs, Mr. Leong oversaw a \$7.2 billion budget, supervised business operations and organized the restructuring of numerous departments within the central administration. He began his accounting career with a “Big Five” accounting firm. He has nineteen years of experience in accounting, auditing and school construction, with clients ranging from Fortune 100 companies to public schools and agencies. Mr. Leong received a Bachelor’s Degree from the University of Miami. He is a certified public accountant in Florida and New York.

Henry L. Robinson was appointed Treasurer in March of 1990. Mr. Robinson joined the District in 1981 and, prior to being appointed Treasurer, has served as Budget Analyst, Management Accountant and Cash Manager. Mr. Robinson received a B.A. degree in Accounting from Biscayne College, Miami, Florida in 1977. Prior to his employment with the District, he was employed by the Florida Farmworkers Council as Assistant Director of Finance and Administration. He is a member of the Florida School Finance Officers Association and the Florida Association of School Business Officials.

Oleg Gorokhovsky was hired as the Cost Reporting Manager of the District in 2004. The Superintendent appointed Mr. Gorokhovsky to the position of Director of Financial Reporting in 2005. In July 2008, his title was changed to the Director of the Accounting and Financial Reporting Department. Prior to his employment with the District, Mr. Gorokhovsky was employed by the Housing Authority of the City of Miami Beach in the capacity of Interim Finance Director; as a Senior Budget and Fiscal Advisor for the City of Miami; and as a Fiscal Management Director while employed at the Private Industry Council of Dade County. He received a Masters Degree in Accounting from Florida International University and is a Certified Public Accountant in Florida. Also, Mr. Gorokhovsky is a member of the American Institute of Certified Public Accountants, the Florida School Finance Officers Association, and the Government Finance Officers Association. Currently, Mr. Gorokhovsky presides as a Director on the Florida School Finance Officers Association Board.

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 Government Finance Officers Association (GFOA) and the Florida School Finance Officers Association.

Statistical Data

The following tables present a statistical overview of the District's school system, including: (1) trends in District personnel by full-time employee classification, (2) enrollment profiles, and (3) data regarding the District's public school facilities.

Comparative Enrollment Trend Largest U.S. School Districts⁽¹⁾

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
New York, NY	1,014,058	999,150	1,035,406	1,029,459	1,038,741
Los Angeles, CA	727,319	707,627	693,680	687,534	670,746
Chicago, IL	420,982	413,694	407,510	421,430	407,157
Miami-Dade County, FL	362,070	353,790	348,128	345,525	345,804
Clark County, NE	294,131	303,448	309,051	312,761	307,059
Broward County, FL	270,935	262,616	258,905	255,738	255,203
Houston, TX	210,292	202,936	199,534	200,225	202,773
Hillsborough County, FL	193,757	193,517	193,180	192,007	193,265
State of Hawaii	182,818	180,728	179,897	179,478	180,196
Orange County, FL	NA	NA	174,142	172,257	173,259

⁽¹⁾ Based on the number of students enrolled in grades kindergarten through twelve at a fixed time during the fall. One-half day kindergarten students counted as one-half student.

Source: The School Board of Broward County, Florida Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2011.

Classification of Full-Time Personnel

	<u>Fiscal Year 2006-07</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2009-10</u>	<u>Fiscal Year 2010-11</u>
Instructional Staff ⁽¹⁾	17,527	17,178	16,848	15,490	16,143
Teachers Aides	2,605	2,631	2,398	2,207	2,377
Principals & Assistant Principals	677	654	665	651	650
Management & Support Staff ⁽²⁾	<u>9,794</u>	<u>9,714</u>	<u>9,408</u>	<u>8,934</u>	<u>8,621</u>
Total	<u>30,603</u>	<u>30,177</u>	<u>29,319</u>	<u>27,282</u>	<u>27,791</u>

Source: The School District of Broward County, Florida Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2011.

(1) Includes Elementary and Secondary Teachers, Exceptional Student Teachers, Other Teachers, Guidance/Psychological, Librarians, Other Professional Instructional Staff.

(2) Includes Officials, Administrators and Managers (Instructional and Non-Instructional), Supervisors of Instructional, Technicians, Clerical/Secretarial Staff, Service Workers, Skilled Crafters, Laborers.

Profile of Enrollments
Full-Time Equivalent Students⁽¹⁾

	Fiscal Year <u>2006-07</u>	Fiscal Year <u>2007-08</u>	Fiscal Year <u>2008-09</u>	Fiscal Year <u>2009-10</u>	Fiscal Year <u>2010-2011</u>
Kindergarten to Grade 3	54,056	53,124	50,409	48,735	48,169
Grades 4-8	70,479	68,887	68,411	67,287	66,633
Grades 9-12	53,058	52,861	51,818	52,456	51,723
ESOL ⁽²⁾	19,302	18,940	17,726	17,492	17,293
Exceptional Students	39,546	39,262	39,683	39,632	39,272
Vocational Students	6,804	6,213	6,259	6,472	6,726
Adult Students	<u>18,237</u>	<u>19,497</u>	<u>18,272</u>	<u>19,496</u>	<u>18,965</u>
Total	<u>261,482</u>	<u>258,874</u>	<u>252,578</u>	<u>251,570</u>	<u>248,781</u>

Source: The School District of Broward County, Florida.

- (1) Enrollments are calculated on a full-time equivalent student basis for adults and for grades kindergarten through twelve, as well as for exceptional education prekindergarten students. A full-time student is defined as equal to 900 hours of instructional time. [Excludes charter schools].
- (2) English for Speakers of Other Languages.

School Facilities⁽¹⁾

	Fiscal Year <u>2006-07</u>	Fiscal Year <u>2007-08</u>	Fiscal Year <u>2008-09</u>	Fiscal Year <u>2009-10</u>	Fiscal Year <u>2010-2011</u>
Elementary	138	138	138	141	141
Middle	41	42	43	42	42
High	32	32	33	33	33
Others ⁽²⁾	<u>17</u>	<u>17</u>	<u>15</u>	<u>15</u>	<u>16</u>
Total ⁽¹⁾	<u>228</u>	<u>229</u>	<u>229</u>	<u>231</u>	<u>232</u>

Source: The School District of Broward County, Florida.

- (1) Excludes charter schools. There were 68 charter schools located within the District as of August 31, 2011.
- (2) Adult/vocational schools and exceptional centers.

District Educational Facilities Plan

The School Board requires the development of a continuous five-year District Educational Facilities Plan (“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 8, 2011 and provides for a five-year facilities plan totaling approximately \$1.32 billion over the next five-year period ending June 30, 2016. See “THE REFINANCED FACILITIES” 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. Over the past three years the District has been faced with significant declines in capital outlay revenues, which have had a major impact on the District’s ability to fund the DEFP. The decline in capital outlay revenues is a result of the Florida Legislature’s reduction of the District’s Local Option Millage Levy (See “REVENUE SOURCES OF THE DISTRICT – Revenues for Capital Projects – Local Capital

Outlay Sources”) from 2.0 mills to 1.5 mills and a steep decline in property tax values in Broward County. As a result, the District’s current DEFP reflects the cumulative elimination of \$1.8 billion in planned capital projects, and bus and technology purchases. The revenue projections for next year’s DEFP are expected to be flat, providing minimal borrowing capacity. The School Board does not presently expect to issue additional Certificates to fund its current DEFP. See “RISK FACTORS - Capital Outlay Millage Revenue.”

The DEFP is based on an analysis of the District’s demographics, community participation, area executive staff feedback, School Board member input and departmental requests. In addition, the updated student enrollment projections for the five years, 2011-2012 through 2015-2016, 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 enrollment projections are compared to the 20th day figures for the 2010-2011 school year.

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The School District of Broward County, Florida
Student Enrollment Projections

	2010-2011 20 th Day Enrollment	2011-2012 20 th Day Enrollment	2011-2012 Increase (Decrease) to 2010-2011	2015-2016 Projected Enrollment	2015-2016 Increase (Decrease) to 2010-2011
Pre-Kindergarten	4,465	4,345 ⁽²⁾	(120)	4,465 ⁽²⁾	0
Elementary (K-5)	101,344	99,252	(2,092)	103,338	1,994
Middle	52,369	50,890	(1,479)	53,108	739
High	69,516	68,921	(595)	69,276	(240)
Centers	5,904	5,906 ⁽²⁾	2	5,904 ⁽²⁾	0
Charters	<u>23,274</u>	<u>29,489⁽²⁾</u>	<u>6,215</u>	<u>23,274⁽²⁾</u>	<u>0</u>
Total ⁽¹⁾	<u>256,872</u>	<u>258,803</u>	<u>1,931</u>	<u>259,265</u>	<u>2,493</u>

Source: The School District of Broward County, Florida.

- (1) Includes approximately 2,000 pre-kindergarten students who are not part of full time equivalent counts or calculations.
- (2) The District historically does not provide projected enrollment for pre-kindergarten, center and charter schools. [The current twentieth day enrollment for these programs/schools are carried forward into future year projections, resulting in no enrollment gains or losses.]

Total District enrollment is projected to increase by 2,493 students, including those in centers and charter schools by the 2015-2016 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 1,994 students, public middle school enrollment will increase by 739 students and high school enrollment will decrease by 240 students.

Enrollment in charter schools was 29,489 in 68 charter schools in school year 2011-2012. When new charter schools open, their enrollment is drawn from the 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. The District historically does not provide projected enrollment for charter schools.

New legislation passed by the Florida Legislature may result in an increase in charter schools and charter school enrollment. Charter schools qualifying as "high-performing" will be 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 will also be reduced. The impact of this new legislation on charter school enrollment or any resulting impact on traditional public school enrollment cannot be determined at this time.

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.

District Programs

The District has implemented a wide range of programs that are designed to provide special benefits to students and schools. Among such programs is the College Academy, which offers high school juniors enrolled as full-time students the opportunity to receive a college ready diploma from the School Board as well as an Associates of Arts degree from Broward Community College. Students are also afforded the opportunity to qualify for the State of Florida Bright Futures Scholarship Program. Another program, the Leadership Academy for Middle School students, is a partnership with the Broward Sheriff's Office to address the needs of sixth and seventh grade at-risk students. The goal of this program is to create a learning environment that not only provides educational value but strict discipline as well. Another program, the Broward Virtual Education, gives students the opportunity to take high school courses via the Internet. Students may select from a variety of classes when they participate in this program, including advanced placement courses. The District has also implemented the Superintendent's Forum Executive Partnership, which is a program that pairs business leaders and other individuals from the private sector with schools designated by the Superintendent for improvement. The team assigned to each school will work as advocates with the school administration to develop and implement strategic plans that will enhance the educational process and improve the management and operations in such schools.

Accreditation

All public schools in the District are fully accredited by the State and by the Southern Association of Colleges and Schools ("SACS"). The District is the largest, fully accredited school district in the nation.

Honors and Awards

For the 2010-11 school year, the District received an "A" grade from the State Department of Education, marking the seventh straight year that the District has earned a "B" or better mark from the state. Five District high schools have been ranked among the Best High Schools in the nation for 2011 by U.S. News & World Report. All five of those high schools (out of 21,786 nationwide) received silver medals, representing the top 3% of high schools in the country.

The District leads the nation, for the fifth consecutive year, in the number of National Board Certified Teachers. In 2009, the District added 102 more National Board Certified Teachers, making the District number one with a total of 1,726 board certified teachers.

In 2008 and 2009, the District was a finalist for the Broad Prize presented by the California-based Broad Foundation. The Broad Prize is considered to be the "Pulitzer Prize" in the field of education. As a result of the awards, District students received a total of \$500,000 in scholarship funds. Also, for the last nine years the District has been singled-out for student achievement by the Council of the Great City Schools, a coalition of the nation's largest urban public school systems. The District was also a finalist for the 2010 Council of Urban Boards of Education (CUBE) Annual Award for Urban School Board Excellence, present annually by the National School Boards Association.

Numerous District schools have received honors and awards over the past year, including 136 schools that earned the Golden School Award and 15 that received the Silver School Award for the 2008-09 school year. The awards are presented to schools that have shown a firm commitment to community involvement through their exemplary volunteer programs. Sixty-six District schools received the State Department of Education's most prestigious award for community involvement, the 2008-09 Five Star School Award. The Five Star School Award is presented each year to schools that demonstrate exemplary family, school and community involvement.

Three District schools, William T. McFatter Technical High School, City of Pembroke Pines Charter Middle and Pompano Beach High School, were selected as 2008-09 Florida Blue Ribbon Schools of Excellence by the Florida Department of Education. The program honors K-12 schools that either demonstrate academic superiority in their states or make dramatic gains in student achievement. It is the highest national honor that a school can receive.

Budgetary Process

State law requires the School Board to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 25 days following the Broward County Property Appraiser's official certification of taxable property, which usually occurs on or about August 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 2011-2012 Fiscal Year on September 15, 2011.

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 "REVENUE SOURCES OF THE DISTRICT – Revenues for Capital Projects" 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.

Constitutional Amendments Related to Class Size Reduction and Pre-Kindergarten Legislation

Class Size Legislation

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, Section 1003.03 Florida Statutes, and Section 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 an individual classroom level. In the event a school district is not in compliance with such requirements, the legislation provides that the State shall reduce the categorical funds and half the base student allocation due to such school district for operational purposes. For those school districts that are in compliance with the constitutional amendment additional funds shall be distributed. The additional distribution is to be calculated by taking 25 percent of the total funds reduced from those school districts not in compliance and distributing an amount up to 5 percent of the base student allocation multiplied by the total district full-time equivalent students. 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, the funds remaining after the reallocation to school districts will be reallocated based upon each school district’s proportion of the total reduction. However, no district shall have an amount added back that is greater than the amount that was reduced.

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

In Fiscal Year 2010-11, to comply with the mandated class size reductions, the District spent approximately \$348 million. Funds for such purpose came from State funding for class size reduction, stabilization funds provided by the Federal government under the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) and the 0.25 mills levied for Fiscal Year 2010-11 for critical operating needs (net of the portion to be provided to charter schools) and funding from the Federal Education Job Fund. The District had 97.5% of the periods in compliance and estimates that it would have cost another \$7 million to be in full compliance in Fiscal Year 2010-11. The District’s non-compliance penalty was \$2.9 million. However, the District submitted the required plan outlining specific actions it would take to come into full compliance by October, 2011. This allowed a restoration of \$2.2 million to the District, bringing the final penalty to \$732,194. Federal Education Job Fund and Recovery Act funds are no longer available and the 0.25 mills levied for Fiscal Year 2010-11 for critical operating needs could not be levied for Fiscal Year 2011-12. With the loss of these funds the District will have difficulty in having every period meet the mandated requirements and will be unable to avoid the funding penalty.

[In Fiscal Year 2011-12, the District failed to meet mandated class size reductions despite spending approximately \$_____. As a result, the District faces a non-compliance penalty of \$66.1 million. The District has submitted a plan to reduce this penalty, possibly down

to \$_____, and has also sought a one-time waiver of the fine. The District plans to pay any penalty from _____.]

[In the 2011 Legislative session the Florida Legislature passed further amendments to the Class Size Legislation that redefines “core-curricula courses” for each grade level, which limits the types of classes subject to the Class Size Legislation. At this time it is not possible to predict the impact of these revisions on the ability of the District to comply with the class size limits in 2011-2012.]

Pre-Kindergarten Legislation

Article IX of the State Constitution was amended in 2002 by Amendment 8, which provides that every 4-year old child in the State shall be offered a free, high quality pre-kindergarten learning opportunity by the State no later than the 2005 school year. In furtherance thereof, Part V, Chapter 1002, Florida Statutes (referred to herein together with Amendment 8, as the “Pre-Kindergarten Legislation”) created a voluntary universal pre-kindergarten education program for four-year olds. The Pre-Kindergarten Legislation provides the method for calculating the funds allocated to each pre-kindergarten program provider. The District had approximately 204 students participating in a 2010-2011 school year voluntary pre-kindergarten (VPK) program. In addition, 60 students participated in the District’s summer VPK program in 2011. There are currently 152 students enrolled in the District’s VPK for the 2011-12 school year.

The State funding currently provided by Part V, Chapter 1002, Florida Statutes is insufficient for the District to provide a major pre-kindergarten program. The District uses the State funding it receives to provide a pre-kindergarten program for the students that can be accommodated by such funding and will use any additional funds received from the State for such purpose to expand its pre-kindergarten program. However, there can be no assurance that the Pre-Kindergarten Legislation and compliance therewith will not adversely affect the District. Further, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Pre-Kindergarten Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District.

THE LESSOR

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.

REVENUE SOURCES OF THE DISTRICT

General

The following briefly describes revenues available to the District for operating and capital purposes. There have been several constitutional amendments and actions of the Florida Legislature which have limited these revenues. For information concerning such matters as

financial results of the District, ad valorem tax collections and certain District liabilities, see “AD VALOREM TAX PROCEDURES,” “SELECTED FINANCIAL INFORMATION” and “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2011.”

Operating Revenues

The District derives its operating income from a variety of federal, State and local sources. The major categories of income sources for the operating funds of the District are briefly described below. The District’s funding from the State of Florida has been cut by \$139 million over the last three years. For Fiscal Year 2011-2012 the District’s funding from the State of Florida was cut by an additional \$110 million. In addition, the .25 mills authorized for critical operating needs, which was levied by the District in Fiscal Year 2010-2011, expired on June 30, 2011, resulting in a reduction of revenues by \$33 million. The District has made and expects to make major cuts to balance the budget. Non-recurring revenues have also been used to help balance the budget. These cuts will not affect the ability of the School Board to make the Lease Payments with respect to the Leases, including the Refinanced Leases, since operating revenues are not used for this purpose.

State Sources

Florida Educational Finance Program. The major portion of the District’s 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 student (“FTE”) basis and through a formula that take 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 variables comprising the formula. In addition, the level of State funding is adjusted during each year to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in the 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.

The FEFP revenues received by the District pursuant to the above formula, including the District’s local millage effort, for Fiscal Year 2010-2011 were approximately \$1.45 billion and are estimated to be \$1.39 billion in Fiscal Year 2011-2012.

FEFP Categorical Programs. FEFP categorical programs are lump-sum appropriations from the State intended to supplement local school district revenues in order to enhance educational and support services. Among the categorical programs for which the largest appropriations are made are the programs for school bus transportation, instructional materials and class size reduction. Allocations for these categorical appropriations are based on funding formulas and discretionary State Department of Education grants. The majority of funds available therefrom require actual appropriation by the School Board for the purposes for which they were provided. All of the categorical aid programs have been included in the FEFP with the exception of class size reduction.

Total State categorical aid for class size reduction was \$292 million for Fiscal Year 2010-11 and is estimated to be \$292.9 million for Fiscal Year 2011-12. See “THE SCHOOL BOARD AND THE DISTRICT – Constitutional Amendments Related to Class Size Reduction and Pre-Kindergarten Legislation” herein.

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 \$1 million of Discretionary Lottery revenues and \$13.0 million in Florida School Recognition revenue for Fiscal Year 2010-11 and has budgeted \$0.8 million of Discretionary Lottery revenues and \$12.1 million in Florida School Recognition revenue for Fiscal Year 2011-12.

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 \$61 million for Workforce Development in Fiscal Year 2010-11 and has budgeted approximately \$70 million for Fiscal Year 2011-12.

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 to 10 mills (\$10 per \$1,000 of taxable real and personal property value). Chapter 1011, Florida Statutes, as amended, 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 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 Department of Education and is referred to as the “Required Local Effort.”

In addition to the Required Local Effort, school districts are authorized to levy a non-voted current operating “discretionary millage” for operations, not to exceed an amount established annually by the State Legislature. In Fiscal Year 2008-2009, the discretionary millage for all school districts, including the District, was 0.498. For Fiscal Years 2009-2010, 2010-2011, and 2011-2012, the discretionary millage was 0.748 mills. In recent years, school districts in the State had been authorized to levy a supplemental discretionary millage in an amount not to exceed 0.25 mills. Such additional millage was intended to raise \$100 per full-time equivalent student. However, since Fiscal Year 2009-10 there has been no separate \$100 per student supplemental discretionary levy; instead it was included in the larger discretionary millage of 0.748 mills. District school boards may, by a super majority vote, levy an additional .25 mills for critical operating needs or for critical capital outlay needs. If the optional 0.25 mills

is levied for critical operating needs, districts in which 0.25 mills generate less than the State average are to be provided the difference in State funds allocated through the FEFP. In order for a school district to continue this levy after Fiscal Year 2010-11, the levy must have been approved by the voters of such school district in an election held at any time. Such voter approval would only authorize the levy for an additional two-year period. The District levied the additional .25 mills for critical operating needs in Fiscal Year 2010-11. However, District voters were not asked to authorize a continuation of the levy and the authorization for the levy expired on June 30, 2011. The expiration of the District's optional 0.25 mills will reduce revenues by \$33 million. Moneys generated from the levy of the Required Local Effort millage and the discretionary millage are not available to make Lease Payments on the Refinanced Leases.

Under the foregoing provisions, the District levied 5.931 mills for operating purposes for Fiscal Year 2009-2010, and 6.131 for Fiscal Year 2010-2011. The District's millage rate for operating purposes is 5.918 mills for Fiscal Year 2011-12. See "REVENUE SOURCES OF THE DISTRICT - Revenues for Capital Projects - Local Capital Outlay Sources" and "AD VALOREM TAX PROCEDURES – Historical Millages" herein.

Budgeted revenues from ad valorem taxes were historically based on applying millage levies to 95 percent of the non-exempt assessed valuation of real and personal property within the County. However, due to a change in applicable law, revenues derived from ad valorem property taxes are now required to be budgeted on the application of millage levies to ninety-six percent (96%) of the non-exempt assessed valuation of real and personal property within the County. For information relating to the levy of ad valorem taxes, see "AD VALOREM TAX PROCEDURES" herein.

The budget adopted by the Florida Legislature for Fiscal Year 2011-2012 will reduce revenues from the District's Required Local Effort by an estimated \$15.7 million and from discretionary millage by an estimated \$2.32 million.

The Legislative Office of Economic and Demographic Research of the Florida Legislature (the "EDR") projects declines in the assessed value of property subject to taxation by the District. Based on the EDR's December 3, 2010 Ad Valorem Estimating Conference report which used the July 1, 2010 certified estimate from the Broward County Property Appraiser's office, the District's adopted budget for Fiscal Year 2010-11 incorporated a decline in assessed property values of 12.5% from the prior year. The District's adopted budget for Fiscal Year 2011-2012 incorporates a further decline of 2.57% in assessed valuation of property. Declines in assessed valuation are expected to have a negative impact on revenues of the District from ad valorem taxes available for operations and capital outlay requiring reductions in the District's budget. However, the District projects that, even with the projected declines in assessed property valuations, it will be able to collect Capital Outlay Millage Revenues sufficient to make the Lease Payments related to all Outstanding Certificates, including the Series 2012A Certificates. See "RISK FACTORS - Capital Outlay Millage" herein.

Federal Sources

The District receives certain Federal moneys, both directly and through the State, substantially all of which are restricted for specific programs. Direct Federal revenue sources were approximately \$2.1 million in Fiscal Year 2010-11 and are projected to be \$2.1 million in Fiscal Year 2011-12. Federal funds through the State totaled \$7.1 million in Fiscal Year 2010-

11 and are projected to be \$7.1 million in Fiscal Year 2011-12. Such funds are not available to make Lease Payments on the Refinanced Leases.

Revenues for Capital Projects

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

State Sources

PECO. The primary source of State educational funding contributions for the District's capital outlay requirements historically has been the Florida Public Education Capital Outlay Program (PECO). The method of allocating funds to the various school districts within the State is provided by State law based upon a statutory formula, a component of which is the number of students in the various districts. The State Commissioner of Education administers PECO and allocates or reallocates funds as authorized by law. PECO funds of \$11.79 million were received by the District for Fiscal Year 2010-2011. Funding in the amount of approximately \$11.2 million is estimated for Fiscal Year 2011-2012.

CO&DS 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. The District received \$1.19 million of CO&DS funds in Fiscal Year 2010-2011 and has estimated receipt of \$1.21 million for Fiscal Year 2011-2012.

State Indebtedness on Behalf of the District

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.

Classrooms for Kids Program (Capital Outlay Class Size Reduction). Pursuant to Section 1013.735(1), Florida Statutes, the Florida Department of Education has allocated funding in the State's General Appropriations Act for capital outlay class size reduction. See "THE SCHOOL BOARD AND THE DISTRICT – Constitutional Amendments Related to Class Size Reduction and Pre-Kindergarten Legislation" and "RISK FACTORS – Capital Outlay Millage Revenue" and "- Legislative Changes" herein. The funds are to be expended for the construction, renovation, remodeling or repair of educational facilities that are in excess of projects identified in the DEFP adopted prior to March 12, 2003. The funds also may be used for the purchase of relocatable facilities that are in excess of the DEFP adopted prior to March 12, 2003. To participate in the Classrooms for Kids program, the District completed a certificate acknowledging that an Interlocal Agreement required by Section 1013.33, Florida Statutes, had been entered into and that the facilities records within the Florida Inventory of School Houses pursuant to Section 1013.31, Florida Statutes, were current and accurate.

Local Capital Outlay Sources

The Local Option Millage Levy. In addition to the millage levies for operating purposes, school boards may set an additional non-voted millage known as the “Local Option Millage Levy” for capital outlay and maintenance purposes. This levy may be used for specified capital outlay and maintenance purposes, including new construction and remodeling; site acquisition and site improvement; auxiliary or ancillary facilities; maintenance, renovation, and repair of existing school plants; school bus purchases; and amounts payable pursuant to lease purchase agreements for educational facilities and sites.

Proceeds of the Local Option Millage Levy may be used for payments due under lease purchase agreements for educational facilities and sites in an amount not to exceed three-fourths (75%) of the proceeds of the Local Option Millage Levy. Such 75% portion of the proceeds of the Local Option Millage Levy actually levied is referred to herein as the “Capital Outlay Millage Revenues.”

Reductions in Local Option Millage Levy. The Florida Legislature reduced the maximum amount of Local Option Millage Levy from 2.0 mills to 1.75 mills in 2008. In 2009 and 2010 the Florida Legislature enacted further amendments relating to the Local Option Millage Levy and the permitted use thereof for Lease Payments. The legislation provided for the following: (i) a reduction of the maximum Local Option Millage Levy from 1.75 mills to 1.50 mills; (ii) a waiver of the three-fourths limit on use of proceeds from the Local Option Millage Levy for lease-purchase agreements entered into before June 30, 2009 for the 2009-10 Fiscal Year; (iii) if the revenue from 1.50 mills is insufficient to make the payments due under a lease-purchase agreement entered into prior to June 30, 2009 or to meet other critical fixed capital outlay needs, authorization for school districts to levy up to 0.25 additional mills for capital improvement needs in lieu of an equivalent amount of the discretionary mills for operations as provided in the State General Appropriation Act; and (iv) authorization for school boards, by a super majority vote, to levy an optional 0.25 mills for critical capital outlay needs or for critical operating needs, which expired on June 30, 2011. See “REVENUE SOURCES OF THE DISTRICT – Recent Legislation and Constitutional Amendments Concerning Ad Valorem Taxes,” and “RISK FACTORS - Capital Outlay Millage Revenues” herein.

The District assessed a capital outlay and maintenance levy of 1.75 mills in Fiscal Year 2008-2009 and assessed the maximum amount of the levy, 1.5 mills, in Fiscal Years 2010-2011 and 2011-2012. For the five years prior to 2008 the District assessed a Local Option Millage Levy of 2.0 mills.

In conjunction with the reduction of the Local Option Millage Levy described in clause (i) hereof, the State's Commissioner of Education has increased the amount of the basic discretionary millage for each school district in the State, which results in a shift of the millage (and associated tax revenues) from capital outlay and maintenance purposes to operational purposes. The reduction of the maximum permitted Local Option Millage Levy will therefore directly reduce the amount of funds available to make Lease Payments with respect to certificates of participation issued in connection with the Master Lease unless action is taken pursuant to clauses (iii) or (iv) to levy an additional 0.25 mills for capital purposes. The District did not levy an additional 0.25 mills for critical capital needs in Fiscal Year 2009-2010 pursuant to the authorization described in clause (iv) above. The District levied the additional 0.25 mills

for critical operating needs, not capital needs, for Fiscal Year 2010-11, and the authority to levy the additional 0.25 mills under clause (iv) expired on June 30, 2011.

The Local Option Millage Levy constitutes the primary source of funds to make lease payments in respect of the Series 2012A Certificates. The District is not required to levy any millage for capital outlay purposes in the future. Since the Capital Outlay Millage Revenues from the Local Option Millage Levy may be used for, but are not pledged to, the payment of Basic Lease Payments under the Refinanced Leases, the failure of the District to levy all or a portion of the Local Option Millage Levy would have an adverse effect on available revenues from which the School Board may appropriate funds to make Basic Lease Payments.

Projected declines in assessed valuation of property subject to ad valorem taxation are likely to have a negative impact on revenues of the District from ad valorem taxes, including Capital Outlay Millage Revenues. However, the District projects that, even with the projected declines in assessed property valuations, it will be able to collect Capital Outlay Millage Revenues sufficient to make the Lease Payments related to all Outstanding Certificates, including the Series 2012A Certificates. See “Local Option Millage Levy Required to Cover Combined Maximum Annual Basic Lease Payments” below. Also see “RISK FACTORS - Capital Outlay Millage” herein and “APPENDIX A – General Information Concerning Broward County, Florida.” If the District is required to share its Local Option Millage Levy with charter schools, as proposed in pending legislation, it would have an adverse impact on the District’s funding of new capital projects for non-charter schools. However, the District does not expect such loss in revenue to ultimately affect its ability to make Lease Payments. See “RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES – Legislation.”

Local Option Millage Levy Required to Cover Combined Maximum Annual Basic Lease Payments

The table below sets forth the estimated Local Option Millage Levy that would provide 1.00x coverage of the maximum annual Basic Lease payment represented by the Outstanding Certificates and the Series 2012A Certificates (referred to in this table as the “Outstanding Certificates”), assuming a collection rate of 96% of the Local Option Millage Levy.

**Anticipated Local Option Millage Levy
Required to Cover Combined Maximum Annual Basic Lease Payments
Represented by the Outstanding Certificates**

Fiscal Year 2011-2012

Net Taxable Assessed Valuation	\$ ⁽¹⁾
Funds generated from Local Option Millage Levy assuming a levy of 1.50 mills	\$ ⁽²⁾
Local Option Millage Levy Legally Available to make Lease Payments assuming 75% of the 1.50 mills is Available	\$
Maximum Combined Annual Lease Payment represented by the Outstanding Certificates	\$ ⁽³⁾
Minimum Millage Required to Produce 1.00x Coverage of Maximum Annual Basic Lease Payments represented by the Outstanding Certificates	mills ⁽²⁾⁽³⁾
Minimum Local Option Millage Levy Required under Applicable Law to Produce 1.00x Coverage of Maximum Annual Basic Lease Payments represented by the Outstanding Certificates ⁽³⁾	mills ⁽⁴⁾

Source: The School District of Broward County, Florida.

- (1) 2011 tax year, based on July 1, 2011 valuation of the Broward County Property Appraiser; prior to adjustments on appeals from taxpayers. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES" and "RISK FACTORS - Capital Outlay Millage Revenues" for information concerning recently adopted constitutional amendments and legislation and other factors that could adversely impact future taxable assessed valuation.
- (2) This number calculated using 96% of the net taxable assessed valuation. For information regarding factors that could adversely affect Capital Outlay Millage Revenues see "RISK FACTORS - Capital Outlay Millage Revenues" and the assumptions noted in "CERTIFICATE PAYMENT SCHEDULE FOR OUTSTANDING CERTIFICATES" herein.
- (3) Based on (i) an assumed interest rate of 4.85% for the Series 2004D Certificates, based upon the fixed rate under the Swap Agreement relating thereto, plus remarketing, liquidity and other fees; (ii) an assumed interest rate of 4.00% for the Series 2005B Certificates; (iii) an assumed interest rate of 5.00% for the Series 2006B Certificates, based upon the fixed rate under the Swap Agreement relating thereto, plus remarketing, liquidity and other fees; (iv) a 35% interest subsidy on the interest portion of the Series 2009A Certificates issued as Build America Bonds; and (v) a 100% interest subsidy up to the tax credit rate of 5.25% for qualified school construction bonds with respect to the Series 2010A Certificates. See "CERTIFICATE PAYMENT SCHEDULE FOR OUTSTANDING CERTIFICATES" and "RISK FACTORS - Interest Rate Exchange Agreements" herein. Maximum Annual Combined Lease Payments occur in year 2025, based on certain assumptions as further described in footnotes 3 and 4 of "CERTIFICATE PAYMENT SCHEDULE FOR OUTSTANDING CERTIFICATES" herein.
- (4) Assumes only three-fourths of such levy is available to make Lease Payments. See "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES - Legislation - Reduction in Local Option Millage Levy" herein for information regarding certain legislation that reduced the maximum Local Option Millage Levy available to make Lease Payments on the Outstanding Certificates to 1.50 mills (formerly 1.75 mills for Fiscal Year 2008-2009 and 2.00 mills for prior Fiscal Years).

The aggregate Lease Payments represented by the Outstanding Certificates are greater than the total legally available Capital Outlay Millage Revenues based on the 2011 tax year. The Capital Outlay Millage Revenues available in 2011 have been adversely affected by the severe declines in property values over the past three years. However, the District projects that, even with the current and projected declines in assessed property valuations, it will have legally available revenues sufficient to make the Lease Payments related to all Outstanding Certificates, including the Series 2012A Certificates. See "RISK FACTORS - Capital Outlay Millage Revenues" herein.

Other Revenues for Capital Projects

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. 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.

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 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. Impact fees may only be used to pay for facilities in the service area where the impact fees were collected.

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

<u>Fiscal Year</u>	<u>Revenues⁽¹⁾</u>
2006-07	6,855,047
2007-08	2,687,296
2008-09	497,725
2009-10	2,239,612
2010-11	

Source: The School District of Broward County, Florida.

(1) Revenue declines in 2007 to 2010 are principally the result of reduced construction activity in Broward County during those years.

The District has budgeted impact fee revenues of approximately \$1.4 million for Fiscal Year 2011-2012. 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.

General Obligation Debt.

In addition to the Local Option Millage Levy, qualified electors, by referendum, may vote an additional millage levy for District operation and capital outlay purposes, as prescribed by the Florida constitution and applicable statutes. Qualified electors within the District may authorize the issuance of general obligation bonds to be retired by a millage levy. The District currently has no general obligation bonds outstanding.

The District currently has no issuance capacity remaining under its general obligation school bond authorization for new projects. The approval of the majority of the qualified electors voting in a new referendum would be required to issue additional general obligation debt for school construction and renovation. Principal and interest on any authorized and outstanding general obligation bonds would be paid from ad valorem school district taxes levied on all taxable real and personal property within the District, excluding exempt property as required by Florida law. See “SELECTED FINANCIAL INFORMATION – Outstanding Debt” and “AD VALOREM TAX PROCEDURES” herein.

Federal Stimulus Revenues.

The District's budget for Fiscal Year 2009-2010 included federal targeted stimulus funds, as provided in the Recovery Act. These funds included \$87.2 million of the state fiscal stabilization funds provided to the State of Florida, which were included by the State in its FEFP funding. This was not new funding to the District as the State reduced its funding by that same amount. The District also received federal stimulus funds in Fiscal Year 2010-2011 in the amount of \$64.5 million in order to support exceptional education students in the District, \$49.7 million to support low socio-economic students, \$4.3 million in federal workforce development funds, and about \$1.3 million in other stimulus funds. The District received [\$43.3] million in federal workforce development funds in Fiscal Year 2010-2011. The District does not expect to receive any further federal targeted stimulus funding in Fiscal Year 2011-2012 or subsequent years.

RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES

Proposed Constitutional Amendments Concerning Ad Valorem Tax Exemptions

There have been numerous amendments to the Constitution of the State of Florida affecting ad valorem property taxes, and in the 2011 legislative session the Florida legislature approved legislation to seek voter approval of additional changes to the Florida constitution as it relates to ad valorem real property taxes. If approved at the November 2012 presidential election by at least sixty percent of the voters voting these changes would, (1) expand the availability of the property tax discount on the homesteads of certain disabled veterans to include veterans who were not residents of the State of Florida when they entered the military, (2) authorize the Legislature to provide that the assessed value of homestead property may not be increased if the just value of the property is less than the just value of the property in the prior year, (3) for levies other than school district levies, reduce the maximum permitted increase in assessments of other real property from ten percent (10%) to five percent (5%) and authorize the Legislature to provide that the assessed value may not be increased if the just value of the property is less than the just value in the prior year, and (4) for levies other than school district levies, provide

purchasers of homestead property who have not owned homestead property in the last three years an additional exemption. At present, the impact of any such proposals, if approved, on the District's finances cannot be accurately ascertained.

Proposed Constitutional Amendments Concerning Cap on State Revenues

In addition, the Florida Legislature approved a bill to seek voter approval in the November 2012 presidential election of a change to the Florida constitution which would replace the current limit on State revenues in the Florida constitution with a new limit. If approved in November, State revenues would be limited to State revenues collected in the prior fiscal year multiplied by an adjustment for growth factor based on inflation and population. State revenues include taxes, fees, licenses fines and charges for services imposed by the State Legislature, excluding revenues needed to meet requirements for bonds issued by the State prior to July 1, 2012, certain revenues for matching funds for Medicaid, lottery proceeds paid out as prizes, receipts of Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation, receipts of public universities and colleges and other miscellaneous identified receipts. If approved the revenue cap may be increased (i) by the Legislature as set forth in the proposed amendment, (ii) by approval of at least sixty percent of the voters voting at a general election held within ninety days if approved by a vote of three-fifths of the Legislature, or (iii) at a special election if authorized by three-fourths of the Legislature. In addition, the Legislature would be required to adjust the cap to provide for adjustments by general law to reflect the fiscal impact of transfers of responsibility to the State after May 6, 2011 and to reflect any new federal mandates. Revenues in excess of this limit would be deposited to a State Stabilization Fund up to the maximum as provided in the State constitution. Thereafter the excess would be used to reduce the minimum financial effort required from school districts for participation in the state funded education finance program, or returned to taxpayers. The staff reports related to this proposed amendment indicate that the limits as amended would be lower than the current revenue cap in the Florida constitution but not lower than the current State revenues being restricted. At present, the impact of any such proposals, if approved, on the District's finances cannot be accurately ascertained.

Legislation

Reduction in Local Option Millage Levy. In its 2008 session, the Florida Legislature amended Section 1011.71(2), Florida Statutes, to reduce the maximum millage rate that school districts may levy for capital outlay and maintenance purposes (referred to in this Offering Statement as the Local Option Millage Levy) from 2.0 mills to 1.75 mills commencing with Fiscal Year 2008-2009.

Additional amendments to Section 1011, Florida Statutes, enacted in 2009 and 2010 include the following: (i) a reduction of the maximum Local Option Millage Levy from 1.75 mills to 1.50 mills; (ii) if the revenue from 1.50 mills is insufficient to make the payments due under a lease-purchase agreement entered into prior to June 30, 2009 or to meet other critical fixed capital outlay needs, authorization for school districts to levy up to 0.25 additional mills for capital improvement needs in lieu of an equivalent amount of the discretionary mills for operations as provided in the State General Appropriation Act; and (iii) authorization for school boards, by a super majority vote, to levy an optional 0.25 mills for critical capital outlay needs or for critical operating needs. If used for operations, districts in which 0.25 mills generate less

than the State average are to be provided the difference in State funds allocated through the FEFP.

In order for a school district to continue the levy described in clause (iii) above beyond Fiscal Year 2010-2011, the levy must have been approved by the voters of such school district, which voter approval would have only authorized the levy for an additional two-year period. Such levy was not submitted to the voters of the District; consequently the authorization for the School Board to levy the additional 0.25 mills has expired.

In conjunction with the reduction of the Local Option Millage Levy described above the State's Commissioner of Education has increased the amount of the basic discretionary millage for each school district in the State, which results in a shift of the millage (and associated tax revenues) from capital outlay and maintenance purposes to operational purposes. The reduction of the maximum permitted Local Option Millage Levy will therefore directly reduce the amount of funds available to make Lease Payments with respect to certificates of participation issued in connection with the Master Lease unless action is taken pursuant to clause (ii) above to levy an additional 0.25 mills for capital purposes.

Senate Bill 1852 has been introduced in the Florida Senate during the current session of the Florida legislature. In its current form, Senate Bill 1852 provides that each school district must annually proportionately share the revenue generated by the Local Option Millage Levy with the charter schools in such district on a per-student basis or be subject to the FEFP recalculation to provide for this allocation to the charter schools in the school district. The current House of Representatives version of the legislation (House Bill 902) does not contain a provision requiring such revenue sharing. It is uncertain at this time which version of the legislation, if any, will be passed by the Legislature. However, if legislation is enacted containing the provision requiring each school district to share its Local Option Millage Levy revenues with the charter schools in such district, it is currently estimated that the District would be required to provide approximately \$_____ of its Local Option Millage Levy revenues to such charter schools for Fiscal Year 2012-2013. Providing such revenue to the charter schools would likely have an adverse impact on the District's funding of new capital projects for non-charter schools. However, the District does not expect such loss in revenue to ultimately affect its ability to make Lease Payments under the Master Lease.

As further discussed in "REVENUE SOURCES OF THE DISTRICT - Operating Revenues - Local Capital Outlay Sources," the Local Option Millage Levy constitutes the primary source of funds to make Lease Payments in respect of the Series 2012A Certificates, as well as any other Certificates issued in connection with the Master Lease. Accordingly, any such reductions in the maximum Local Option Millage Levy, or any required sharing of any portion thereof with charter schools, may therefore directly reduce the amount of funds available to make Lease Payments and may adversely impact the District's ability to finance additional educational facilities under the Master Lease in the future. See "RISK FACTORS - Capital Outlay Millage Revenues" herein.

AD VALOREM TAX PROCEDURES

General

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

Local ad valorem property taxes are levied by the application of the millage rate to the assessed valuation of non-exempt property within the County. Under the laws of the State, the assessment of all taxable real and tangible personal property and the collection of all county, municipal and school district property taxes are consolidated in the office of the County Property Appraiser and County Tax Collector.

The following uses of real property are generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary and governmental. In addition, there are special exemptions for widows, hospitals, nursing homes, certain disabled persons, homesteads, homes for the aged, disabled veterans, and low-income senior citizens, and there are additional exemptions authorized by the Constitution of the State of Florida which may be enacted by the State of Florida. Agricultural land, noncommercial recreational land, inventory and livestock are assessed at less than 100% of fair market value.

The "homestead exemption" exempts from taxation the first \$25,000 of the assessed valuation of a residence occupied by the owner on a permanent basis as of January 1 of the year of valuation. Under Florida law, local jurisdictions have the option of granting an additional homestead exemption for low-income senior citizens. The Broward County Board of County Commissioners approved the senior exemption on November 9, 1999, effective November 1, 2001, to provide an additional \$25,000 homestead exemption for a residence occupied by a qualifying senior citizen on a permanent basis as of January 1 of the year of valuation.

Constitutional Amendments

In addition to the proposed constitutional amendments described above at "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES," there have been numerous amendments to the Florida constitution affecting ad valorem tax revenues, as further described below.

Save Our Homes Amendment

By voter referendum held on November 3, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year or (2) 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. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership of homestead property or upon termination of homestead status, such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or

improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. Because of the offsetting impact of new residential construction within the County on assessed just value of homestead property, the amount of the adverse impact of such amendment on the collection of ad valorem taxes, if any, cannot be accurately ascertained.

In the November 7, 2006 general election, the voters of Florida approved amendments to the State Constitution which provide for an increase in the homestead exemption to \$50,000 from \$25,000 for certain low-income seniors, effective January 1, 2007, and provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans, effective December 7, 2006. To date, such amendments have not produced any significant negative impact on the District's collection of ad valorem taxes.

January 2008 Amendments

In the January 29, 2008 special election, the voters of Florida approved amendments to the State Constitution that exempt certain portions of a property's assessed value from taxation, and in certain cases limit increases in assessed value of non-homestead property. The following is a brief summary of certain important provisions contained in such amendments:

1. Provides for an additional \$25,000 exemption for the assessed value of homestead property to increase the homestead exemption to \$50,000 (for property owners using the standard homestead exemption, thus doubling the existing homestead exemption for property with an assessed value equal to \$50,000 or greater) and \$75,000 (for property owners eligible to use one of the special homestead exemptions and having property with an assessed value equal to or greater than \$75,000). See "AD VALOREM TAX PROCEDURES - General" for a description of the homestead exemption. This exemption does not apply to school district taxes.

2. Permits owners of homestead property to transfer their "Save Our Homes" benefit (up to \$500,000) 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. See "AD VALOREM TAX PROCEDURES - General" for a description of the "Save Our Homes" benefit. This exemption applies to all taxes, including school district taxes.

3. Exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax. This limitation applies to all taxes, including school district taxes.

4. Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases would be in effect for a 10 year period, subject to extension by an affirmative vote of electors. This limitation does not apply to school district taxes.

The amendments are effective for the 2008 tax year (2008-2009 fiscal year for local governments). While certain members of the Florida Legislature publicly indicated that they would seek to replace the ad valorem revenues lost by school districts with other revenue sources, the Florida Legislature approved significant budget cuts for education during recent legislative sessions. No assurances can be given that further cuts will not be made. See “RISK FACTORS – State Revenues” herein.

November 2008 Amendments

In the November 4, 2008 general election the voters of Florida approved amendments to the State Constitution providing the Florida Legislature with authority to enact exemptions or special assessment protections for certain types of property subject to ad valorem taxation, including exemptions for conservation lands and residential wind damage resistance and renewable energy source improvements, and restrictions on the assessment of working waterfront properties.

November 2010 Amendment

In the November 2, 2010 general election the voters of Florida approved an amendment to Article VII, Section 4 of the State Constitution which will provide an additional homestead exemption to members of the military deployed on active duty outside the US during the preceding year equal to the portion of the year that they were so deployed. This constitutional amendment took effect on January 1, 2011. At this time it is impossible to estimate with any certainty the level of impact that this constitutional amendment may have on the District.

Legal Challenges

From time to time over the last few years, the “Save Our Homes” assessment cap and portability provision described above have been subject to legal challenge. The plaintiffs in such cases have generally argued that the “Save Our Homes” assessment cap constitutes an unlawful residency requirement for tax benefits on substantially similar property, in violation of the State Constitution’s Equal Protection provisions and the Privileges and Immunities Clause of the Fourteenth Amendment to the United States Constitution and that the portability provision simply extends the unconstitutionality of the tax shelters granted to long-term homeowners by “Save Our Homes.” The courts in each case have rejected such constitutional arguments and upheld the constitutionality of such provisions. However, there is no assurance that any future challenges to such provisions will not be successful. Any potential impact on the District or its finances as a result of such challenges cannot be ascertained at this time.

Property Assessment Procedure

The laws of the State require that all taxable real and tangible personal property must be assessed at fair market value, with some exceptions. Real and personal property valuations are determined each year as of January 1 by the County Property Appraiser’s Office. The County Property Appraiser submits the tax roll to the Florida Department of Revenue for review and determination of, among other things, whether the tax roll meets the requirements of State law regarding just valuation. Each taxpayer is given notice by mail of the proposed property taxes

and the assessed property value for the current year, and the dates, times and places at which budget hearings are scheduled to be held.

The property owner has the right to file an appeal of the determination of assessed value with the Value Adjustment Board (the “Adjustment Board”), which considers petitions relating to assessments and exemptions. The Adjustment Board is composed of members of the School Board and the Board of County Commissioners. The decision of the Adjustment Board may be appealed to the Circuit Court. The Adjustment Board certifies the assessment roll upon completion of the hearing of appeals to it. Millage rates are then computed by the various taxing authorities and certified to the County Property Appraiser, who applies the millage rates to the assessment roll. This procedure creates the tax roll, which is then certified and turned over to the County Tax Collector.

In 2011, the Florida Legislature created Section 194.104, Florida Statutes, which now requires that taxpayers appealing the assessed value or assigned classification of their property must make a required partial payment of taxes on properties that will have a petition pending on or after the delinquency date (normally April 1). The new statute further provides that a taxpayer’s failure to make the required partial payment before the delinquency date (normally April 1) will result in the denial of the taxpayer’s petition.

The following table reflects the assessed value of the County’s taxable property during the last ten fiscal years in thousands.

Broward County, Florida
Net Assessed Value of Taxable Property
Last Ten Fiscal Years (in thousands)

Fiscal Year Ended June 30	Assessed Value⁽¹⁾		Exemptions⁽²⁾		Net Assessed Value
	Real Property	Personal Property	Real Property	Personal Property	
2002	96,746,510	7,361,194	22,132,853	107,046	81,867,806
2003	113,848,917	7,680,054	29,375,911	108,446	92,044,614
2004	133,033,884	7,904,298	36,863,946	97,406	103,976,830
2005	152,761,535	7,736,460	44,300,477	107,407	116,090,111
2006	182,205,008	7,858,592	56,377,574	113,389	133,572,637
2007	228,312,740	8,133,702	77,337,384	83,781	159,025,277
2008	255,456,494	7,983,385	86,564,782	104,821	176,770,276
2009	239,733,615	7,993,405	70,349,768	160,322	177,216,930
2010	202,144,709	7,955,487	50,824,776	189,290	159,086,130
2011	171,869,596	7,732,226	40,219,956	187,099	139,194,767

Source: The School Board of Broward County, Florida Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2011, citing Broward County Property Appraiser.

- (1) The basis of assessed value is approximately 100% of actual value. Assessed values are projected to decline. See “RISK FACTORS - Capital Outlay Millage Revenues” herein.
- (2) Exemptions allowed by Florida Statutes, Chapter 196.

The County assesses and collects all ad valorem taxes within the County. While only one tax bill per property owner emanates from the County, the bill represents ad valorem taxes levied by the County, the District and other taxing authorities.

Millage Rates

The Florida Constitution limits the aggregate of ad valorem taxes that may be levied on real and personal property. The limitation for all County, municipal and school purposes is ten mills each, with certain limited exceptions. The millage limitation is not applicable to taxes levied for the payment of bonds approved by the voters or bond issues to refund such bonds at a lower net average interest rate. Further, the millage limitation does not apply to taxes established by the voters for special tax district purposes.

Section 1011.71, Florida Statutes, requires that participation by a school district in the State allocation of school funds be conditioned upon the levy of lower millage rates than those prescribed by law, which includes certain discretionary components. See “REVENUE SOURCES OF THE DISTRICT – Operating Revenues – Local Sources” for discussion of the millage limitation described above.

Each respective millage rate, except as limited by law, is set on the basis of estimates of revenue needs and the total taxable property valuations within the taxing authority’s respective jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. In setting millage rates, the District is required by State law to assume a 96% tax collection rate.

Historical Millages

The following table contains the tax millage rates of the District for the last five fiscal years:

The School District of Broward County, Florida					
Tax Millage Rates					
	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
<u>General Fund:</u>					
Required Local Effort	4.8150	5.0190	5.1830	5.3830 ⁽¹⁾	5.1700
Discretionary	<u>0.6620</u>	<u>0.6480</u>	<u>0.7480</u>	<u>0.7480</u>	<u>0.7480</u>
Sub Total	5.4770	5.6670	5.9310	6.1310	5.9180
Debt Service	0.1714	0.0000	0.0000	0.0000	0.0000
Capital Improvement	<u>2.0000</u>	<u>1.7500</u>	<u>1.5000</u>	<u>1.5000</u>	<u>1.5000</u>
Total	<u>7.6484</u>	<u>7.4170</u>	<u>7.4310</u>	<u>7.6310</u>	<u>7.4180</u>

Source: The School District of Broward County, Florida.

(1) Includes critical need operating millage of 0.25 mills.

Pursuant to Article VII of the Constitution of the State of Florida, the District may not levy ad valorem taxes, exclusive of voted taxes levied for the payment of bonds, in excess of 10 mills. The District has levied 7.4180 non-voted mills for the Fiscal Year ending June 30, 2012.

Truth in Millage Bill

The 1980 Florida Legislature enacted the Truth in Millage Bill (the “Trim Bill”) requiring that only legislative bodies, including school districts, fix the millage rate, and requiring that all property be assessed at 100% of just value. The Trim Bill prohibits the millage for taxing authorities from being set by referendum. The following table sets forth the tax rates in dollars per \$1,000 of taxable valuation for the County for the fiscal years 2002 through 2011.

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**Property Tax Rates
Direct and Overlapping Governments
For Last Ten Fiscal Years**

<u>Fiscal Year Ended September 30</u>	<u>County</u>	<u>Schools</u>	<u>Special Taxing Districts⁽¹⁾</u>	<u>Total</u>
2002	7.4005	8.7541	.6970	16.8516
2003	7.3650	8.8825	.6970	16.9445
2004	7.1880	8.4176	.6970	16.3026
2005	7.0230	8.2695	.6970	15.9895
2006	6.7830	8.0623	.6970	15.5423
2007	6.0660	7.8687	.6970	14.6317
2008	5.2868	7.6484	.6240	13.5592
2009	5.3150	7.4170	.6240	13.3560
2010	4.8890	7.4310	.6240	12.9440
2011	5.1020	7.6310	.6240	13.3570

Source: School Board of Broward County, Florida Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2011, citing Broward County Property Appraiser.

(1) Includes South Florida Water Management and Florida Inland Navigation Districts.

Collection of Ad Valorem Taxes

All taxes are due and payable on November 1 of each year or as soon thereafter as the tax roll is certified and delivered to the County Tax Collector. A notice is mailed to each property owner on the tax roll for the taxes levied by the County, the District and other taxing authorities. Taxes may be paid upon receipt of such notice with discounts at the rate of 4% if paid in the month of November; 3% if paid in the month of December; 2% if paid in the month of January; and 1% if paid in the month of February. Taxes on real and personal property generally become delinquent on April 1 of the year following the year in which they are levied. All taxes collected are remitted by the County Tax Collector to the governmental unit levying the taxes.

Delinquent real property taxes bear interest at the rate of 1.5% per month from April 1, or within sixty (60) days after the mailing of the original tax notice of the final tax rate, whichever is later, until a certificate is sold at auction, from which time the interest rate will be as bid by the buyer of the tax certificate. Delinquent tangible personal property taxes also bear interest at a rate of 1.5% per month from April 1 until paid. Tax certificates for 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.

State law provides that tax liens are superior to all other liens, except prior United States Internal Revenue Service liens. The Tax Collector advertises once each week for four consecutive weeks and sells tax certificates to the lowest bidder, based on the interest rate bid, commencing on or before June 1 for unpaid tax bills. Tax certificates not sold at auction convert to County ownership.

If the owner of real property subject to a tax certificate does not redeem the certificate within two years, the holder of the certificate is entitled to apply for a tax deed of sale and the highest bidder at such sale receives a tax deed for the property subject to the tax certificate. To

redeem a tax certificate, the owner of the property must pay all delinquent taxes, the interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate bid on the tax certificate from the date of the sale of the tax certificate to the date of redemption. The interest rate on a tax certificate is a minimum of five percent, unless the interest bid on the certificate is a lower rate.

The face value of all tax certificates, including taxes owed the District, which converted to County ownership following the auction of such certificates during each of the last five years is as follows:

<u>Tax Sale Year</u>	<u>Held by County on June 1</u>
2007	883,709
2008	138,260
2009	182,343
2010	160,969
2011	

Source: Broward County Tax Collector.

All District taxes are collected for the District by the County Tax Collector. The County Tax Collector is required to distribute taxes collected to each taxing authority at least four times during the first two months after the tax roll comes into its possession and once per month thereafter, unless the County and the taxing authority agree to a different schedule.

Moneys representing debt service millage are credited to the District's debt service funds. Moneys representing capital millage are credited to accounts within the District's Capital Projects Fund. The table below sets forth ad valorem tax levies and tax collections for the periods shown. As noted above under "REVENUE SOURCES OF THE DISTRICT," historical collections may not be indicative of future ad valorem tax collections.

The School District of Broward County, Florida
Property Tax Levies and Collections
(In Thousands)

<u>Fiscal Year Ended June 30</u>	<u>Total Tax Levy</u>	<u>Less Adjustments</u>		<u>Net Tax Levy</u>	<u>Total Tax Collections Through June 30</u>	<u>Percent of Total Tax Collections To Net Tax Levy</u>
		<u>Deductions⁽¹⁾</u>	<u>Discounts⁽²⁾</u>			
2007	1,251,323	6,739	40,646	1,203,938	1,194,144	99.19
2008	1,352,010	9,019	42,928	1,300,063	1,289,033	99.15
2009	1,314,419	6,670	42,216	1,265,533	1,249,478	98.73
2010	1,182,168	12,390	38,689	1,131,089	1,115,273	98.60
2011	1,062,192	10,880	35,658	1,015,654	1,004,118	98.86

Source: The School District of Broward County, Florida, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010.

(1) Deductions reflecting adjustments by Value Adjustment Board.

(2) Reflects discounts for early payment.

SELECTED FINANCIAL INFORMATION

Following is selected financial information regarding the District. For more detailed financial information concerning the District, see “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2011.”

General

The Association of School Business Officials International has awarded the District a Certificate of Excellence in Financial Reporting for the past twenty-eight consecutive years and, for the last fifteen 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 and agency 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.

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 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, PECO distributions, State Classrooms First program distributions, and State Classrooms for Kids program distributions. See “REVENUE SOURCES OF THE DISTRICT” for a description of the revenues available to the District for operating and capital needs.

Revenues and Expenditures

The following table shows revenues, expenditures and changes in fund balances for all governmental fund types, on a combined and condensed basis, for the past five Fiscal Years.

The School District of Broward County, Florida
Combined-Condensed Schedule of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
(In Thousands)
For the Fiscal Years Ended June 30

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
REVENUES:					
Local Sources:					
Ad valorem taxes	\$ 1,197,247	\$ 1,293,158	\$ 1,258,970	\$ 1,129,024	\$1,016,239
Food sales	29,663	29,461	27,896	24,794	23,025
Interest income and other	<u>33,350</u>	<u>119,777</u>	<u>101,359</u>	<u>66,431</u>	<u>70,874</u>
Total Local Sources	<u>1,360,260</u>	<u>1,442,396</u>	<u>1,388,225</u>	<u>1,220,249</u>	<u>1,110,138</u>
State Sources:					
Florida education finance program	679,652	616,014	486,418	502,051	611,112
Discretionary lottery funds	10,833	13,012	6,608	749	1,003
Public education capital outlay	19,626	42,761	25,570	10,894	5,000
Classrooms for kids	--	62,957	--	--	--
Other	<u>342,176</u>	<u>397,823</u>	<u>389,270</u>	<u>326,109</u>	<u>334,929</u>
Total State Sources	<u>1,052,287</u>	<u>1,132,567</u>	<u>907,866</u>	<u>839,803</u>	<u>952,044</u>
Federal Sources:					
Food service	45,381	51,096	55,767	62,534	65,604
Other	<u>188,273</u>	<u>185,369</u>	<u>196,824</u>	<u>352,119</u>	<u>387,888</u>
Total Federal Sources	<u>233,654</u>	<u>236,465</u>	<u>252,591</u>	<u>414,653</u>	<u>453,492</u>
Total Revenues	<u>2,646,201</u>	<u>2,811,428</u>	<u>2,548,682</u>	<u>2,474,705</u>	<u>2,515,674</u>
EXPENDITURES:					
Current Operating:					
Total Instructional Services	1,364,798	1,427,580	1,455,381	1,396,303	1,440,371
Instructional support services	249,491	254,565	258,476	239,841	221,500
Pupil transportation services	83,450	89,126	88,616	97,486	89,432
Operation and maintenance	242,697	247,274	247,376	242,354	238,992
School administration	127,287	130,432	131,907	129,519	129,971
General administration	124,842	116,385	107,400	99,396	102,259
Food services	<u>83,855</u>	<u>87,492</u>	<u>86,656</u>	<u>83,625</u>	<u>89,138</u>
Total current operating	<u>2,276,510</u>	<u>2,352,854</u>	<u>2,375,812</u>	<u>2,288,524</u>	<u>2,311,663</u>
Debt Service:					
Principal retirement	102,083	106,839	89,484	79,303	79,553
Interest charges and other	<u>96,128</u>	<u>107,318</u>	<u>103,359</u>	<u>101,653</u>	<u>98,668</u>
Total debt service	<u>198,211</u>	<u>214,157</u>	<u>192,843</u>	<u>180,956</u>	<u>178,221</u>
Capital outlay	<u>485,903</u>	<u>460,678</u>	<u>479,578</u>	<u>249,683</u>	<u>121,163</u>
Total Expenditures	<u>2,960,624</u>	<u>3,027,689</u>	<u>3,048,233</u>	<u>2,719,163</u>	<u>2,611,047</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (314,423)</u>	<u>\$ (216,261)</u>	<u>\$ (499,551)</u>	<u>\$ (244,458)</u>	<u>\$ (95,373)</u>

For the Fiscal Years Ended June 30

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
OTHER FINANCING SOURCES					
Proceeds from capital leases	\$ --	\$ 10,896	\$ 16,972	\$ 8,902	\$ --
Proceeds of bonds sold	40,757	4,875	--	4,217	6,995
Premium (discount) on long-term debt	--	4,627	(816)	--	10,048
Proceeds from sale of fixed assets and	217	386	3,211	626	2,001
Proceeds of Certificates of Participation	286,320	270,560	133,963	--	227,155
Payments to refund Bond escrow accounts	(41,396)	--	--	(3,001)	(191,035)
Loss recoveries	2,928	200	198	7,116	2,289
Operating transfers in	230,279	260,734	353,096	251,564	251,274
Operating transfers out	<u>(230,279)</u>	<u>(260,734)</u>	<u>(281,849)</u>	<u>(251,564)</u>	<u>(251,274)</u>
Total Other Financing Sources	<u>288,826</u>	<u>291,544</u>	<u>224,775</u>	<u>17,860</u>	<u>57,453</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)					
Expenditures and Other Financing Uses	<u>(25,597)</u>	<u>75,283</u>	<u>(274,776)</u>	<u>(226,598)</u>	<u>(37,920)</u>
Fund Balances, Beginning of Year	<u>1,035,111</u>	<u>1,009,514</u>	<u>1,084,797</u>	<u>810,021</u>	<u>583,423</u>
Fund Balances, End of Year	<u>\$1,009,514</u>	<u>\$ 1,084,797</u>	<u>\$ 810,021</u>	<u>\$ 583,423</u>	<u>\$ 545,503</u>

Source: The School District of Broward County, Florida.

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The following table shows revenues, expenditures and changes in fund balances for the General Fund for the past five Fiscal Years.

The School District of Broward County, Florida Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund (In Thousands) For the Fiscal Years Ended June 30					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
REVENUES:					
Local Sources:					
Ad valorem taxes	\$ 864,254	\$ 926,121	\$ 961,492	\$ 900,582	\$ 818,624
Interest income and other	<u>65,137</u>	<u>81,015</u>	<u>67,332</u>	<u>54,831</u>	<u>55,140</u>
Total Local Sources	<u>929,391</u>	<u>1,007,136</u>	<u>1,028,824</u>	<u>955,413</u>	<u>873,764</u>
State Sources:					
Florida education finance program	679,652	616,014	486,418	502,051	611,112
Other	<u>336,644</u>	<u>383,012</u>	<u>371,654</u>	<u>303,254</u>	<u>311,181</u>
Total State Sources	<u>1,016,296</u>	<u>999,026</u>	<u>858,072</u>	<u>805,305</u>	<u>922,293</u>
Federal Sources:					
Other	<u>7,458</u>	<u>8,910</u>	<u>10,620</u>	<u>9,990</u>	<u>9,220</u>
Total Federal Sources	<u>7,458</u>	<u>8,910</u>	<u>10,620</u>	<u>9,990</u>	<u>9,220</u>
Total Revenues	<u>1,953,145</u>	<u>2,015,072</u>	<u>1,897,516</u>	<u>1,770,708</u>	<u>1,805,277</u>
EXPENDITURES:					
Instructional Services	1,260,988	1,308,781	1,332,757	1,157,539	1,156,534
Instructional support services	202,951	200,268	201,089	175,474	166,725
Pupil transportation services	81,672	87,513	86,846	72,009	87,849
Operation and maintenance	242,153	246,744	247,177	238,894	238,310
School administration	126,133	130,152	131,904	125,712	107,994
General administration	119,494	115,169	106,883	92,960	89,650
Capital outlay& Debt Service	<u>4,188</u>	<u>4,958</u>	<u>2,300</u>	<u>656</u>	<u>99</u>
Total Expenditures	<u>2,037,579</u>	<u>2,093,585</u>	<u>2,108,956</u>	<u>1,863,244</u>	<u>1,847,161</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(84,434)</u>	<u>(78,513)</u>	<u>(211,440)</u>	<u>(92,536)</u>	<u>(41,884)</u>
OTHER FINANCING SOURCES					
Capital lease	--	--	5,222	--	--
Operating transfers in	72,661	99,303	177,611	80,845	78,546
Operating transfers out	<u>(6,175)</u>	<u>(3,759)</u>	<u>(2,335)</u>	<u>(3,816)</u>	<u>(6,281)</u>
Total Other Financing Sources	<u>66,486</u>	<u>95,544</u>	<u>180,498</u>	<u>7,029</u>	<u>72,265</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(17,948)</u>	<u>17,031</u>	<u>(30,942)</u>	<u>(15,507)</u>	<u>30,381</u>
Fund Balances, Beginning of Year	<u>116,816</u>	<u>98,868</u>	<u>115,899</u>	<u>84,957</u>	<u>69,450</u>
Fund Balances, End of Year	<u>\$ 98,868</u>	<u>\$ 115,899</u>	<u>\$ 84,957</u>	<u>\$ 69,450</u>	<u>\$ 99,831</u>

Source: The School District of Broward County, Florida.

The following table shows revenues, expenditures and changes in fund balances for the Capital Projects Fund for the past five Fiscal Years.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
REVENUES:					
Local Sources:					
Ad valorem taxes	\$ 304,126	\$ 338,057	\$ 297,268	\$ 228,391	\$ 197,564
Interest income and other	<u>58,629</u>	<u>32,837</u>	<u>28,588</u>	<u>6,958</u>	<u>11,504</u>
Total Local Sources	<u>362,755</u>	<u>370,894</u>	<u>325,856</u>	<u>235,349</u>	<u>209,068</u>
State Sources:					
Public education capital outlay	19,626	42,761	25,570	10,894	5,000
Classrooms for Kids	--	62,957	--	--	--
Categorical programs and other	<u>4,778</u>	<u>12,813</u>	<u>11,859</u>	<u>11,706</u>	<u>12,023</u>
Total State Sources	<u>24,404</u>	<u>118,531</u>	<u>37,429</u>	<u>22,600</u>	<u>17,023</u>
Federal Sources:					
Grants and Other	<u>18,456</u>	<u>2,825</u>	<u>6,222</u>	--	94
Total Federal Sources	<u>18,456</u>	<u>2,825</u>	<u>6,222</u>	--	--
Total Revenues	<u>405,616</u>	<u>492,250</u>	<u>369,507</u>	<u>257,949</u>	<u>226,185</u>
 EXPENDITURES:					
Capital outlay and other	483,704	459,143	478,396	249,683	121,16367
Debt Service - interest and fiscal charges	<u>2,561</u>	<u>5,088</u>	<u>2,285</u>	<u>1,868</u>	<u>500</u>
Total Expenditures	<u>486,265</u>	<u>464,231</u>	<u>480,681</u>	<u>251,551</u>	<u>121,66367</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(80,650)</u>	<u>28,019</u>	<u>(111,174)</u>	<u>6,398</u>	<u>104,5225</u>
OTHER FINANCING SOURCES (USES):					
Proceeds of other long term obligations	--	4,875	---	1,191	--
Proceeds from sale of fixed assets and land	217	386	3,211	626	2,001
Proceeds of Certificates of Participation	272,625	270,560	133,963	--	51,645
Premium (discount) on long term debt	13,695	4,627	(916)	--	--
Proceeds of Capital Leases	--	10,896	11,750	8,902	--
Other loss recoveries	2,928	200	198	7,116	2,289
Operating transfers in	4,500	3,500	3,443	3,750	290
Operating transfers out	<u>(223,427)</u>	<u>(256,078)</u>	<u>(275,176)</u>	<u>(246,954)</u>	<u>(240,503,689)</u>
Total Other Financing	<u>70,538</u>	<u>38,966</u>	<u>(123,427)</u>	<u>(225,369)</u>	<u>(184,278)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(10,112)</u>	<u>66,985</u>	<u>(234,601)</u>	<u>(218,971)</u>	<u>(79,756)</u>
 Fund Balances, Beginning of Year	<u>890,228</u>	<u>880,116</u>	<u>947,101</u>	<u>712,500</u>	<u>493,5299</u>
Fund Balances, End of Year	<u>\$ 880,116</u>	<u>\$ 947,101</u>	<u>\$ 712,500</u>	<u>\$ 493,529</u>	<u>\$</u>

Source: The School District of Broward County, Florida.

Outstanding Debt

Set forth below is selected information regarding outstanding debt of the District. For more detailed financial information concerning the District, see “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2011.”

The School District of Broward County, Florida
Direct and Overlapping General Obligation Debt
June 30, 2011
(in thousands)

Direct Debt	<u>2011</u>
General Obligation Bonds	
Certificates of Participation	\$ 1,907,841
Special Obligation Bonds ⁽¹⁾	<u>63,490</u>
Total Direct Debt	\$ 1,971,331
 Overlapping Debt ⁽²⁾	
Broward County ⁽³⁾	<u>\$ 393,665</u>
Total Direct and Overlapping General Obligation Debt	<u>\$ 2,364,996</u>

Source: The School Board of Broward County, Florida Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2011.

(1) Special obligation debt is payable from motor vehicle and gross receipts taxes.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2010.

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

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The School District of Broward County, Florida
Other Obligations Outstanding
March 1, 2012 (Unaudited)

<u>Description</u>	<u>Principal Amount Outstanding</u>
<u>Bonds Payable:</u>	
<u>Capital Outlay Bond Issues:</u> ⁽¹⁾	
State Board of Education, Capital Outlay Bonds, Series 2002-A	6,575,000
State Board of Education, Capital Outlay Bonds, Series 2002-B	9,475,000
State Board of Education, Capital Outlay Bonds, Series 2003-A	7,345,000
State Board of Education, Capital Outlay Bonds, Series 2005-A	21,865,000
State Board of Education, Capital Outlay Bonds, Series 2005-B	3,075,000
State Board of Education, Capital Outlay Bonds, Series 2006-A	250,000
State Board of Education, Capital Outlay Bonds, Series 2008-A	4,550,000
State Board of Education, Capital Outlay Bonds, Series 2009-A	1,120,000
Refunding State Board of Education, Capital Outlay Bonds, Series 2009-A	2,240,000
Refunding State Board of Education, Capital Outlay Bonds, Series 2010-A	<u>6,995,00</u>
Sub-Total State Board Bonds:	<u>\$ 63,490,000</u>
<u>Certificates of Participation</u> ⁽²⁾ :	
Certificates of Participation, Series 2000 QZAB	701,000
Certificates of Participation, Series 2001A	43,990,000
Certificates of Participation, Series 2001 QZAB	737,000
Certificates of Participation, Series 2001B	51,930,000
Certificates of Participation, Series 2003A	164,370,000
Certificates of Participation, Series 2004A	44,210,000
Certificates of Participation, Series 2004B	71,920,000
Certificates of Participation, Series 2004C	69,030,000
Certificates of Participation, Series 2004D	113,825,000
Certificates of Participation, Series 2004 QZAB	531,000
Certificates of Participation, Series 2005A	161,740,000
Certificates of Participation, Series 2005B	44,460,000
Certificates of Participation, Series 2006A	202,105,000
Certificates of Participation, Series 2006B	65,000,000
Certificates of Participation, Series 2007A	241,615,000
Certificates of Participation, Series 2008A	270,560,000
Certificates of Participation, Series 2009A (Tax Exempt)	20,140,000
Certificates of Participation, Series 2009A (Build America Bonds)	63,910,000
Certificates of Participation, Series 2009A QSCB	49,913,000
Certificates of Participation, Series 2010A QSCB	51,645,000
Certificates of Participation, Series 2011A	<u>175,510,000</u>
Sub-Total Certificates of Participation:	<u>\$1,907,842,000</u>
TOTAL LONG-TERM DEBT OUTSTANDING:	<u>\$1,971,332,000</u>

Source: The School District of Broward County, Florida.

- (1) Bonds are issued by the State Board of Education on behalf of the District and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax, as well as a pledge of the State's full faith and credit.
- (2) Subject to annual appropriation.
- (3) All amounts rounded to the nearest thousand.

Florida Retirement System

The State has established the State of Florida Retirement System (“FRS”) for state, county, municipal and school district employees. All employees hired after 1970, and those employed prior to 1970 who elected to be enrolled, are covered by the FRS. Accordingly, substantially all employees of the District are covered by the FRS. The Division of Retirement, Department of Administration of the State of Florida administers the FRS. Contribution rates are established by law for all participating governmental units. The District’s liability for participation in the plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. State law provides that employers, such as the District, are obligated to contribute 10.77% of the salary of regular members, 18.64% of the salary of Board members, 14.57% of the salary of senior management service members, and 23.25% of the salary of special risk members for the Fiscal Year ended June 30, 2011. The District’s contributions to the FRS (including employee contributions) for the Fiscal Years ending June 30, 2011, June 30, 2010, and June 30, 2009 totaled \$141.6 million, \$131.4 million, and \$139.4 million, respectively, each amount equal to the required contributions for the respective fiscal year.

The Florida Legislature also created a defined contribution program called the Public Employee Optional Retirement Program (PEORP). Benefits in PEORP vest after one year of service. This program is administered by the Florida Retirement System as an option to the defined benefit plan, and is self-directed by the employee. The employees have the responsibility of selecting how their funds are invested within the approved set of investment choices and may take their funds when they leave the Florida Retirement System. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class. Required employer contributions made by the District to the program for the Fiscal Years ended June 30, 2009, June 30, 2010 and June 30, 2011 totaled \$ _____, \$ _____ and \$ _____, respectively.

During its 2011 regular session, the State Legislature adopted legislation that makes significant changes to FRS with respect to employee contributions and employer contributions, among other items. Effective July 1, 2011, all members of FRS will be required to contribute 3% of their gross compensation toward their retirement. In addition, the legislation reduces the required employer contributions rates for each membership class and subclass of the FRS. For Fiscal Year 2010-11, contribution rates ranges from 10.77% to 23.5% of annual covered payroll. Under the adopted legislation, employer contribution rates range from 4.91% to 14.10% of annual covered payroll. The savings resulting from such reduced contributions will be used to partially offset the reduction in State education funding for Fiscal Year 2012. See “RISK FACTORS – State Revenues” herein. Additionally, the bill eliminates the cost of living adjustment for all FRS employees for service earned on or after July 1, 2011, although the bill does contemplate reinstatement of the adjustment in 2016 under certain conditions. On June 20, 2011, the Florida Education Association, a teachers union, announced it has filed a class action lawsuit challenging the constitutionality of such legislative changes with respect to existing employees. The suit alleges the legislation unlawfully impairs state employee contracts, constitutes a taking of private property without full compensation and violates government workers constitutional right to collective bargaining. The Circuit Court heard oral arguments in the case on October 26, 2011, but the Court has yet to issue its ruling. At present, the outcome of

such lawsuit cannot be determined. However, if the plaintiffs are ultimately successful, the impact to the District's finances could be substantial given the current State economy and level of education funding. See "RISK FACTORS – State Revenues" herein.

The other changes to the FRS contained in the legislation only apply to employees who are initially enrolled in FRS on or after July 1, 2011. For personnel entering FRS on and after July 1, 2011, the following changes apply: the average final compensation upon which retirement benefits are calculated will be based on the eight highest (formerly five highest) fiscal years of compensation prior to retirement, the Deferred Retirement Option Plan (DROP) is maintained but the interest accrual rate will be reduced from 6.5% to 1.3%, the normal retirement age is increased from 62 to 65 and the years of creditable service is increased from 30 to 33 and the vesting period is increased to eight years (formerly six).

In 2011, the Florida Legislature enacted a new law which required all FRS plan members to pay a mandatory, pre-tax 3% contribution. This new required employee contribution is projected to save the District \$65 million for Fiscal Year 2011-2012.

Employees hired prior to 1970 and not electing to enroll in the FRS may be covered by alternate contributory plans, principally the Teachers' Retirement System Plan E, administered by the FRS. State law requires the District to contribute 11.35% of the earnable compensation of members to these plans. See Note 16 in "APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida For The Fiscal Year Ended June 30, 2011" for additional information regarding the retirement plans.

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. As with all governmental entities offering similar plans, the District is required to comply with Governmental Accounting Standard Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* ("GASB 45").

In Fiscal Year 2008, the District implemented GASB 45 for certain postemployment benefits, including continued coverage for the retiree and dependents in the medical/prescription plans as well as participation in the dental group plan sponsored by the District. In addition, retirees are eligible to continue the employer-sponsored term life insurance policy provided by the District. GASB 45's basic concept is to more fully disclose the costs of employment by requiring governmental units to recognize the cost of an employee's OPEB during the period of service in their financial statements. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. As defined in GASB 45, a significant expense recognizing the past and future costs of providing OPEB benefits is required to be recorded annually. The requirement of GASB 45 was implemented prospectively, with the actuarially determined liability of \$163,550,945 at January 1, 2011 being amortized over the remaining period of 27 years.

The District has historically accounted for its OPEB contributions on a pay-as-you-go basis and the District currently plans to continue such funding of its OPEB contributions. For

Fiscal Year 2010-2011, approximately 1,327 retirees of the District received post-employment benefits. For such Fiscal Year the District provided required employer contributions toward the annual OPEB cost in the amount of \$8,156,711. 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 for the future a growing unfunded actuarial liability. The Net OPEB Obligation was \$17,623,000 at the end of Fiscal Year 2009, \$27,974,000 at the end of Fiscal Year 2010 and was estimated to be \$37,008,000 at the end of Fiscal Year 2011.

The OPEB cost is calculated based on the Annual Required Contribution (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The following is a summary of changes for the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation for the Fiscal Year ended June 30, 2011 (audited) (in thousands):

		<u>FY 2011</u>
Annual Required Contribution (ARC)		
Normal Cost	\$ 9,613	
Amortization of Unfunded Actuarial Accrued Liability	7,495	
Interest	—	
ARC		\$17,108
Interest on net OPEB Obligation		1,119
Adjustment to ARC		(1,036)
Annual OPEB cost (expense)		17,191
Less: Contributions Made		<u>(8,157)</u>
Net OPEB Obligation Increase		9,034
Net OPEB Obligation, Beginning of Year		<u>27,974</u>
Net OPEB Obligation, End of Year		<u>\$ 37,008</u>

Source: School Board of Broward County, Florida.

For additional information see Note 15 of “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2011.”

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THE REFINANCED FACILITIES

General

The proceeds of the Series 2012A Certificates are being used to refund the Refunded Certificates, the proceeds of which were used for the lease purchase financing of (i) the acquisition, construction, installation and equipping of the Refinanced Facilities, (ii) the leasing of the Refinanced Facility Sites by the School Board to the Corporation pursuant to the Refinanced Ground Leases respectively, and (iii) the subleasing of the Refinanced Facility Sites back to the School Board pursuant to the applicable Refinanced Leases.

The Series 2001A-1 Facilities include three high schools, a middle school, two elementary schools, a primary learning center and an office facility. The Series 2001B-1 Facilities included improvement, replacement or construction of six elementary schools, four high schools, two additional educational facilities and a bus parking facility. The Series 2003A-1 Facilities included improvement, replacement or construction of six elementary schools, eight high schools, and two other educational facilities. The Series 2003A-2 Facilities included improvement, replacement or construction of one high school, and District wide modular buildings and indoor air quality systems. The Series 2004-1 Facilities included improvement, replacement or construction of twenty-one elementary schools and three middle schools. Set forth below is a brief, general description of the schools and facilities comprising the Refinanced Facilities.

Series 2001A-1 Facilities

Set forth below are the Series 2001A-1 Facilities, which have been lease purchased with a portion of the proceeds of the Series 2001A Certificates.

Series 2001A-1 Facilities

<u>Facility</u>	<u>Total Project Cost</u>
Everglades High School III (formerly High School "III" (Miramar)	\$ 57,783,068
South Broward High School*	48,912,711
Dillard High School	43,408,564
West Glades Middle (LL) (formerly Middle School "LL" (Parkland)	26,862,000
Liberty Elementary School (O) (formerly Elementary School "O" Coconut Creek)	16,993,170
Manatee Bay Elementary School (P) (formerly Elementary School "P" (Weston)	14,593,170
Primary Learning Center (Circle Site)	4,891,737
North Central Area Superintendent's Office	3,600,000
TOTAL	\$ 217,044,420

*Constitutes an Overlapping Facility under the Series 2001A-1 Lease. In the event of a default and termination of all Leases, the proceeds derived from exercising any of the remedies available under the Master Lease with respect to each Overlapping Facility will be allocated to the Prior Lease under which a portion of such Facility was financed and the Series 2001A-1 Lease, as set forth in the Series 2001A-1 Lease. See "APPENDIX C - Forms of Certain Legal Documents-Form of Amended and Restated Schedule 2001A-1."

Series 2001B-1 Facilities

Set forth below are the Series 2001B-1 Facilities, which have been lease purchased with a portion of the proceeds of the Series 2001B Certificates.

Series 2001B-1 Facilities

<u>Facility</u>	<u>Total Project Cost</u>
Atlantic Technical Center	\$ 6,637,800
Broward Estates Elementary School	3,311,192
Castle Hill Elementary School	7,369,583
Deerfield Beach High School	12,425,824
Driftwood Elementary School	5,713,129
Silver Shores Elementary School (R) (formerly Elementary School "R")	15,671,820
Fort Lauderdale High School*	26,661,414
Monarch High School (GGG) (formerly High School "GGG")	36,941,100
Martin Luther King Elementary School	3,914,051
Robert Markham Elementary School	3,369,498
Dave Thomas Education Center West (formerly North Area School of Choice)	13,699,620
Pompano Beach High School	30,605,220
Southwest Bus Parking/Maintenance*	<u>8,166,571</u>
TOTAL	\$ 174,486,822

*Constitutes an Overlapping Facility under the Series 2001B-1 Lease. In the event of a default and termination of all Leases, the proceeds derived from exercising any of the remedies available under the Master Lease with respect to each Overlapping Facility will be allocated to the Prior Lease under which a portion of such Facility was financed and the Series 2001B-1 Lease, as set forth in the Series 2001B-1 Lease. See "APPENDIX C-Forms of Certain Legal Documents-Form of Amended and Restated Schedule 2001B-1."

Series 2003A-1 Facilities

Set forth below are the Series 2003A-1 Facilities, which have been lease purchased with a portion of the proceeds of the Series 2003A Certificates.

Series 2003A-1 Facilities

<u>Facility</u>	<u>Total Project Cost</u>
Bethune, Mary M. Elementary	\$9,396,907
Blanche Ely High School	19,348,958
Broward Fire Academy	4,286,517
Cooper City High School	14,637,037
Hallandale High School	4,385,630
High School "JJJ"	43,300,828
Lake Forest Elementary	8,678,118
Lauderdale Manors Elementary	3,104,353
McArthur High School	26,306,682
Miramar High School	8,886,888
Plantation High School	10,583,380
Royal Palm Elementary	2,643,095
South Plantation High School	15,361,316
Tedder Elementary	8,684,494
Walker Elementary	3,889,739
Whiddon-Rogers Education Center	<u>7,894,245</u>
TOTAL	\$191,388,187

*Constitutes an Overlapping Facility under the Series 2003A-1 Lease. In the event of a default and termination of all Leases, the proceeds derived from exercising any of the remedies available under the Master Lease with respect to each Overlapping Facility will be allocated to the Prior Lease under which a portion of such Facility was financed and the Series 2003A-1 Lease, as set forth in the Series 2003A-1 Lease. See "APPENDIX C-Forms of Certain Legal Documents-Form of Amended and Restated Schedule 2003A-1."

Series 2003A-2 Facilities

Set forth below are the Series 2003A-2 Facilities, which have been lease purchased with a portion of the proceeds of the Series 2003A Certificates.

Series 2003A-2 Facilities

<u>Facility</u>	<u>Total Project Cost</u>
Taravella JP High School Remodeling and Renovation	\$7,147,049
District Wide Modular Buildings	2,000,000
District Wide Indoor Air Quality	<u>12,000,000</u>
TOTAL	\$21,147,049

*Constitutes an Overlapping Facility under the Series 2003A-2 Lease. In the event of a default and termination of all Leases, the proceeds derived from exercising any of the remedies available under the Master Lease with respect to each Overlapping Facility will be allocated to the Prior Lease under which a portion of such Facility was financed and the Series 2003A-2 Lease, as set forth in the Series 2003A-2 Lease. See "APPENDIX C-Forms of Certain Legal Documents-Form of Amended and Restated Schedule 2003A-2."

Series 2004-1 Facilities

Set forth below are the Series 2004-1 Facilities, which have been lease purchased with a portion of the proceeds of the Series 2004C Certificates and Series 2004D Certificates.

Series 2004-1 Facilities

<u>Facility</u>	<u>Total Project Cost</u>
Apollo Middle	\$ 0
Boulevard Heights Elementary	0
Broadview Elementary	0
Central Park Elementary	0
Cooper City Elementary	0
New Elementary "Y"	0
Fox Trail Elementary	0
Harbordale Elementary	0
Dolphin Bay Elementary	0
Meadowbrook Elementary	0
New Middle School "OO"	0
Nob Hill Elementary	0
North Fork Elementary	0
Palm Cove Elementary	0
Pasadena Lakes Elementary	0
Perry, Annabel C. Elementary	0
Pompano Beach Middle	0
Quiet Waters Elementary	0
Sheridan Park Elementary	0
Stirling Elementary	0
Tropical Elementary	0
Village Elementary	0
Westchester Elementary	0
Winston Park Elementary	<u>0</u>
TOTAL	\$0.00

*Constitutes an Overlapping Facility under the Series 2004-1 Lease. In the event of a default and termination of all Leases, the proceeds derived from exercising any of the remedies available under the Master Lease with respect to each Overlapping Facility will be allocated to the Prior Lease under which a portion of such Facility was financed and the Series 2004-1 Lease, as set forth in the Series 2004-1 Lease. See "APPENDIX C-Forms of Certain Legal Documents-Form of Amended and Restated Schedule 2004-1."

Substitution

To the extent permitted by law, on or after the Completion Date, the School Board may substitute for any Refinanced Facility, 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 Facilities for which they are substituted, and (c) are of substantially equal utility as the Facilities to be replaced and provide essential governmental services, and, in the case of Series 2001A-1 Facilities, Series 2001B-1 Facilities, Series 2003A-1 Facilities or Series 2004-1 Facilities, that such substituted facilities (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances, and (e) are approved for substitution by the State Department of Education.

In order to effect such substitution, the Refinanced Facility to be replaced will be released from the encumbrance of the applicable Refinanced Lease and the applicable Refinanced Ground Lease, and the facilities to be substituted shall be incorporated into the applicable Refinanced Lease and the applicable Refinanced Ground Lease. At the time of any such substitution, there must be delivered an opinion of counsel as to the legality and validity of such substitution under the laws of the State, a policy of leasehold title insurance and an opinion of counsel as described in the Master Lease with respect to a substitute Facility Site, among other things.

ESTIMATED SOURCES AND USES OF FUNDS

It is estimated that all funds received from the sale and delivery of the Series 2012A Certificates will be used as follows:

	Total
Sources of Funds	
Par Amount	\$
Net Original Issue Premium/Discount	
Lease Payment Accounts	
Total Estimated Sources of Funds	\$
Use of Funds	
Deposit to Escrow Deposit Trust Fund	\$
Deposit to Series 2012A Cost of Issuance Subaccount*	
Underwriters' Discount	
Total Estimated Uses of Funds	\$

* To pay certain costs of issuance of the Series 2012A Certificates, including, without limitation, [municipal bond insurance premium,] printing costs, fees of co-special tax counsel, and fees of the co-financial advisors.

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SERIES 2012A CERTIFICATES PAYMENT SCHEDULE

<u>Period Ending</u>	<u>Principal Portion</u>	<u>Interest Portion</u>	<u>Period Total</u>	<u>Annual Total</u>
7/1/12				
1/1/13				
7/1/13				
1/1/14				
7/1/14				
1/1/15				
7/1/15				
1/1/16				
7/1/16				
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7/1/26				
1/1/27				
7/1/27				
1/1/28				
7/1/28				
TOTAL				

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**CERTIFICATE PAYMENT SCHEDULE FOR OUTSTANDING CERTIFICATES,
AND SERIES 2012A CERTIFICATES ⁽¹⁾**

Period Ending (July 1)	Prior Certificates⁽²⁾	Series 2012A Certificates	Total
2012	\$151,555,508		
2013	151,185,815		
2014	155,360,321		
2015	155,254,228		
2016	155,374,222		
2017	155,347,447		
2018	158,189,067		
2019	158,169,483		
2020	158,151,366		
2021	158,209,635		
2022	158,078,958		
2023	158,503,678		
2024	158,423,340		
2025	160,458,903		
2026	160,339,890		
2027	122,487,603		
2028	116,125,155		
2029	101,612,375		
2030	86,750,036		
2031	70,147,100		
2032	49,280,101		
2033	31,868,985		
2034	11,733,480		
TOTAL	\$2,942,606,693		

⁽¹⁾ Numbers may not add due to rounding.

⁽²⁾ Includes Series 2001A Certificates, Series 2001B Certificates, Series 2003A Certificates, and Series 2004C Certificates, all or a portion of which will be refunded by Series 2012A Certificates.

**CERTIFICATE PAYMENT SCHEDULE FOR
OUTSTANDING CERTIFICATES⁽¹⁾**

Period Ending	Series 2000 QZAB	Series 2001 QZAB	Series 2001A	Series 2001B	Series 2003A	Series 2004A	Series 2004B	Series 2004C	Series 2004D
<u>July 1</u>	<u>Certificates⁽²⁾</u>	<u>Certificates</u>	<u>Certificates*</u>	<u>Certificates*</u>	<u>Certificates*</u>	<u>Certificates</u>	<u>Certificates</u>	<u>Certificates*</u>	<u>Certificates⁽³⁾</u>
2012	350,712	368,121	2,199,500	2,596,500	14,560,744	8,725,588	10,509,000	10,141,194	5,520,513
2013	350,712	368,121	2,199,500	2,596,500	14,558,494	8,722,088	14,853,500	10,127,881	5,520,513
2014	0	0	2,199,500	2,596,500	14,559,413	8,725,838	15,198,750	10,128,081	5,520,513
2015	0	0	2,199,500	2,596,500	14,561,213	8,721,363	15,198,000	10,030,263	5,520,513
2016	0	0	2,199,500	2,596,500	14,559,113	8,723,663	15,203,663	10,135,988	5,520,513
2017	0	0	2,199,500	2,596,500	14,558,313	8,725,225	15,198,100	10,115,463	5,520,513
2018	0	0	2,199,500	2,596,500	14,559,245	0	0	10,138,938	5,520,513
2019	0	0	2,199,500	2,596,500	14,561,443	0	0	10,128,000	5,520,513
2020	0	0	2,199,500	2,596,500	14,558,668	0	0	6,178,175	9,445,513
2021	0	0	2,199,500	2,596,500	14,558,755	0	0	0	15,680,150
2022	0	0	2,199,500	2,596,500	14,560,755	0	0	0	15,603,175
2023	0	0	2,199,500	14,646,500	14,560,250	0	0	0	15,505,588
2024	0	0	2,199,500	14,644,000	14,562,000	0	0	0	15,437,388
2025	0	0	23,659,500	14,646,500	14,561,500	0	0	0	15,346,150
2026	0	0	23,656,500	14,642,250	14,562,500	0	0	0	15,206,875
2027	0	0	0	0	14,558,500	0	0	0	15,170,775
2028	0	0	0	0	14,558,250	0	0	0	15,056,788
2029	0	0	0	0	0	0	0	0	14,967,338
2030	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0
TOTAL	<u>\$701,425</u>	<u>\$736,242</u>	<u>\$75,909,500</u>	<u>\$87,140,750</u>	<u>\$247,519,153</u>	<u>\$52,343,763</u>	<u>\$86,161,013</u>	<u>\$87,123,981</u>	<u>\$191,583,838</u>

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Period	Series										Total
Ending	2004	Series	Series	Series	Series	Series	Series	Series	Series	Series	Aggregate
July 1	QZAB	2005A	2005B	2006A	2006B	2007A	2008A	2009A	2010A	2011A	Certificates
	Certificates	Certificates	Certificates ⁽⁴⁾	Certificates	Certificates ⁽⁵⁾	Certificates	Certificates	Certificates ⁽⁶⁾	Certificates ⁽⁷⁾	Certificates	Debt Service
2012	53,062	14,929,080	1,778,400	18,122,068	3,250,000	20,118,334	20,400,965	4,107,696	620,773	13,203,260	151,555,508
2013	53,062	14,931,060	1,778,400	18,117,868	3,250,000	20,112,874	20,405,350	4,107,696	620,773	8,511,425	151,185,815
2014	53,062	14,932,860	1,778,400	18,122,268	3,250,000	20,113,784	20,401,460	8,647,696	620,773	8,511,425	155,360,321
2015	53,062	14,932,600	1,778,400	18,120,180	3,250,000	20,110,221	20,402,520	8,647,696	620,773	8,511,425	155,254,227
2016	53,062	14,931,625	1,778,400	18,120,213	3,250,000	20,116,721	20,405,370	8,647,696	620,773	8,511,425	155,374,222
2017	53,062	9,728,975	6,983,400	18,120,088	3,250,000	20,113,096	20,405,320	8,647,696	620,773	8,511,425	155,347,447
2018	53,062	5,896,575	10,815,200	18,120,225	3,250,000	17,658,596	20,401,320	8,647,696	5,785,273	32,546,425	158,189,067
2019	53,062	5,896,575	10,815,400	18,116,381	3,250,000	17,660,046	20,401,070	8,647,696	5,785,273	32,538,025	158,169,483
2020	53,062	5,896,575	10,815,800	18,121,756	3,250,000	17,659,046	20,404,753	8,647,696	5,785,273	32,539,050	158,151,366
2021	53,062	5,896,575	10,810,800	18,120,006	3,250,000	17,660,265	20,405,753	8,647,696	5,785,273	32,545,300	158,209,635
2022	0	16,711,575	0	18,118,506	3,250,000	17,659,015	20,401,663	8,647,696	5,785,273	32,545,300	158,078,958
2023	0	16,710,825	0	18,118,931	3,250,000	17,657,765	20,403,013	8,647,696	5,785,273	21,018,338	158,503,678
2024	0	16,708,075	0	18,118,681	3,250,000	17,660,515	20,405,713	8,620,696	5,785,273	21,031,500	158,423,340
2025	0	16,707,075	0	18,118,931	3,250,000	17,655,765	20,405,513	10,322,696	5,785,273	0	160,458,903
2026	0	16,707,850	0	18,122,931	3,250,000	17,657,840	20,400,925	10,346,946	5,785,273	0	160,339,890
2027	0	16,707,350	0	18,118,681	3,250,000	17,655,390	20,405,375	10,836,259	5,785,273	0	122,487,603
2028	0	16,709,100	0	10,904,681	10,475,000	17,656,640	20,400,625	10,364,071	0	0	116,125,155
2029	0	16,711,350	0	0	21,313,750	17,659,890	20,401,625	10,558,422	0	0	101,612,375
2030	0	16,707,350	0	0	21,217,500	17,658,390	20,405,238	10,761,559	0	0	86,750,036
2031	0	0	0	0	21,105,000	17,655,640	20,404,663	10,981,797	0	0	70,147,100
2032	0	0	0	0		17,659,890	20,403,238	11,216,973	0	0	49,280,101
2033	0	0	0	0	0	0	20,404,063	11,464,922	0	0	31,868,985
2034	0	0	0	0	0	0	0	11,733,480	0	0	11,733,480
TOTAL	<u>\$530,620</u>	<u>\$258,353,050</u>	<u>\$59,132,600</u>	<u>\$300,822,395</u>	<u>\$126,111,250</u>	<u>\$385,559,724</u>	<u>\$448,875,530</u>	<u>\$211,900,172</u>	<u>\$61,577,366</u>	<u>\$260,524,323</u>	<u>\$2,942,606,693</u>

(1) Numbers may not add due to rounding.

(2) Represents payments net of earnings on a guaranteed investment contract pursuant to which the Lease Payments are invested.

(3) Assumes an interest rate based on a swap rate, plus remarketing and other fees, equal to 4.85% for the Series 2004D Certificates. See “RISK FACTORS – Interest Rate Exchange Agreements” herein.

(4) Assumes a 4.00% interest rate for the unhedged variable rate Series 2005B Certificates.

(5) Assumes an interest rate based on a swap rate, plus remarketing and other fees, equal to 5.00% for the Series 2006B Certificates. See “RISK FACTORS – Interest Rate Exchange Agreements.”

(6) Net of interest subsidy on the portion of the Series 2009A Certificates issued as Build America Bonds, being equal to 35% of the interest component thereof.

(7) Debt Service shown is net of an Issuer Subsidy of 5.25%.

* All or a portion to be refunded by Series 2012A Certificates.

THE MASTER LEASE PROGRAM

The School Board has authorized the execution and delivery of the Master Lease between the School Board and the Corporation in order to provide for the lease purchase financing and refinancing from time to time of Facilities. 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 - Forms of Certain Legal Documents – Form of Master Lease Purchase Agreement.”

The Refinanced Leases are five of twenty-three Leases that will be in effect under the Master Lease on the date of issuance of the Series 2012A Certificates. Including the Refinanced Facilities, the School Board is currently leasing 77 elementary schools, 22 middle schools, 26 high schools and various other facilities pursuant to the Master Lease. Failure to appropriate funds to pay Lease Payments under any Lease will, and an event of default under any Lease may, result in the termination of all Leases, including the Refinanced Leases. Upon any such termination, any proceeds of the disposition of leased Facilities (but not any Facilities excluded under the terms of any Lease, including the Series 2003A-2 Facilities), will be applied to payment of the related Series of Certificates, in accordance with the terms of the related Lease and as further described herein. Owners of Series 2012A Certificates shall only have an interest in and be entitled to any proceeds resulting from the disposition of the the Series 2001A-1 Facilities, the Series 2001B-1 Facilities, the Series 2003A-1 Facilities, and the Series 2004-1 Facilities as set forth in the Schedules thereto. In no event will owners of Series 2012A Certificates have any interest in or right to any proceeds of the disposition of Facilities other than Overlapping Facilities leased under any other Lease, other than the Series 2001A-1 Lease, the Series 2001B-1 Lease, the Series 2003A-1 Lease, and the Series 2004-1 Lease, except as otherwise described herein. See “THE REFINANCED LEASES – Effect of Termination for Non-Appropriation or Default” herein. Each purchaser of Series 2012A Certificates is subject to certain risks and particular attention should be given to the factors described under “RISK FACTORS” herein, which, among others, could affect the market price of the Series 2012A Certificates to an extent that cannot be determined.

THE REFINANCED LEASES

The following is a brief summary of certain provisions of the Refinanced Leases, which is not intended to be definitive. Reference is made to the Refinanced Leases, which are available from the School Board, for the complete text thereof. The forms of the Refinanced Leases are included in “APPENDIX C – Forms of Certain Legal Documents.”

Authority

The Refinanced Leases are entered into pursuant to the authority granted under Sections 1001.42(9) and 1013.15(2), Florida Statutes, to facilitate the lease purchase financing and refinancing of the Refinanced Facilities. The Refinanced Leases are further entered into pursuant to Resolution No. 12-__ of the School Board adopted on March 20, 2012 and Resolution No. 12-__ adopted by the Corporation on March 20, 2012.

Lease Term

Under the Series 2001A-1 Lease the Corporation has leased to the School Board the Series 2001A-1 Facilities for an initial Lease Term from May 1, 2001 to June 30, 2001, which Lease Term is automatically renewable annually on July 1 of each year, through and including June 30 of the following year, commencing July 1, 2001 and ending June 30, 2026, unless sooner terminated in accordance with the provisions of the Series 2001A-1 Lease.

Under the Series 2001B-1 Lease the Corporation has leased to the School Board the Series 2001B-1 Facilities for an initial Lease Term from January 1, 2002 to June 30, 2002, which Lease Term is automatically renewable annually on July 1 of each year, through and including June 30 of the following year, commencing July 1, 2002 and ending June 30, 2026, unless sooner terminated in accordance with the provisions of the Series 2001B-1 Lease.

Under the Series 2003A-1 Lease the Corporation has leased to the School Board the Series 2003A-1 Facilities for an initial Lease Term from February 1, 2003 to June 30, 2003, which Lease Term is automatically renewable annually on July 1 of each year, through and including June 30 of the following year, commencing July 1, 2003 and ending June 30, 2028, unless sooner terminated in accordance with the provisions of the Series 2003A-1 Lease.

Under the Series 2003A-2 Lease the Corporation has leased to the School Board the Series 2003A-2 Facilities for an initial Lease Term from February 1, 2003 to June 30, 2003, which Lease Term is automatically renewable annually on July 1 of each year, through and including June 30 of the following year, commencing July 1, 2003 and ending June 30, 2028, unless sooner terminated in accordance with the provisions of the Series 2003A-2 Lease.

Under the Series 2004-1 Lease the Corporation has leased to the School Board the Series 2004-1 Facilities for an initial Lease Term of one day, June 30, 2004, which Lease Term is automatically renewable annually on July 1 of each year, through and including June 30 of the following year, commencing July 1, 2004 and ending June 30, 2029, unless sooner terminated in accordance with the provisions of the Series 2004-1 Lease.

Termination of Lease Term

As described under “SECURITY FOR THE SERIES 2012A CERTIFICATES – Current Leases and Additional Leases,” the School Board has entered into, and may enter into, Leases in addition to the Current Leases and the Refinanced Leases. The Lease Term of the Leases, including the respective Refinanced Leases, will terminate upon the earliest of any of the following events:

- (a) All Leases, including the Refinanced Leases, will terminate on the latest Lease Payment Date set forth in any Lease;
- (b) All Leases, including the Refinanced Leases, will terminate in the event of non-appropriation of funds for the payment of Lease Payments;

- (c) All Leases, including the Refinanced 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;
- (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 REFINANCED LEASES – Termination of Lease Term” above, the School Board is required to immediately surrender and deliver possession and control of Facilities financed under all Leases, including the Series 2001A-1 Facilities, the Series 2001B-1 Facilities, the Series 2003A-1 Facilities and the Series 2004-1 Facilities (but not the Series 2003A-2 Facilities subject to the Series 2003A-2 Lease or any Facilities excluded under the terms of any Lease), 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 shall pursue one or more remedies at the direction of the holders of greater than 50% of the Series 2012A Certificates. The proceeds derived from any such sale or lease of Facilities will be applied first to the payment of the fees and expenses of the Trustee, second to the payment of the Series of Certificates relating to such Facilities and then to the payment of other outstanding amounts as described in said Lease. The proceeds of any such disposition of the Series 2001A-1 Facilities will be applied pro-rata to the payment of (i) the Outstanding Series 2004B Certificates allocable to the Series 2001A-1 Lease, (ii) the Series 2011A Certificates allocable to the Series 2001A-1 Lease, and (iii) the Series 2012A Certificates, to the extent and as provided in the Series 2001A-1 Lease. The proceeds of any such disposition of the Series 2001B-1 Facilities will be applied pro-rata to the payment of (i) the Outstanding Series 2004B Certificates allocable to the Series 2001B-1 Lease, and (ii) the Series 2011A Certificates allocable to the Series 2001B-1 Lease, and (iii) the Series 2012A Certificates, to the extent and as provided in the Series 2001B-1 Lease. The proceeds of any such disposition of the Series 2003A-1 Facilities will be applied pro-rata to the payment of (i) the Outstanding Series 2003A Certificates allocable to the Series 2003A-1, and (ii) the Series 2012A Certificates, to the extent and as provided in the Series 2003A-1 Lease. The proceeds of any such disposition of the Series 2004-1 Facilities will be applied pro-rata to the payment of (i) the Outstanding Series 2004C Certificates allocable to the Series 2004-1 Lease, (ii) the Series 2004D Certificates allocable to the Series 2004-1 Lease, and (iii) the Series 2012A Certificates, to the extent and as provided in the Series 2004-1 Lease. Under the Series 2001A-1 Lease, the Series 2001B-1 Lease, the Series 2003A-1 Lease and the Series 2004-1 Lease, the School Board may not be dispossessed of any personal property financed, in whole or in part, with the proceeds of the Series 2012A Certificates. The Series 2003A-2 Facilities subject to the Series 2003A-2 Lease are not subject to the exercise of remedies by the Trustee. See “RISK FACTORS – Limitation Upon Disposition; Ability to Sell or Relet.” IN NO EVENT WILL OWNERS OF THE SERIES 2012A CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES, OTHER THAN OVERLAPPING FACILITIES, FINANCED WITH THE

PROCEEDS OF ANOTHER SERIES OF CERTIFICATES, EXCEPT FOR ANY CERTIFICATES ISSUED TO COMPLETE THE APPLICABLE REFINANCED FACILITIES OR, TO REFUND SERIES 2012A CERTIFICATES. See “SECURITY FOR THE SERIES 2012A CERTIFICATES – Current Leases and Additional Leases” and “– Outstanding Certificates and Additional Certificates” herein. For a discussion of the remedies available to the Trustee and the Corporation if the School Board refuses or fails to voluntarily deliver possession of the Facilities to the Trustee, see “APPENDIX C – Forms of Certain Legal Documents – Master Lease Purchase Agreement.”

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of all Leases for non-appropriation or default and the disposition of the Series 2001A-1 Facilities, the Series 2001B-1 Facilities, the Series 2003A-1 Facilities or the Series 2004-1 Facilities, will produce sufficient amounts to pay the outstanding Series 2012A Certificates. Further, after such termination of the Lease Term of all Leases, the transfer of Series 2012A Certificates may be subject to the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that the liquidity of the Series 2012A Certificates will not be impaired following termination of the Lease Term of the Leases. See “RISK FACTORS” herein.

Lease Payments

Subject to the conditions stated in the Leases, the School Board has agreed to pay all Lease Payments; provided that 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 Department of Education. None of the District, the School Board, the State, or any political subdivision or agency thereof is obligated to pay, except from appropriated funds, any sums due under the Refinanced Leases from any source of taxation, and the full faith and credit of the District, the School Board, the State or any political subdivision or agency thereof is not pledged for payment of such sums due thereunder. Such sums do not constitute an indebtedness of the District, the School Board, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

On the applicable Lease Payment Date preceding each principal and interest payment date with respect to the Series 2012A Certificates, the School Board will pay to the Trustee the Basic Lease Payments due under the Refinanced Leases due on such date, the aggregate amount of which Basic Lease Payments corresponds to the next succeeding payment due on the Series 2012A Certificates, plus with respect to the Series 2001A-1 Lease, the next succeeding payments due on the Outstanding Series 2004B Certificates allocable to the Series 2001A-1 Leases, and the Series 2011A Certificates allocable to the Series 2001A-1 Lease; with respect to the Series 2001B-1 Lease, the next succeeding payments due on the Outstanding Series 2004B Certificates allocable to the Series 2001B-1 Lease and the Series 2011A Certificates allocable to the Series 2001B-1 Lease; with respect to the Series 2003A-1 Lease and the Series 2003A-2 Lease, the next succeeding payments due on the Outstanding Series 2003A Certificates allocable to the Series 2003A-1 Lease and the Series 2003A-2 Lease, respectively; and with respect to the Series 2004-1 Lease, the next succeeding payments due on the Outstanding Series 2004C Certificates allocable to the Series 2004-1 Lease and the Series 2004D Certificates allocable to the Series

2004-1 Lease . The Trustee will deposit the Basic Lease Payments with respect to the Series 2012A Certificates from (i) the Series 2001A-1 Lease to the Series 2001A-1 Lease Payment Account, (ii) the Series 2001B-1 Lease to the Series 2001B Lease Payment Account, (iii) the Series 2003A-1 Lease and the Series 2003A-2 Lease to the Series 2003A Lease Payment Account, and (iv) the Series 2004-1 Lease to the Series 2004 Lease Payment Account, as directed by the School Board. In addition to the Sinking Fund Payments described above, the School Board is also required to pay, when due, Additional Lease Payments, consisting, among other things, of payments of the fees and expenses of the Trustee and the Corporation. Lease Payments due under the Refinanced Leases with respect to the Series 2012A Certificates may be reduced, when applicable, by amounts credited as follows:

- (a) The Trustee will deposit into the applicable Lease Payment Account interest income on amounts on deposit in the applicable Acquisition Account in accordance with the applicable Trust Agreement and apply such interest income as provided in the applicable Trust Agreement.
- (b) Net Proceeds realized in the event of damage, destruction or condemnation, as provided in the Refinanced Leases shall either (1) be applied to pay the Costs of other Facilities, in which case such other Facilities shall become subject to the provisions of the applicable Lease or (2) at the direction of the School Board, upon delivery to the Trustee of a Favorable Opinion, such Net Proceeds shall be deposited in the applicable Lease Payment Account to be credited against Basic Lease Payments next coming due in accordance with Section 3.2(c) of the Master Lease.

Lease Covenants

Under the Refinanced Leases, the School Board was responsible for acquisition, construction and installation of the Refinanced Facilities pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction and installation of such Facilities. In the Refinanced Leases, the School Board covenants that it will (i) maintain the Refinanced 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 Refinanced Leases, as applicable.

Assignment of the Refinanced Leases to Trustee

Pursuant to the Refinanced Assignment Agreements, substantially all right, title and interest of the Corporation in and to the applicable Refinanced Ground Leases and in and to the Refinanced Leases, respectively, including the right to receive Basic Lease Payments thereunder, will be irrevocably assigned by the Corporation to the Trustee for the benefit of the Series 2012A Certificate Holders and the holders of any other Certificates representing an undivided proportionate interest in a portion of the Basic Lease Payments payable under the Refinanced Leases. The School Board has consented to such assignment.

Budget and Appropriation

The cost and expense of the performance by the School Board of its obligations under the Refinanced Leases and under every other Lease and the incurrence of any liabilities of the School Board under the Refinanced Leases and under every other Lease 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. Under no circumstances will the failure of the School Board to appropriate sufficient funds 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.

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 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 official budget. If no such appropriation is made in the final adopted budget or if no official budget is adopted as of the last day on which a final budget is required to have been adopted under Chapter 1011, Florida Statutes and applicable regulations thereunder, 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.

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 all Leases will terminate on June 30th of the current Fiscal Year. The School Board will, however, provide written notice of any non-appropriation of funds, as described above, to the Trustee within three Business Days after declaring its intent not to appropriate the funds necessary to make payments under all Leases. For a discussion of the effect of termination of the Lease Term of the Leases, see "THE REFINANCED LEASES – Effect of Termination for Non-Appropriation or Default" herein.

RISK FACTORS

Each purchaser of the Series 2012A Certificates is subject to certain risks and each prospective purchaser of the Series 2012A 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 2012A Certificates to an extent that cannot be determined.

Annual Right of the School Board to Terminate the Refinanced Leases

Although the School Board has determined that the Refinanced Facilities are necessary to its operations and currently intends to continue the Refinanced Leases in force and effect for the Lease Terms established in the Refinanced Leases, respectively, and has covenanted in the Refinanced Leases that the Superintendent will include a sufficient amount in the tentative budget to enable the School Board to make all Lease Payments due in each Fiscal Year, the School Board is not required to appropriate funds for such Lease Payments. 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 Refinanced Leases or any other Lease, or if no final budget is adopted as of the last day upon which a final budget is required to have been adopted under Chapter 1011, Florida Statutes, the Master Lease shall terminate as of the date of adoption of the final budget, or as of such last day, whichever is earlier, and the School Board will not be obligated to make Lease Payments accruing or arising thereafter.

The likelihood that the Refinanced 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 2012A Certificate Owners, including the continuing future utility of the Refinanced Facilities and other Facilities of the School Board and changes in population or demographics within the District.

[No Right of Insured Series 2012A Certificate Owners to Direct Remedies

Termination of the Master Lease will not result in termination of the Policy issued by [INSURER]. Unless [INSURER] is in default of its payment obligations under such Policy, AGM is entitled to control and direct any of the rights or remedies of the Trustee with respect to the Insured Series 2012A Certificates including the right to direct the Trustee as to whether or not to relet or sell the Refinanced Facilities. However, the Insurer has no fiduciary responsibility to the Owners of the Insured Series 2012A Certificates with respect to the direction of such remedies and has no obligation to preserve the exclusion from gross income for federal income tax purposes of amounts paid to Insured Series 2012A Certificate Owners by the Insurer and designated as interest.]

Limitation Upon Disposition; Ability to Sell or Relet

Following an event of default under the Refinanced Leases, except the Series 2003A-2 Lease, or an event of non-appropriation, the Trustee as assignee of the Corporation may take possession of the Refinanced Facilities, except the Series 2003A-2 Facilities, and sell or re-let its interest therein. The Trustee's ability to actually achieve such a disposition of such Refinanced

Facilities is limited by its inability to convey fee simple title to the Refinanced Facilities and by the governmental nature of the Refinanced Facilities. Moreover, it is possible that a court of competent jurisdiction could enjoin the sale or re-letting of the Trustee's interest in the Refinanced 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 the Refinanced Facilities, except the Series 2003A-2 Facilities which the Trustee cannot take possession of, will produce sufficient amounts to pay the principal and interest components of the Basic Lease Payments represented by the then Outstanding Series 2012A Certificates.

Tax Treatment

Upon termination of the Master Lease, there is no assurance that payments made by the Trustee [or the Insurer] with respect to the Series 2012A 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 Refinanced Leases, the transfer of a Series 2012A 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 2012A Certificates will not be impaired following termination of the Refinanced Leases.

Capital Outlay Millage Revenues

The amount of Capital Outlay Millage Revenues which can be realized by the District derived from the levy of the Local Option Millage Levy can be affected by a variety of factors not within the control of the School Board, including, without limitation, fluctuations in the level of the assessed valuation of property within the District, the amount of general business activity, growth and new construction which occurs within the District and legislative changes. See "AD VALOREM TAX PROCEDURES - Collection of Ad Valorem Taxes" with respect to the impact of the recent economic downturn on ad valorem tax collections and "RECENT GOVERNMENTAL ACTIONS AFFECTING DISTRICT REVENUES" with respect to recent legislation and constitutional amendments affecting ad valorem taxes. There can, therefore, be no assurances that such revenues will not decrease further in the event that such growth and new construction, for whatever reason, continues to decrease within the County or further adverse legislation is adopted by the State of Florida.

State Revenues

A large portion of the District's funding is derived from State sources. See "REVENUE SOURCES OF THE DISTRICT – Operating Revenues" and "– Revenues for Capital Projects" 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. The State is currently experiencing significant shortfalls in sales tax revenues, which has resulted in significant budget cuts, including cuts to funding for the District. As a result, the State Legislature reduced funding

to the District in 2007, 2008, 2009, 2010 and 2011, which has resulted in an aggregate reduction in the District's revenues of approximately [\$107.1] million since 2007.

The final budget adopted by the Florida Legislature for Fiscal Year 2011-2012 decreased State aid to education for the District by \$141 million and decreased the required local effort and discretionary millage for the District by [\$18] million. In addition, the 0.25 critical needs millage expired on June 30, 2011, resulting in a further reduction to the District of \$33 million. The State Legislature reduced the Florida Retirement System employer contribution rate from 9.63% to 3.77%, which is estimated to reduce the District's required contribution by \$65 million for Fiscal Year 2011-2012. The resulting net reduction to the District for Fiscal Year 2011-2012 is estimated to be [\$75] million.

On December 7, 2011, Governor Rick Scott released his budget proposal for the State of Florida for Fiscal Year 2012-2013. Included in Governor Scott's proposed budget is a \$1 billion increase in State education funding. Based on the Governor's proposed budget and individual department submissions, the Legislature prepares its own version of the budget which may or may not reflect the Governor's recommendations. While typically containing a number of the executive branch recommendations, the final approved budget has historically changed from the version submitted by the Governor. Given the current budgetary and revenue environment in the State, it is expected that the budget process for 2012-2013 will be challenging in many respects and that the Governor's proposed budget will be subject to significant changes. No assurance can be given that funding for education will be increased per the Governor's recommendations in the final adopted budget.

Legislative Changes

In recent years, legislation has been introduced that has reduced State funding for school districts, 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 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. 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."

Tax Legislation

Legislation that raised the U.S. debt ceiling on August 2, 2011 required a Super-committee to propose legislation to reduce the federal deficit by \$1.2 trillion or more over ten years. One possible spending cut is the reduction of the tax-exempt status of interest on municipal bonds. Proposals have included limiting the available exemption based on income levels. There can be no assurance that similar or additional legislative proposals will be introduced or enacted in the future that would, or might apply to, have a material adverse effect upon the tax-exempt status of interest on municipal securities, including the Series 2012A Certificates, or the market value thereof. See "TAX TREATMENT."

Additional Leases

Pursuant to the Master Lease, the School Board may enter into other Leases in addition to the Current Leases and the Refinanced Leases. Failure to appropriate funds to make Lease Payments under any Lease will, and an event of default under any Lease may, result in the termination of all Leases, including the Refinanced Leases. Upon any such termination of all Leases, the School Board must surrender certain Facilities, including the Refinanced Facilities (but excluding the Series 2003A-2 Facilities and any Facilities excluded under the terms of any Lease) 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. In no event will owners of the Series 2012A Certificates have any interest in or right to any proceeds of the disposition of Facilities other than Overlapping Facilities financed with the proceeds of another Series of Certificates, except as described herein. There can be no assurance that the remedies available to the Trustee upon any such termination of all Leases and the disposition of the Refinanced Facilities (but excluding the Series 2003A-2 Facilities) will produce sufficient amounts to pay the Outstanding Series 2012A Certificates. See “THE REFINANCED LEASES – Effect of Termination for Non-Appropriation or Default” herein.

Additional Indebtedness

The School Board may issue additional indebtedness, other than in connection with the Master Lease, secured by or payable from available revenues without the consent of the owners of the Series 2012A Certificates. Incurring such additional indebtedness may adversely affect the ability of the School Board to make Lease Payments under the Master Lease.

Interest Rate Exchange Agreements

General

Payments made by the School Board under the interest rate exchange agreements described below constitute Additional Lease Payments under the Master Lease and are secured by the Leases to which the respective interest rate exchange agreement relates. Each of the interest rate exchange agreements is subject to termination prior to the scheduled termination date thereof under certain circumstances, including a partial termination if a portion of the related series of Certificates is prepaid, other than as a result of a mandatory sinking fund prepayment. If a termination event were to occur under one or more of such agreements, the School Board may be confronted with the need to appropriate a significant termination payment or payments within a single Fiscal Year. Such an obligation could have a material adverse effect on the School Board’s ability to make Lease Payments, including payments required under the Refinanced Leases.

2004D Floating-to-Fixed Swap

In connection with the Certificates of Participation, Series 2004D (the “Series 2004D Certificates”), the School Board entered into an International Swaps and Derivatives Association, Inc. (“ISDA”) Master Agreement dated as of June 24, 2004 (together with all schedules and confirmations thereto, the “2004D Swap Agreement”) with Citibank, N.A. (“Citi”) effective June 30, 2004. In general, the 2004D Swap Agreement provides, subject to the terms

and conditions thereof, for payment by the School Board to Citi of a fixed rate of interest of 3.85% and for payment by Citi to the School Board of interest calculated at a variable rate based on 67% of “USD LIBOR - BBA” (as defined in the 1992 ISDA U.S. Municipal Counterparty Definitions) based on an amortizing notional amount of \$113,825,000. The intent of the 2004D Swap Agreement is to effectively change the variable interest rate on the Series 2004D Certificates into a synthetic fixed rate of 3.85% per annum. The School Board has an option to terminate the 2004D Swap Agreement in whole or in part on any Business Day upon 30 days’ notice to Citi; however, if at the time of termination the 2004D Swap Agreement has a negative fair value, the District would be liable to Citi for a payment based on the 2004D Swap Agreement’s fair value at that time. As of the date hereof, the School Board has no intent to terminate the 2004D Swap Agreement. The scheduled termination date of the 2004D Swap Agreement is July 1, 2029. The scheduled payments of the School Board when due pursuant to the 2004D Swap Agreement are guaranteed by a financial guaranty insurance policy (the “2004D Swap Policy”) issued by Assured Guaranty. The 2004D Swap Policy does not guarantee termination payments under the 2004D Swap Agreement unless the termination is at the direction of Assured Guaranty. For additional information on the 2004D Swap Agreement, see note 13 to “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2011.”

2006B Floating-to-Fixed Swap

In connection with the Certificates of Participation, Series 2006B (the “Series 2006B Certificates”), the School Board entered into an ISDA Master Agreement dated as of May 16, 2006 (together with all schedules and confirmations thereto, the “2006B Swap Agreement”) with with Bear Stearns Financial Products, Inc. (“BSFP”) effective June 6, 2006. BSFP assigned its interest in the 2006B Swap Agreement to JP Morgan Chase Bank, N.A. (“JP Morgan”), an affiliate of J.P. Morgan, one of the underwriters of the Series 2012A Certificates. In general, the 2006B Swap Agreement provides, subject to the terms and conditions thereof, for payment by the School Board to JPMorgan of a fixed rate of interest of 4.131% and for payment by JPMorgan to the School Board of interest calculated at a variable rate currently based on 70% of “USD-LIBOR-BBA” (as defined in the 2000 ISDA U.S. Municipal Counterparty Definitions) provided that the clause “the day that is two London Banking Days preceding that Reset Date” is deleted and replaced with “the day that is one London Banking Day preceding that Reset Date”), based on an amortizing notional amount of \$65,000,000. The intent of the 2006B Swap Agreement is to effectively change the variable interest rate on the Series 2006B Certificates into a synthetic fixed rate of 4.131% per annum. The School Board has an option to terminate the 2006B Swap Agreement in whole or in part on any Business Day upon 10 Business Days’ notice to JPMorgan; however, if at the time of termination the 2006B Swap Agreement has a negative fair value, the District would be liable to JP Morgan for a payment based on the 2006B Swap Agreement’s fair value at that time. As of the date hereof, the School Board has no intent to terminate the 2006B Swap Agreement. The scheduled termination date of the 2006B Swap Agreement is June 30, 2031. The scheduled payments of the School Board when due pursuant to the 2006B Swap Agreement are guaranteed by a financial guaranty insurance policy (the “2006B Swap Policy”) issued by Assured Guaranty. The 2006B Swap Policy does not guarantee termination payments under the 2006B Swap Agreement unless the termination is at the direction of Assured Guaranty. For additional information on the 2006B Swap Agreement, see

note 13 to “APPENDIX B – Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year Ended June 30, 2011.”

LITIGATION

General

There is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the Series 2012A Certificates; (ii) questioning or affecting the validity of the Refinanced 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 2012A Certificates.

The School Board is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, the School Board Attorney 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.

Grand Jury Report

On February 18, 2011, a Statewide Grand Jury report was released, reflecting the results of a year-long inquiry into the functioning of the School Board and the District staff in non-instructional areas, in particular the school construction program. The Grand Jury, aided by the Florida Department of Law Enforcement, found no specific violations of any criminal law and returned no indictments. However, the report was highly critical of the School Board, the Superintendent and the staff of the Facilities and Construction Management Division. School Board members were criticized for, among other matters, micro-managing and improperly influencing staff decisions relating to the selection of contractors and other vendors, the need for new schools, the types of construction contracts used and consequently the costs of schools, the timing of opening of schools that were not ready for occupancy, early release of contract retainage, and delays in filing reports to the State Department of Education. The District Staff and the Superintendent were criticized for, among other things, allowing schools to be opened prior to issuance of final certificates of occupancy, shoddy construction quality, inadequate record keeping, failing to obtain final certificates of occupancy and poor management and training of inspectors and other staff. The Grand Jury report contained findings and recommendations to the School Board and the State legislature designed to improve the operations of the District and lessen the influence of the School Board thereon.

On February 22, 2011, the Commissioner of Education requested the School Board Chairman to provide a specific plan of action to address the findings and recommendations of the Grand Jury. By law, if the Commissioner determines that the School Board “is unwilling or unable to address substantiated allegations made by any person relating to waste, fraud, or financial mismanagement within the School District”, the Inspector General of the Department of Education “shall conduct, coordinate, or request investigations into such substantiated allegations”, in order to “detect, deter, prevent, and eradicate fraud, waste, mismanagement,

misconduct and other abuses”. On March 10, 2011 the Commissioner announced that he had requested the Inspector General to visit the District in order to evaluate actions taken and proposed in response to the Grand Jury report.

On March 31, 2011 the School Board Chairman submitted to the Commissioner the School Board’s “Plan of Action to Address the Findings and Recommendations of the Grand Jury” (the “Plan”). The Plan contains a comprehensive response to each of the Grand Jury’s findings and recommendations, providing a description of actions taken prior to the release of the Grand Jury report, and actions to be taken together with timelines therefor. Many of such reforms had been recommended in a report issued in September 2010 by an independent “Commission on Education Excellence through Integrity, Public Ethics and Transparency” convened by the School Board in October 2009. Among the areas addressed in the Plan were stricter compliance with State building code requirements for initial occupancy, including development of uniform construction project closeout procedures and increased use of local government building inspectors; reduction in use of temporary certificates of occupancy (“TCO’s”), with a goal of resolving all existing TCO’s by July 31, 2011; increasing transparency by providing current project construction information on the District’s website and posting more supporting information for agenda items to come before the School Board; requiring all construction items of financial impact to be heard on the open agenda at School Board meetings; better training of building, facilities and construction staff in the area of human resources and operating procedures and record retention; adoption of a new ethics code for School Board members, with training by the Florida Commission on Ethics and continuing education requirements; creation of an ethics website for District employees and School Board members; retention of an independent audit firm to perform ongoing testing of the District and its ethics policies and procedures; and removal of School Board members from all committees involved in the selection process for goods and services.

On April 15, 2011 the Commissioner accepted the Plan, but due to the ongoing nature of some of the corrective actions, directed the Inspector General to monitor the District’s corrective activities for the six month period ended October 15, 2011. The corrective actions contained in the Plan were designed to improve the functioning of the District, and are not expected to materially affect the financial position or results of operations of the District, or the School Board and its ability to make Lease Payments. The District has completed the corrective action required and is no longer being monitored.

RATINGS

[Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Ratings Services (“S&P”) are expected to assign ratings of “___” and “___” respectively, to the Insured Series 2012A Certificates, with the understanding that, upon delivery of the Insured Series 2012A Certificates, the Policy will be issued by the Insurer.] Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same. Moody’s, S&P and Fitch Ratings (“Fitch”) have also assigned underlying ratings of ___, ___, and ___ respectively, to the Series 2012A Certificates without giving any regard to the Policy. An explanation of the ratings given by Moody’s may be obtained from Moody’s at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0300. An explanation of the ratings given by

S&P may be obtained from S&P at 55 Water Street, New York, New York 10041, (212) 438-2124. An explanation of the ratings given by Fitch may be obtained from Fitch at One State Street Plaza, New York, New York 10004, (212) 908-0500. There is no assurance that such ratings 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 may have an adverse effect on the market price of the Series 2012A Certificates.

The above ratings are not recommendations to buy, sell or hold the Series 2012A Certificates, and such ratings may be subject to revision or withdrawal at any time by the Rating Agencies.

TAX TREATMENT

General

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 2012A Certificates in order that the interest portion of the Basic Lease Payments represented by the Series 2012A 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 2012A Certificate holders to be included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the Series 2012A 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 2012A Certificate holders and not to take any actions that would adversely affect that excludability. Co-Special Tax Counsel expects to deliver an opinion at the time of issuance of the Series 2012A 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 2012A Certificates will be excludable from gross income for federal income tax purposes. However, no opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2012A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder. The interest portion of the Basic Lease Payments represented by the Series 2012A Certificates will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however the interest portion of the Basic Lease Payments represented by the Series 2012A Certificates is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Co-Special Tax Counsel is further of the opinion that the Series 2012A Certificates and the portion of the Basic Lease Payments designated and paid as interest to the owners of the Series 2012A 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 2012A 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 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 2012A Certificate holders or the ownership or disposition of the Series 2012A Certificates. Prospective purchasers of Series 2012A Certificates should be aware that the ownership of Series 2012A 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 2012A 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 2012A Certificates, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including the interest portion of the Basic Lease Payments represented by the Series 2012A Certificates, (iii) the inclusion of the interest portion of the Basic Lease Payments represented by the Series 2012A 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 2012A 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) recipients of certain Social Security and Railroad Retirement benefits are required to take into account receipts and accrual of the interest portion of the Basic Lease Payments represented by the Series 2012A Certificates in determining whether a portion of such benefits are included in gross income for federal income tax purposes.

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the Series 2012A Certificates, adversely affect the market price or marketability of the Series 2012A 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 2012A Certificates. If enacted into law, such legislative proposals could affect the market price or marketability of the Series 2012A Certificates. Prospective purchasers of the Series 2012A Certificates should consult their tax advisors as to the impact of any proposed or pending legislation.

The discussion of tax matters in this Offering Statement applies only in the case of purchasers of the Series 2012A Certificates at their original issuance and at the respective prices indicated on the inside cover page of this Offering Statement. It does not address any other tax

consequences, such as, among others, the consequence of the existence of any market discount to subsequent purchasers of the Series 2012A Certificates. Purchasers of the Series 2012A Certificates should consult their own tax advisers regarding their particular tax status or other tax considerations resulting from ownership of the Series 2012A Certificates.

Original Issue Discount And Premium

Certain of the Series 2012A Certificates as indicated on the inside cover of this Offering Statement (“Discount Certificates”) were 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. The issue price of a Discount Certificate is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Certificates 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 2012A 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. A purchaser of a Discount Certificate in the initial public offering at the price for that Discount Certificate stated on the inside cover of this Offering Statement who holds that Discount Certificate to maturity will realize no gain or loss upon the retirement of that Discount Certificate.

Certain of the Series 2012A Certificates as indicated on the inside cover of this Offering Statement (“Premium Certificates”) were 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. A purchaser of a Premium Certificate in the initial public offering at the price for that Premium Certificate stated on the inside cover of this Offering Statement who holds that Premium Certificate to maturity (or, in the case of a callable Premium Certificate, to its earlier call date that results in the lowest yield on that Premium Certificate) will realize no gain or loss upon the retirement of 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.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, execution, delivery and sale of the Series 2012A Certificates are subject to the approving legal opinions of Co-Special Tax Counsel, Greenberg Traurig, P.A., Miami, Florida, and KnoxSeaton, Miami, Florida. The proposed forms of such opinions are included herein as APPENDIX D. Certain legal matters will be passed upon for the School Board and the Corporation by J. Paul Carland, Esquire, School Board General Counsel, and for the Underwriters by their Co-Counsel, Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida, and the Law Offices of Steve E. Bullock, P.A., Miramar, Florida. Co-Special Tax Counsel and Co-Counsel to the Underwriters will receive fees for services provided in connection with the issuance of the Series 2012A Certificates, which fees are contingent upon the issuance of the Series 2012A 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 assumes no duty to update or supplement its 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 its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

UNDERWRITING

The Underwriters have agreed to purchase the Series 2012A Certificates at a price of \$_____ (which represents the \$_____ principal amount of the Series 2012A Certificates, plus a net original issue premium of \$_____ and minus an Underwriters' discount of \$_____).

The Underwriters will purchase all of the Series 2012A 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.

Citigroup Inc. and Morgan Stanley, the respective parent companies of Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated, each an underwriter of the Series 2012A Certificates, have entered into a retail brokerage joint venture. As part of the joint venture each of Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, each of Citigroup Global Markets Inc. and Morgan

Stanley & Co. Incorporated will compensate Morgan Stanley Smith Barney LLC. for its selling efforts in connection with their respective allocations of Series 2012A Certificates.

J.P. Morgan Securities Inc., one of the underwriters of the Series 2012A Certificates, has entered into negotiated dealer agreements (each a “Dealer Agreement” with each of UBS Financial Services Inc. (“UBSFS”) and Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution of certain securities offerings, including the Series 2012A Certificates, at the original issue prices. Pursuant to each Dealer Agreement, each of UBSFS and CS&Co. will purchase Series 2012A Certificates from J.P. Morgan Securities Inc. at the original issue prices less a negotiated portion of the selling concession applicable to any Series 2012A Certificates that such firm sells.

The Underwriters may offer and sell the Series 2012A 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.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The mathematical accuracy of the computations of the escrow yield, arbitrage calculations, and adequacy of escrowed moneys to be held by the Escrow Agent to provide for the prepayment of the respective portions of the Refunded Certificates on _____, 2012 will be verified by _____.

CO-FINANCIAL ADVISORS

The School Board has retained Public Financial Management, Inc., Orlando, Florida, and Fidelity Financial Services, L.C., Fort Lauderdale, Florida, as co-financial advisors with respect to the planning, structuring, execution and issuance of the Series 2012A Certificates (the “Co-Financial Advisors”). The Co-Financial Advisors will receive fees for services provided in connection with the issuance of the Series 2012A Certificates, which fees are contingent upon the issuance of the Series 2012A Certificates. The Co-Financial Advisors are 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.

Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

Fidelity Financial Services, L.C. is a financial advisory and consulting firm and is not engaged in the business of underwriting, marketing or trading of municipal securities or other negotiable instruments.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements of The School Board of Broward County, Florida for the Fiscal Year ended June 30, 2011 and the report thereon of Moore Stephens Lovelace, P.A. independent certified public accountants, dated November 17, 2011, 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 2012A 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 Series 2012A Continuing Disclosure Certificate to be executed by the School Board as of the date of issuance of the Series 2012A Certificates, as such Continuing Disclosure Certificate may be amended from time to time in accordance with the terms thereof (the "Continuing Disclosure Certificate"). Such covenant shall only apply so long as the Series 2012A 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 with the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system described in the Continuing Disclosure Certificate attached hereto as APPENDIX F. 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 F - FORM OF CONTINUING DISCLOSURE CERTIFICATE." Failure of the School Board to comply with the Continuing Disclosure Certificate is not considered an event of default under the Refinanced Leases, the Trust Agreement or the Continuing Disclosure Certificate; however, any Series 2012A 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 Continuing Disclosure Certificate.

The covenants of the School Board in the Continuing Disclosure Certificate 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 2012A Certificates in order to comply with the Rule. To date, the School Board has not failed to comply with any prior continuing disclosure undertakings with respect to the Rule.

BLUE SKY DISCLOSURE

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

MISCELLANEOUS

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a 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, the School Board, or the Corporation 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, the School Board or the Corporation and the purchasers or the holders of any of the Series 2012A Certificates.

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

THE SCHOOL BOARD OF BROWARD
COUNTY, FLORIDA

By: _____
ANN MURRAY, Chair

By: _____
ROBERT W. RUNCIE, Superintendent of
Schools and Secretary to the School Board

APPENDIX A

GENERAL INFORMATION REGARDING BROWARD COUNTY, FLORIDA

APPENDIX B

**BASIC FINANCIAL STATEMENTS OF
THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

APPENDIX C

FORMS OF CERTAIN LEGAL DOCUMENTS

Form of Master Trust Agreement

Form of Series 2012A Supplemental Trust Agreement

Form of Master Lease Purchase Agreement

Form of Amended and Restated Schedule 2001A-1

Form of Amended and Restated Schedule 2001B-1

Form of Amended and Restated Schedule 2003A-1

Form of Amended and Restated Schedule 2003A-2

Form of Amended and Restated Schedule 2004-1

Form of Series 2001A-1 Ground Lease,

Form of Series 2001B-1 Ground Lease

Form of Series 2003A-1 Ground Lease

Form of Series 2004 Ground Lease

Form of Series 2001A Assignment Agreement

Form of Series 2001B Assignment Agreement

Form of Series 2003A Assignment Agreement

Form of Series 2004 Assignment Agreement

APPENDIX D

PROPOSED FORM OF OPINION OF CO-SPECIAL TAX COUNSEL

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE