

# Annual Debt Report

for the year ended June 30, 2022



# **THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA**

## **BOARD MEMBERS**

District 1 - Barbara McQuinn

District 2 – Alexandria Ayala

District 3 – Karen M. Brill, Board Vice Chair

District 4 – Erica Whitfield

District 5 – Frank A. Barbieri, Jr., Esq., Board Chair

District 6 – Marcia Andrews

District 7 – Debra Robinson, M.D.

## **REPORT ISSUED BY:**

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## **REPORT PREPARED BY:**

Leanne Evans, Treasurer

The School District of Palm Beach County, FL  
3300 Forest Hill Boulevard, Suite A-334  
West Palm Beach, FL 33406

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## Executive Summary

In April 2004, the School Board adopted a Debt Management Policy. The purpose of the policy is to establish guidelines for the implementation and management of debt. In accordance with the policy, this report has been prepared to detail the actions taken during the fiscal year and to summarize the outstanding debt and hedges of the School District. The policy is available on pages 31-41 of this report.

The School District actively manages debt with the goal of obtaining capital at a low cost while managing the exposure to risk. A key goal of the District, as required by the Debt Management Policy, is to ensure the District maintains a strong credit rating. The District's ratings did not change over the course of the year. The long-term issuer rating is Aa2 and AA, the long-term COPs ratings are Aa3 and AA-, and the short-term rating is MIG-1. A detailed list of the District's ratings is available on page 17 of this report.

The School District's debt can be categorized as long-term and short-term. The District uses long-term debt, such as Certificate of Participation (COPs) and General Obligation Bonds, to finance the purchase or construction of assets. Additionally, the District has used capital leases with a five-year term to purchase school buses and other equipment. Short-term debt, including Tax Anticipation Notes and Commercial Paper, is used to manage cash flows for operating and capital purposes. The District also uses hedges, or swaps, to reduce the borrowing costs associated with long-term debt.

The School District has a Finance Committee, comprised of seven residents of Palm Beach County with experience in public finance and investments. These well-credentialed members review all investments and debt issues as well as all associated contracts and policies.

### Finance Committee Member

William Moore  
Richard Miller, Chair  
Michael Kohner  
Jack Warner  
George Elmore  
William McDaniel, Vice Chair  
Paul Dumars

### School Board Member

District 1 - Barbara McQuinn  
District 2 - Alexandria Ayala  
District 3 - Karen M. Brill  
District 4 - Erica Whitfield  
District 5 - Frank A. Barbieri, Jr., Esq.  
District 6 - Marcia Andrews  
District 7 - Debra Robinson, M.D.

At this time, we offer our sincere appreciation to the Finance Committee for their ongoing support and expertise. Since the Committee was established in 2001, 88 debt and hedge transactions totaling \$8.22 billion have been completed resulting in present value savings in excess of \$168.9 million. A summary of the completed transactions and associated savings is available on pages 21-23 of this report.

The District has contracted with several firms to assist with the issuance and management of our debt. The current contract term for each company is listed in parenthesis.

- PFM Financial Advisors LLC - Independent Registered Municipal Advisor (8/2019 – 12/2024)
- Greenberg Traurig - Bond and Special Tax Counsel (3/2020 – 3/2025 approved annually)
- Nabors Giblin Nickerson - Disclosure Counsel (3/2020 – 3/2025 approved annually)
- Digital Assurance Certification, LLC – Dissemination Agent

The District conducted an RFP for underwriters during FY 2018 to select a team of underwriters that will be used for any negotiated debt issue. The contract is in place from 1/2018 – 1/2023 and was recently extended for the optional one-year extension to 1/2024 with the following firms.

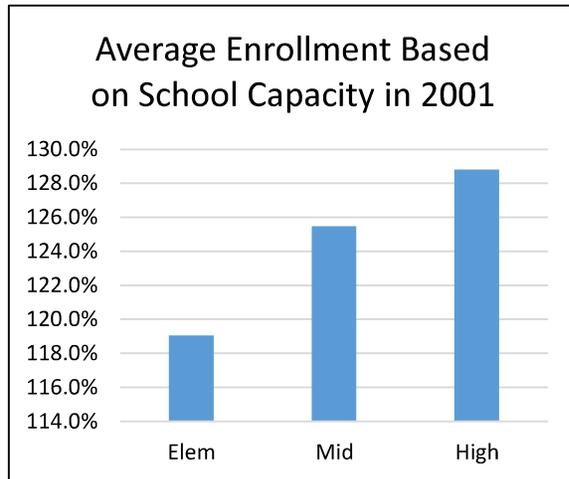
Citigroup (senior)	Raymond James
JP Morgan (senior)	RBC Capital Markets
Merrill Lynch (senior)	Siebert Cisneros Shank & Co
Morgan Stanley	Stifel Nicolaus & Company
PNC Capital Markets	Wells Fargo Bank, N.A.

The District strives to be transparent regarding our outstanding debt. In addition to this annual report, documentation related to the District's debt is available online. Our investor relations website is available at [http://www.palmbeachschools.org/doing\\_business\\_with\\_the\\_district/investors](http://www.palmbeachschools.org/doing_business_with_the_district/investors). Documents such as offering statements, rating reports, financial reports, and budgets are available on that website. This District complies with SEC regulations by filing information timely on EMMA, the Electronic Municipal Market Assess System, provided by the MSRB. The District's dissemination agent ensures filings are completed timely.

## History of Debt Issuance

The choice to issue debt has not been taken lightly, but used when necessary to ensure we have appropriate facilities in place for our students.

The District first issued COPs in 1994. Between 1994 and 1996, \$228 million was borrowed via COPs to finance the construction of 17,702 student stations.



### Overcrowded Schools

In 1998, the State Legislature enacted public school concurrency as the optimal process to ensure the capacity of schools was sufficient to support residential development. In December 2000, an interlocal agreement for public school concurrency received approval from the School Board, Palm Beach County and the 26 required municipalities. The agreement, the first of its kind in Florida, was developed to foster joint planning throughout the county. One key point in the concurrency agreement was that in addition to building new schools, the District would also replace aging facilities throughout the county. The 2001 Palm Beach County comprehensive plan showed our schools were overcrowded, averaging 124% of student capacity.

### Student Growth

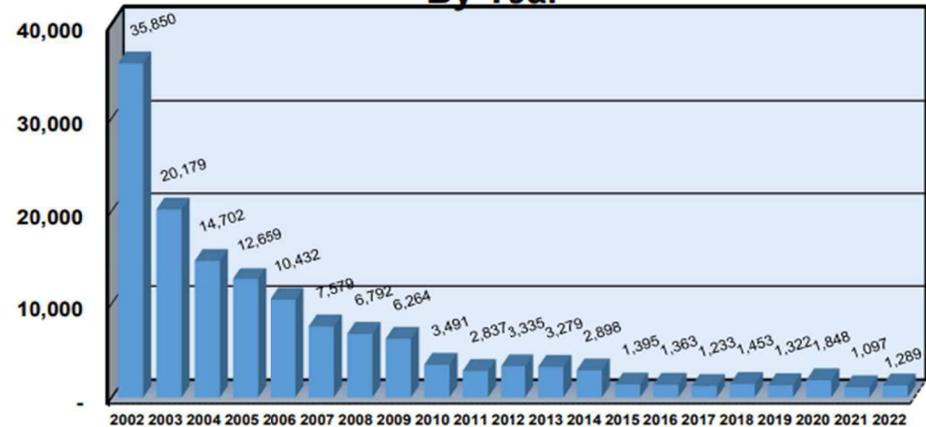
At the same time, our enrollment was growing by more than 4,000 students per year. The challenges facing the School Board were monumental; overcrowded schools, rapid student growth and aging facilities. State funding sources such as PECO construction, Classrooms for Kids (bonded lottery proceeds) and K-3 Class Size Reduction were used to build schools, but these dollars did not come close to solving the overcrowding problem in our schools.

The District started issuing COPs again in 2000 and issued \$1.1 billion between 2000 and 2004 to build more than 32,000 new student stations and replace more than 26,000 student stations. When considering the new debt, the School Board wisely placed limits in our debt policy to ensure that no more than half of the capital tax revenue would be used for COPs debt service.

In 2001 the School Board expanded the role of the Investment Committee to include the implementation and management of debt. The committee was renamed the Finance Committee and the members were tasked with reviewing all investments and debt issues as well as all associated contracts and policies.

During the same time period, many of the old, wooden portables were replaced with new buildings or concrete modular classrooms. The new buildings were built under revised building codes and comply with the stringent Miami-Dade Wind Code. Additionally, all new high schools were constructed as hurricane shelters, increasing the safety of all citizen in Palm Beach County. While this made a significant impact, adding additional student stations and improving the safety of our facilities by replacing and modernizing old schools, our District was still growing rapidly. It was evident that another revenue source was required to address student growth and aging facilities.

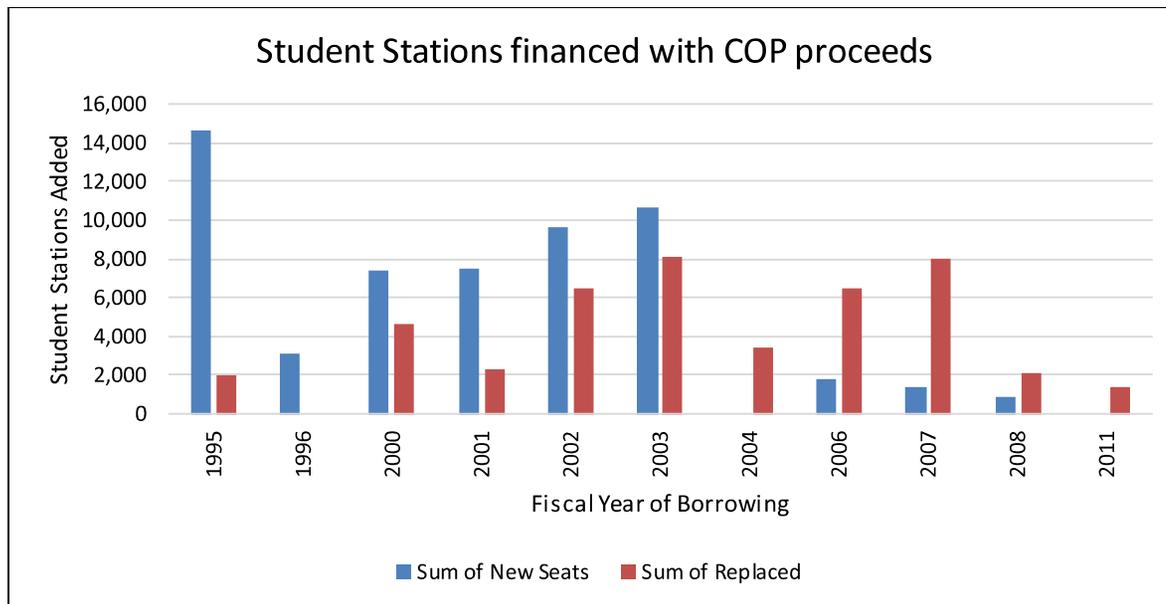
**Comprehensive Safety Inspection Citations By Year**



In 2004, the School Board asked the voters to approve a half-penny sales tax. As approved, the tax was to raise \$560 million for school construction projects. The plan also included \$334 million of additional COPs to fund the building program.

The District successfully completed all the projects on the referendum list, with the exception of projects that were cancelled or postponed due to demographic changes. This was a challenge as during this time, construction costs escalated dramatically and the State Legislature enacted Class Size Reduction. The implementation of CSR came with some additional state funds, but not enough to fund all the additional classrooms that were needed. These factors led to a decision to issue more COPs than had been projected. Between 2006 and 2008, a total of \$798 million of COPs were issued. The District continued to maintain compliance with the debt policy, which stipulated that no more than half of the capital tax revenue would be used for debt service.

Between 1995 and 2011, the District spent more than \$3.8 billion on new schools, modernizations, additions and land purchases for those facilities. \$2.26 billion was financed with COPs while \$495 million was funded through State sources and \$1.19 billion was paid with local sources, including the half-penny sales tax. The COP proceeds funded the construction of 41 new schools, 43 replacement schools, 29 additions as well as the purchase of land, modular classrooms and furniture for financed facilities. These facilities house almost 106,000 students. This equates to 49% of all student stations in the District.

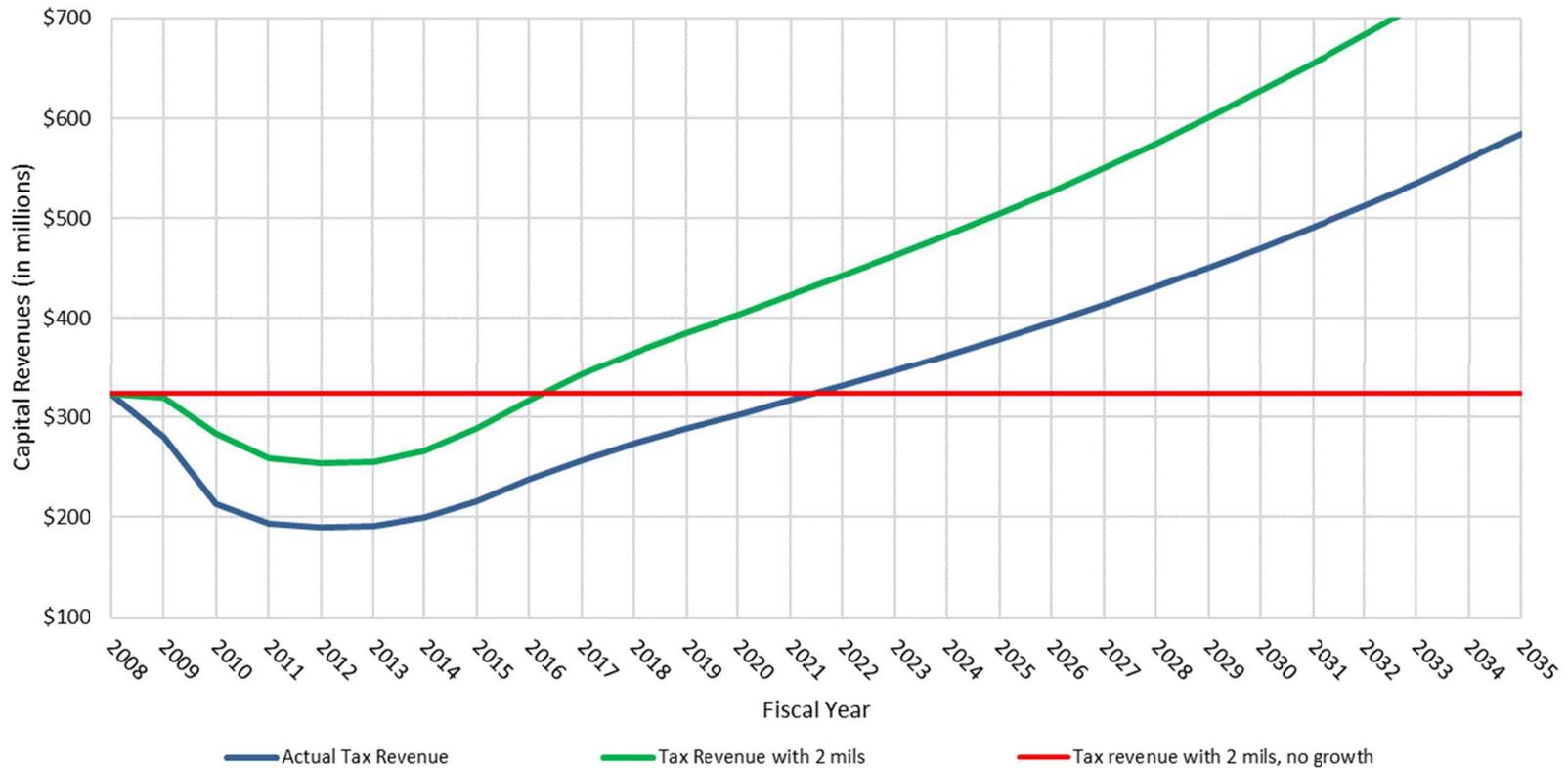


During FY 2017, the School Board asked the voters to approve a half-penny sales tax. As approved, the tax is estimated to raise \$1.34 billion through 2026 or sooner if the goal is reached by September 30 of the previous year. The sales tax proceeds are used to address deferred maintenance that accumulated during the recession and after the reduction of the capital millage levy. The referendum project list also included construction projects that will be financed with COPs. The first COP issue was completed during FY 2020 to fund 3 replacement schools and 2 school additions. Two COP issues were completed during FY 2021 to fund two new schools and a school addition/remodeling project. These recent transactions financed the construction of 8,928 student stations. At this time, all the projects funded in FY2020 have opened. One of the projects funded in FY 2021 has been completed and the second is on schedule to open for students by August 2023.

## Reduction of Taxing Authority

In 2009, the State legislature reduced the School Board’s taxing authority for capital from 2 mills to 1.75 mills and in 2010 to 1.5 mills. This change, along with the dramatic reduction of property values due to the Great Recession, has created a significant challenge for the District. The School Board modified the debt policy to reflect these changes. The chart below compares the tax revenue received in 2008 to the revenues projected for the future. Based on current property value projections and no change in the Board’s taxing authority, the District’s capital revenue exceeded this level for the first time in FY 2022. If the Board’s authority to levy 2 mills was restored, revenues would have returned to the 2008 level in 2017. Discounting the changes in property values since 2008, the lost revenue solely to the reduction of taxing authority exceeds \$1 billion.

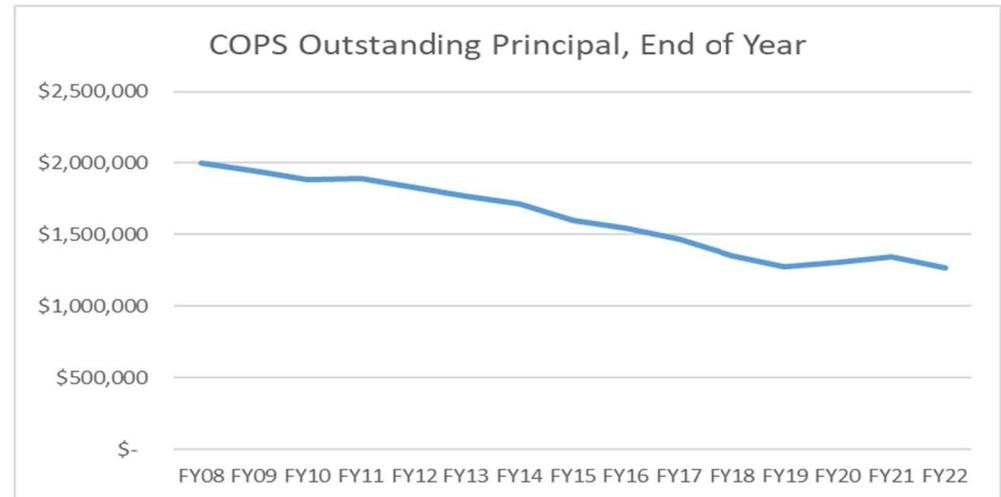
Comparison of Capital Tax Revenues for Palm Beach Schools



During FY 2017, the Florida Legislature approved HB 7069 which required School Districts to share capital outlay millage with eligible Charter Schools on a per student basis. The calculation of the amount to be transferred to charters reduces the base amount by the annual debt service associated with debt issued prior to March 1, 2017. At the time, the estimated impact was \$200 million over the next ten years. Moody's Investor Service indicated this is a credit negative for Florida School Districts. The impact in FY 2018 was \$9.27 million. In FY 2018, the Florida Legislature revised the law so that charter schools should receive capital outlay funding per student based on the state average, to be adjusted annually based on CPI. The state fully funded the amount needed since FY 2019. The law implies the state will provide funding in the future, but Districts will be required to fund any shortfall. The future impact of this law is difficult to forecast as we don't know how many students will attend a charter school in a given year, nor do we know how much funding will be provided by the state of Florida.

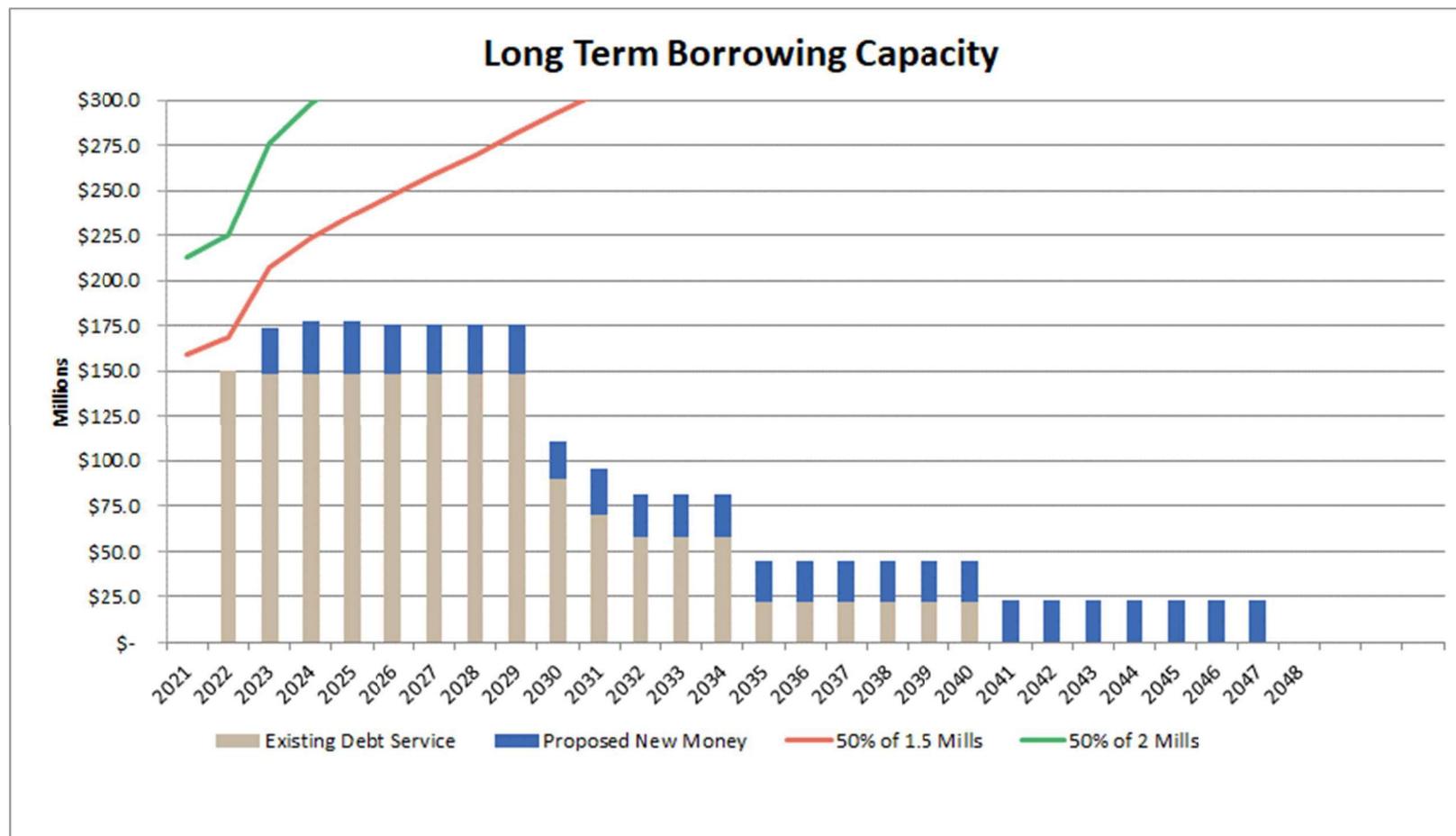
As of June 30, 2022, there is \$1.3 billion of COPs outstanding as compared to over \$2 billion in 2008. Annual payments as well as principal reductions achieved through refinancing existing debt has reduced the amount outstanding.

While the District has been challenged with shortfalls in the capital budget over the years, it is evident that the issuance of COPs was necessary to ensure there were sufficient student stations for our students, ensure a safe learning environment for students and employees, and provide hurricane shelters for Palm Beach County residents.



## Looking Ahead

The project list for the recently approved sales tax referendum included construction projects to be financed with COPs. As in the past, the District is carefully monitoring how the new debt impacts debt service payments in the future. The following chart shows the projected annual debt service for outstanding debt as well as proposed new debt issues compared to the latest projections of capital outlay millage from EDR (Office of Economic & Demographic Research).



With the assistance of the Finance Committee, staff continues to look for opportunities to reduce borrowing costs and risk to the District. As mentioned earlier, savings achieved by active debt management has resulted in approximately \$168.9 million of present value savings.

# Long Term Debt

## Capital Outlay Bond Issues

**General Information:** Known as COBI, these bonds are issued and managed by the State of Florida on behalf of the School District. The State collects funds from vehicle licenses. A portion of the funds is used for principal and interest payments. The remaining monies are forwarded to the School District as revenue known as CO & DS (Capital Outlay and Debt Service). The State of Florida determines when and if a new debt will be issued. If they decide to proceed with a new issue, the School District may be able to bond their portion of the revenue source. The State issued COBI 2020A to refund COBI 2010A.

**FY 2022 Summary:** During FY 2022, principal payments totaling \$1.1 million were made by the State on behalf of the School District.

As of June 30, 2022, there is \$4.3 million of COBI outstanding for Palm Beach Schools. The District's next principal payment of \$959 thousand will occur on January 1, 2023.

## Leases

**General Information:** Issued to finance the purchase of equipment, such as school buses. The District limits the maturity to five years. The District issued the first lease in 2014, through TD Bank. In 2015, the District entered into a master lease agreement with Banc of America Public Capital Corp. Having a master lease in place will reduce the issuance costs of future leases and make the process much easier. Within the master lease structure, the District has issued four leases. As of June 30, 2022, there was \$12.5 million outstanding.

**FY 2022 Summary:** During FY 2022, the District made principal payments totaling \$6.1 million. The District's next principal payment was made on August 1, 2022 reducing the principal outstanding to \$9.4 million. Under the terms of each loan agreement, the debt is payable over five years. The final maturity of the leases will be on August 1, 2024.

# Long Term Debt

## Certificates of Participation

**General Information:** Certificates of Participation, or COPs, were first issued by the District in 1994. This has been the District's primary method of financing school construction. COPs are structured as a master lease agreement. As of June 30, 2022, there was \$1.3 billion outstanding, all of which is fixed rate. 38% of all student stations in the District are currently included in the COP Master Lease Agreement. A listing of all COP issues, which details the projects financed, can be found on pages 24-29 of this report.

**FY 2022 Summary:** On July 21, 2021, the School Board approved the forward refunding of the 2012C and 2014C COP issues. The Board agreed to refund the certificates 90 days prior to the call dates in 2022 and 2024 respectively and locked in the rate for the transaction which will occur as private placements with Bank of America.

2022A closed on May 5, 2022 to refund the 2012C certificates which was subsequently redeemed on the call date of August 1, 2022. The par amount was \$39.61 million with a coupon of 1.37% and maturity of 8/1/2029. The transaction generated PV savings of 13.89% or \$5.4 million between 2022 and 2029.

2024A will close on May 6, 2024 to refund the 2014C certificates which will be redeemed on the call date of August 1, 2024. The par amount will be \$33.82 million with a coupon of 1.37% and maturity of 8/1/2031. The transaction will generate PV savings of 17.90% or \$5.9 million between 2022 and 2031.

During FY 2022, \$81.3 million was transferred to escrow accounts for repayment of principal. As of June 30, 2022, there is \$1,265,425,000 of COPs outstanding. As of August 1, 2022, the amount outstanding will be \$1,184,095,000.

**Subsequent Events:** On August 30, 2022, the District issued \$185.9 million (plus a premium of \$21.0 million) in Certificates of Participation (COP) Series 2022B. The \$206.9 million issue has an average coupon rate of 5.214% and a net interest cost of 4.19%. The proceeds will provide the funding for a new middle school, two school modernizations and four school facility renewal projects. The final maturity is August 1, 2040. The Series 2022B Certificates possess underlying credit ratings of Aa3 from Moody's and AA- from Fitch.

On November 2, 2022, the School Board approved the issuance of Certificates of Participation Series 2023A (tax-exempt) with a principal amount of \$200 million and Series 2023B (taxable) with a principal amount of \$25 million. The issuance will provide the funding needed to finance certain educational facilities and equipment. The estimated costs associated with the issuance of this debt is not to exceed \$1.9 million. Both transactions will mature no later than August 1, 2048.

# Long Term Debt

## Qualified Zone Academy Bonds

**General Information:** For the School District, a QZAB is essentially an interest-free loan. A bank will purchase the bonds; and the Federal Government pays the interest in the form of a tax credit to the bank. The documentation is similar to a COP issue and does require a supplement to our Master Lease. The transaction is also included in the calculation of our COP capacity. The bonds are generally structured with annual payments over a twelve to sixteen-year period. The bonds are paid in full at maturity, but the District is required to transfer a principal payment to an escrow account annually. The District has issued three QZABs to date totaling \$6.0 million and all have now matured. The last principal payment was made in December 2020.

## Qualified School Construction Bonds

**General Information:** The Federal Government, as part of the American Recovery and Reinvestment Act (ARRA) created Qualified School Construction Bonds (QSCBs). These are tax credit bonds and are interest free – or very low net – to school districts. In conjunction with the Build America Bond (BAB) Program, also part of the ARRA legislation, the bonds issued prior to December 31, 2010, could be issued as taxable which opened up a new market for the District. The U.S. Treasury would provide a subsidy to cover the difference between the taxable and tax-exempt borrowing rate. The documentation was similar to a COP issue and required a supplement to our Master Lease. The transaction is included in the calculation of our COP capacity. The bonds are generally structured with annual payments over a twelve to sixteen-year period.

### **2010A Qualified School Construction Bonds – Federally Taxable – Interest Subsidy**

COP 2010A was sold via a competitive sale on November 3, 2010 with a par of \$67.7. Nine bids were submitted with the winning bid offered by Banc of America Merrill Lynch. The average coupon rate was 5.4% and the net interest cost was 5.45%. Due to the expected interest subsidy, the All-In TIC was 0.366%. The transaction was closed on November 15, 2010 and the final maturity will be August 1, 2025.

## Long Term Debt

### Qualified School Construction Bonds Bonds (cont'd)

**Forward Delivery Agreement for Series 2010A QSCB** – Beginning in 2019 and continuing until 2025, the District will be required to make payments into a sinking fund for the Series 2010A QSCB. As part of the QSCB program, the District is limited to earn no more than 4.262% of interest on those funds. In November 2010, the District accepted bids for a Forward Delivery Agreement. Barclays Capital submitted the best bid and will provide US Treasuries or AAA rated Federal Agencies to generate 4.262% interest on the funds the District deposits into the sinking fund, beginning in 2019. The transaction locked in interest revenues of \$8.1M which offsets the \$5.3 million of net interest cost of the QSCB and provides \$3 million that will be used for the last sinking fund payment.

**Sequestration** – When the 2010A QSCB was issued, the expected federal subsidy was \$51.7 million. In 2013, due to budget shortfalls, the federal government reduced the subsidy by 8.7%. The impact of sequestration changes annually. Through June 30, 2022, the impact of sequestration is \$2.1 million. The total impact of sequestration, over the life of the 2010A QSCB, is currently projected to be approximately \$2.8 million.

## Short Term Debt

### Tax Anticipation Notes

**General Information:** Issued annually to finance operations prior to the receipt of ad valorem taxes.

There were no TANS issued in FY 2022 as funds were not needed to finance current operations.

### Revolving Line of Credit

**General Information:** Issued in 2019 to provide additional cash and budget authority as needed to expedite sales tax revenues. While there was no need for additional cash, state law requires the District to have cash available to support any purchase orders issued. The facility, issued by PNC, will allow the District to draw cash when needed. The facility was initially set at \$80 million. The line will be increased as needed to a maximum of \$200 million and will be in place for three years. Based on current cash flow projections, there will be no need to draw on the line of credit. However, should the expenditures exceed forecasts or revenues fall below projections, the District will draw on the line of credit as needed. In that instance interest will be charged at a rate of 79% of 1-Month LIBOR plus 41 bps. At this time, that is estimated at 2.445%. If cash were drawn to match the proposed project budgets, the estimated interest cost is \$9.1 million over three years. If no cash is drawn on the line of credit, as currently expected, an unused fee of 10 basis point or 0.10% will be assessed. Based on the original estimates, the fee would have been approximately \$500,000 over the three-year period. This fee will be funded from interest earnings to date on the sales tax proceeds.

**FY 2022 Activity:** On June 15, 2022, the revolving line of credit was extended for a fourth year for \$80 million at the same rates with a few changes. The annual day count was changed from 365 to 360 and the rate index was changed from a LIBOR Index to a Bloomberg Short-Term Bank Yield Index. The RLOC will expire on July 13, 2023. The total fees paid for the RLOC through June 30, 2022 total \$403,845.89. The fees have been funded from interest earnings on the sales tax proceeds.

## Hedges

**General Information:** The School District has used various types of hedges, or swaps, to reduce the borrowing costs associated with long-term debt. Simply stated, a swap is a financial contract between two parties, or “counterparties”. Swaps are a type of derivative, i.e. its price is *derived from* the price of an underlying index, bond rate, etc. For example, the District has used interest rate swaps to convert variable rate debt to a “synthetic” fixed rate, thus reducing the overall borrowing cost.

From 2002 through 2006, the District entered into six swap transactions. The transactions resulted in savings in excess of \$40 million. By June 30, 2018, all swaps were terminated.

## Debt Ratings

The School District works with the three national rating agencies to provide an accurate credit rating. This is important as it impacts the interest costs associated with long term borrowing. While a change in ratings may not have a direct impact on the cost of existing fixed rate debt, it would immediately impact the cost of variable rate debt and all future debt issuances. The District’s current ratings are shown below and are among the highest for School Districts in the state of Florida. Definitions of these ratings are available on page 18.

<b>Rating Agency</b>	<b>Short Term Notes</b>	<b>Long Term General Obligation or Issuer Credit Rating</b>	<b>Long Term Certificates of Participation</b>
Moody's	MIG 1	Aa2, Stable Outlook	Aa3, Stable Outlook
Standard and Poor's	not rated	AA, Stable Outlook	AA-, Stable Outlook
Fitch	not rated	AA, Stable Outlook	AA-, Stable Outlook

## RATING DEFINITIONS

### **Moody's Investor Service: Ratings for Long-Term Municipal Debt**

Aaa	Best quality; carry the smallest degree of investment risk.
Aa	High quality; margins of protection not quite as large as the Aaa bonds.
A	Upper medium grade; security adequate but could be susceptible to impairment.
Baa	Medium grade; neither highly protected nor poorly secured - lack outstanding investment characteristics and sensitive to changes in economic circumstances.

*Ratings further classified by 1, 2, or 3 modifier with 1 being high and 3 being low.*

### **Moody's Investor Service: Ratings for Short-Term Municipal Debt**

MIG 1	This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad-based access to the market for refinancing.
MIG 2	This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

### **Standard & Poor's: Ratings for Long-Term Municipal Debt**

AAA	Highest rating; extremely strong security.
AA	Very strong security; differs from AAA in only a small degree.
A	Strong capacity but more susceptible to adverse economic effects than two above categories.
BBB	Adequate capacity but adverse economic conditions more likely to weaken capacity.

*Those issues determined to possess overwhelming safety characteristics will be given a plus (+) designation.*

### **Standard & Poor's: Ratings for Municipal Notes**

SP-1	Very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics will be given a plus (+) designation.
SP-2	Satisfactory capacity to pay principal and interest
SP-3	Speculative capacity to pay principal and interest.

### **Fitch Ratings: Ratings for Long-Term Municipal Debt**

AAA	Highest rating; extremely strong security.
AA	Very strong security; differs from AAA in only a small degree.
A	Strong capacity but more susceptible to adverse economic effects than two above categories.
BBB	Adequate capacity but adverse economic conditions more likely to weaken capacity.

*“+” or “-” are used with a rating symbol to indicate the relative position of a credit within the rating category.*

**SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA**  
**SUMMARY OF OUTSTANDING OBLIGATIONS**  
**AS OF 06/30/22**

Series	Issue Date	Sr. Manager or Provider	Original Principal Amount	Principal Outstanding as of 6/30/22	Principal Outstanding as of 08/01/22	Final Maturity	Fixed or Variable	New or Refunding	Interest Rates	School District Issuer Rating (Moody's/S&P/Fitch)	School District Rating for COPs (Moody's/S&P/Fitch)	Call Provisions	Purpose/ Comments	Exposure to Market Change	Public Offering or Direct Placement	Hedged?
<b>CERTIFICATES OF PARTICIPATION</b>																
2010A QSCB	11/15/10	Bank of America Merrill Lynch	67,665,000	67,665,000	67,665,000	08/01/25	F	N	5.40%	na/AA/AA	Aa3/AA-/AA-	Non Callable	Taxable Debt with subsidy from US Treasury. Net interest cost of 0.36%	None	Public	No
2011A	07/13/11	Morgan Stanley	44,520,000	-	-	08/01/21	F	R	4.0% - 5.0%	na/AA/AA	Aa3/AA-/AA-	8/1/2021	Refunded 2007B. Partially refunded by 2015C and 2017B.	None	Public	No
2011D	11/15/11	Bank of America Public Capital Corp	25,065,000	-	-	08/01/21	F	R	2.64%	na/AA/AA	Aa3/AA-/AA-	7/1/2016	Refunded portion of 2003A	None	Direct	No
2012A	05/15/12	Morgan Stanley	20,085,000	1,795,000	-	08/01/22	F	R	5.00%	na/AA/AA	Aa3/AA-/AA-	8/1/2022	Refunded portion of 2002D. Partially refunded by 2017B	None	Public	No
2012C	08/09/12	Bank of America Merrill Lynch	67,145,000	4,565,000	-	08/01/22	F	R	4.0% - 5.0%	na/AA/AA	Aa3/AA-/AA-	8/1/2022	Refunded portion of 2004A; Partially refunded by 2022A	None	Public	No
2014B	06/27/14	Morgan Stanley	166,010,000	75,675,000	57,990,000	08/01/25	F	R	3.00% - 5.00%	na/AA/AA	Aa3/AA-/AA-	Non Callable	Refunded 2011B and terminated swap	None	Public	No
2014C	07/29/14	Citigroup	33,280,000	33,280,000	33,280,000	08/01/31	F	R	5.00%	na/AA/AA	Aa3/AA-/AA-	8/1/2024	Extended 2007A Call Option	None	Direct	No
2015A	05/05/15	Bank of America Merrill Lynch	106,315,000	9,570,000	-	08/01/22	F	R	2.52%	na/AA/AA	Aa3/AA-/AA-	Non Callable	Advanced Refunding of 2005A	None	Direct	No
2015B	01/14/15	Bank of America Merrill Lynch	145,535,000	108,270,000	99,665,000	08/01/31	F	R	5.00%	na/AA/AA	Aa3/AA-/AA-	8/1/2025	Refunded 2006A	None	Public	No
2015C	10/28/15	Morgan Stanley	62,970,000	62,970,000	62,970,000	08/01/32	F	R	5.00%	na/AA/AA	Aa3/AA-/AA-	8/1/2025	Refunded portion of 2011A	None	Public	No
2015D	04/30/15	JP Morgan	221,640,000	166,100,000	179,995,000	08/01/32	F	R	5.00%	na/AA/AA	Aa3/AA-/AA-	8/1/2025	Refunded portions of 2007A and 2007E	None	Public	No
2017A	10/11/17	Wells Fargo	147,850,000	131,305,000	127,315,000	08/01/27	F	R	5.00%	na/AA/AA	Aa3/AA-/AA-	none	Competitive Sale - Refunded portions of 2007C	None	Public	No
2017B	12/26/17	Citigroup	41,945,000	41,945,000	35,610,000	08/01/28	F	R	4.125% - 5.00%	na/AA/AA	Aa3/AA-/AA-	none	Refunded portions of 2011A and 2012A	None	Public	No
2018A	02/13/18	Bank of America Merrill Lynch	114,770,000	79,795,000	68,000,000	08/01/27	F	R	5.00%	na/AA/AA	Aa3/AA-/AA-	none	Refunded 2014A and terminated 2002B Swap	None	Public	No
2018B	02/28/18	JP Morgan	103,955,000	91,735,000	87,780,000	08/01/28	F	R	5.00%	na/AA/AA	Aa3/AA-/AA-	none	Refunded 2012B and terminated 2002D Swap	None	Public	No
2018C	02/28/18	Citigroup	120,790,000	115,485,000	108,555,000	08/01/29	F	R	5.00%	na/AA/AA	Aa3/AA-/AA-	8/1/2028	Refunded 2003B and Terminated 2003B Swap	None	Public	No
2020A	05/12/20	Bank of America	103,820,000	103,820,000	103,820,000	08/01/34	F	N	5.00%	na/AA/AA	Aa3/AA-/AA-	8/1/2030	Construction projects	None	Public	No

SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA  
SUMMARY OF OUTSTANDING OBLIGATIONS  
AS OF 06/30/22

Series	Issue Date	Sr. Manager or Provider	Original Principal Amount	Principal Outstanding as of 6/30/22	Principal Outstanding as of 08/01/22	Final Maturity	Fixed or Variable	New or Refunding	Interest Rates	School District Issuer Rating (Moody's/S&P/Fitch)	School District Rating for COPS (Moody's/S&P/Fitch)	Call Provisions	Purpose/ Comments	Exposure to Market Change	Public Offering or Direct Placement	Hedged?
2021A	05/20/21	JP Morgan	101,905,000	101,905,000	101,905,000	08/01/40	F	N	5.00%	na/AA/AA	Aa3/AA-/AA-	8/1/2031	Construction projects	None	Public	No
2021B	05/20/21	JP Morgan	9,935,000	9,935,000	9,935,000	08/01/35	F	N	5.00%	na/AA/AA	Aa3/AA-/AA-	8/1/2031	Construction projects - taxable	None	Public	No
2022A	05/05/22	Bank of America	39,610,000	39,610,000	39,610,000	08/01/29	F	R	1.37%	na/AA/AA	Aa3/AA-/AA-	n/a	Refunded 2012C	None	Direct	No
<b>Total COPS</b>			<b>1,744,810,000</b>	<b>1,265,425,000</b>	<b>1,184,095,000</b>											
<b>CAPITAL LEASES</b>																
2018 Equipment Lease	10/18/18	Banc of America Public Capital Corp	16,071,427	5,039,458	3,384,946	08/01/23	F		3.10%			None	Chillers	None	Direct	
2019 Equipment Lease	09/06/19	Banc of America Public Capital Corp	14,700,000	7,494,795	6,021,382	08/01/24	F		1.72%			None	Chillers	None	Direct	
<b>Total Capital Leases</b>			<b>30,771,427</b>	<b>12,534,252</b>	<b>9,406,329</b>											
<b>OTHER OBLIGATIONS</b>																
<b>Total Other Items</b>			<b>-</b>	<b>-</b>	<b>-</b>											
<b>CAPITAL OUTLAY BOND ISSUES (ISSUE BY STATE OF FLORIDA)</b>																
2011A-R	12/07/11		5,820,000	565,000	565,000	01/01/22	F		4.00% - 5.00%				Refunded 2002B and 2003A	None	Public	
2020A-R	01/14/20		4,918,000	3,708,000	3,708,000	01/01/30	F		2.00% - 5.00%				Refunded COBI 2010A	None	Public	
<b>Total COBIs</b>			<b>10,738,000</b>	<b>4,273,000</b>	<b>4,273,000</b>											
<b>Grand Total</b>			<b>1,786,319,427</b>	<b>1,282,232,252</b>	<b>1,197,774,329</b>											



## Summary of Financings Completed

September 2000 - June 2022

Type	Issue	Issue Date	New Money	Refundings	Swaps	Transaction Totals	PV Savings*	count
COPS	COP 2001A		135,500,000			135,500,000		1
COPS	COP 2001B			169,445,000		169,445,000	8,000,000	1
COPS	COP 2002A		115,250,000			115,250,000		1
COPS	COP 2002B		115,350,000			115,350,000		1
COPS	COP 2002B R			115,350,000		115,350,000		1
COPS	COP 2002C		161,090,000			161,090,000		1
COPS	COP 2002D		191,215,000			191,215,000		1
COPS	COP 2002E			93,350,000		93,350,000	3,750,000	1
COPS	COP 2002Q		950,000			950,000		1
COPS	COP 2003A		60,865,000			60,865,000		1
COPS	COP 2003B		124,295,000			124,295,000		1
COPS	COP 2004A		103,575,000			103,575,000		1
COPS	COP 2004Q		2,923,326			2,923,326		1
COPS	COP 2005A			124,630,000		124,630,000	3,690,966	1
COPS	COP 2005B		38,505,000			38,505,000		1
COPS	COP 2005Q		2,150,308			2,150,308		1
COPS	COP 2006A		222,015,000			222,015,000		1
COPS	COP 2007A		268,545,000			268,545,000		1
COPS	COP 2007B		119,400,000			119,400,000		1
COPS	COP 2007B R			118,225,000		118,225,000		1
COPS	COP 2007C			195,881,039		195,881,039	7,920,411	1
COPS	COP 2007D			30,485,000		30,485,000	1,257,007	1
COPS	COP 2007E		147,390,000			147,390,000		1
COPS	COP 2010A		67,665,000			67,665,000		1
COPS	COP 2011A	07/13/11		112,425,000		112,425,000	3,916,254	1
COPS	COP 2011B <sup>(1)</sup>	06/29/11		166,270,000		166,270,000	(6,140,075)	1
COPS	COP 2011C	11/15/11		15,355,000		15,355,000	1,102,150	1
COPS	COP 2011D	11/15/11		25,065,000		25,065,000	1,304,529	1
COPS	COP 2012A	05/15/12		20,085,000		20,085,000	1,354,437	1
COPS	COP 2012B <sup>(2)</sup>	06/29/12		116,555,000		116,555,000	(5,088,769)	1
COPS	COP 2012C	08/09/12		67,145,000		67,145,000	5,595,070	1
COPS	COP 2014A	01/31/14		115,627,598		115,627,598		1
COPS	COP 2014B	06/27/14		195,336,022		195,336,022	-	1
COPS	COP 2014C	07/29/14		33,280,000		33,280,000	2,063,360	1



## Summary of Financings Completed

September 2000 - June 2022

Type	Issue	Issue Date	New Money	Refundings	Swaps	Transaction Totals	PV Savings*	count
COPS	COP 2015A	05/05/15		106,315,000		106,315,000	7,154,132	1
COPS	COP 2015B	01/14/15		145,535,500		145,535,500	17,700,180	1
COPS	COP 2015C	10/28/15		62,970,000		62,970,000	6,734,478	1
COPS	COP 2015D	04/30/15		221,640,000		221,640,000	17,595,455	1
COPS	COP 2017A	10/11/17		147,850,000		147,850,000	28,805,024	1
COPS	COP 2017B	12/26/17		41,945,000		41,945,000	2,873,271	1
COPS	COP 2018A	02/13/18		114,770,000		114,770,000	(1,309,454)	1
COPS	COP 2018B	02/28/18		103,955,000		103,955,000	(611,056)	1
COPS	COP 2018C	02/28/18		120,790,000		120,790,000	394,634	1
COPS	COP 2020A	05/12/20	103,820,000			103,820,000		1
COPS	COP 2021A	05/20/21	101,905,000			101,905,000		1
COPS	COP 2021B	05/20/21	9,935,000			9,935,000		1
COPS	COP 2022A	05/05/22		39,610,000		39,610,000	5,468,437	1
<b>COPS Total</b>			2,092,343,634	2,819,890,159	-	4,912,233,793	113,530,440	47
CP	Commercial Paper		250,000,000			250,000,000	2,752,597	1
<b>CP Total</b>			250,000,000	-	-	250,000,000	2,752,597	1
GO	GO 2002			98,490,000		98,490,000	5,000,000	1
GO	GO 2002A			28,200,000		28,200,000	779,525	1
<b>GO Total</b>			-	126,690,000	-	126,690,000	5,779,525	2
Lease	CIT		6,474,602			6,474,602		1
Lease	SunTrust		2,878,520			2,878,520		1
Lease	TD Bank	02/20/14	14,001,671			14,001,671		1
Lease	Bank of America - 1	07/02/15	14,235,296			14,235,296		1
Lease	Bank of America - 2	11/18/15	7,152,000			7,152,000		1
Lease	Bank of America - 3	03/18/16	6,971,740			6,971,740		1
Lease	Bank of America - 4	10/18/18	16,071,427			16,071,427		1
Lease	Bank of America - 5	09/06/19	14,700,000			14,700,000		1
<b>Lease Total</b>			82,485,256	-	-	82,485,256	-	8
RANS	RANS 2009		72,114,878			72,114,878	58,487	1
RANS	RANS 2010		56,000,000			56,000,000		1
<b>RANS Total</b>			128,114,878	-	-	128,114,878	58,487	2
RLOC	RLOC 2019	06/27/19	80,000,000			80,000,000		1
<b>RLOC Total</b>			80,000,000	-	-	80,000,000	-	1
Swap	2001B-2011B Swaption <sup>(1)</sup>				162,980,000	162,980,000	6,027,060	1



## Summary of Financings Completed

September 2000 - June 2022

Type	Issue	Issue Date	New Money	Refundings	Swaps	Transaction Totals	PV Savings*	count
Swap	2002B-Interest Rate				115,350,000	115,350,000	7,153,194	1
Swap	2002D-Basis				100,000,000	100,000,000	6,531,539	1
Swap	2002D-CMS				100,000,000	100,000,000	12,273,075	1
Swap	2002D-2012B Swaption <sup>(2)</sup>				116,555,000	116,555,000	2,115,934	1
Swap	2003B-Interest Rate				124,295,000	124,295,000	6,479,618	1
<b>Swap Total</b>			-	-	719,180,000	719,180,000	40,580,420	6
TANS	TANS 2000		42,000,000			42,000,000	389,000	1
TANS	TANS 2001		45,000,000			45,000,000	133,000	1
TANS	TANS 2002		45,000,000			45,000,000	92,000	1
TANS	TANS 2003		45,000,000			45,000,000	33,000	1
TANS	TANS 2004		55,000,000			55,000,000	481,419	1
TANS	TANS 2005		55,000,000			55,000,000	700,021	1
TANS	TANS 2006		85,000,000			85,000,000	1,174,597	1
TANS	TANS 2007		115,000,000			115,000,000	871,761	1
TANS	TANS 2008		85,000,000			85,000,000	1,245,403	1
TANS	TANS 2009		85,000,000			85,000,000	174,645	1
TANS	TANS 2010		115,000,000			115,000,000	22,250	1
TANS	TANS 2011		115,000,000			115,000,000	(22,530)	1
TANS	TANS 2012		115,000,000			115,000,000	(40,229)	1
TANS	TANS 2013	09/26/13	115,000,000			115,000,000	(21,234)	1
TANS	TANS 2014	09/25/14	115,000,000			115,000,000	14,112	1
TANS	TANS 2015	10/05/15	115,000,000			115,000,000	17,597	1
TANS	TANS 2016	10/11/16	115,000,000			115,000,000	(161,486)	1
TANS	TANS 2017	10/10/17	115,000,000			115,000,000	441,365	1
TANS	TANS 2018	10/03/18	115,000,000			115,000,000	375,323	1
TANS	TANS 2019	10/03/19	115,000,000			115,000,000	303,264	1
TANS	TANS 2020	10/06/20	115,000,000			115,000,000		1
<b>TANS Total</b>			1,922,000,000	-	-	1,922,000,000	6,223,276	21
<b>Grand Total</b>			4,554,943,768	2,946,580,159	719,180,000	8,220,703,927	168,924,745	88

\* PV Savings for refunding issues are calculated from the transaction date. Savings for swaps are through termination.

<sup>(1)</sup> 2011B issued in conjunction with 2001B swaption; therefore savings is combination of upfront payment received and savings/dissaving of 2001B refunding. Savings will increase or decrease depending on actual results of variable rate 2011B.

<sup>(2)</sup> 2012B issued in conjunction with 2002D swaption; therefore savings is combination of upfront payment received and savings/dissaving of 2002D refunding.



**School District of Palm Beach County**  
**Summary of Outstanding COPS Funded Projects**  
as of 06/30/2022

Debt Issue	Facility	Square Footage	Student Stations	Original Par	Outstanding COPS as of 06/30/22	Outstanding COPS as of 08/01/22	Asset Based Project Costs	Non-Asset Based Project Costs	Total Project Costs
COPS 2000A	Outstanding Debt COPS 2000A	-	-	155,000,000	-	-	-	-	-
COPS 2000A	Outstanding Debt COPS 2001B	-	-	-	-	-	-	-	-
COPS 2000A	Outstanding Debt COPS 2011B	-	-	-	-	-	-	-	-
COPS 2000A	Outstanding Debt COPS 2014B	-	-	-	75,675,000	57,990,000	-	-	-
COPS 2000A	Debt Service Payment	-	-	-	-	-	14,297,677	-	14,297,677
COPS 2000A	Arbitrage Rebate Payment	-	-	-	-	-	56,192	-	56,192
COPS 2000A	Beacon Cove Elem (96-A)	111,416	857	-	-	-	10,982,786	-	10,982,786
COPS 2000A	Independence Middle (98-FF)	171,028	1,362	-	-	-	18,919,320	-	18,919,320
COPS 2000A	Jupiter High Modernization	331,152	2,367	-	-	-	49,309,322	-	49,309,322
COPS 2000A	Lake Park Elem Modernization	74,305	418	-	-	-	10,081,745	-	10,081,745
COPS 2000A	Pahokee Elem, Classroom Bldg	48,427	108	-	-	-	6,013,805	-	6,013,805
COPS 2000A	Palmetto Elem Modernization	124,526	864	-	-	-	15,972,667	-	15,972,667
COPS 2000A	Village Academy (98-P)	66,102	756	-	-	-	6,913,786	-	6,913,786
COPS 2000A	Palm Beach Central High (96-JJJ)	372,835	2,449	-	-	-	45,360,580	-	45,360,580
<b>COPS 2000A Total</b>		<b>1,299,791</b>	<b>9,181</b>	<b>155,000,000</b>	<b>75,675,000</b>	<b>57,990,000</b>	<b>177,907,882</b>	<b>-</b>	<b>177,907,882</b>
COPS 2001A	Outstanding Debt COPS 2001A	-	-	135,500,000	-	-	-	-	-
COPS 2001A	Outstanding Debt COPS 2005A	-	-	-	-	-	-	-	-
COPS 2001A	Outstanding Debt COPS 2007C	-	-	-	-	-	-	-	-
COPS 2001A	Outstanding Debt COPS 2015A	-	-	-	9,570,000	-	-	-	-
COPS 2001A	Outstanding Debt COPS 2017A	-	-	-	54,515,000	54,435,000	-	-	-
COPS 2001A	Debt Service Payment	-	-	-	-	-	5,083,200	-	5,083,200
COPS 2001A	Boca Raton Elem Modernization	66,010	401	-	-	-	9,824,754	-	9,824,754
COPS 2001A	Freedom Shores Elem (97-M)	110,192	806	-	-	-	11,834,643	-	11,834,643
COPS 2001A	Crosspointe Elem (98-I)	103,967	738	-	-	-	12,159,279	-	12,159,279
COPS 2001A	Discovery Key Elem (96-L)	108,677	738	-	-	-	11,574,396	-	11,574,396
COPS 2001A	Forest Hill Elem Modernization	102,734	754	-	-	-	12,932,653	-	12,932,653
COPS 2001A	Frontier Elem (96-B)	107,701	738	-	-	-	12,139,290	-	12,139,290
COPS 2001A	Lake Worth High, Classroom Addition	115,368	540	-	-	-	4,228,774	-	4,228,774
COPS 2001A	Benoist Farms Elem (96-D)	104,028	820	-	-	-	11,927,700	-	11,927,700
COPS 2001A	Pleasant City Area Elem (98-N)	69,718	386	-	-	-	7,448,104	-	7,448,104
COPS 2001A	Portable Replacement	-	-	-	-	-	-	7,000,000	7,000,000
COPS 2001A	Sunrise Park Elem (96-H)	109,074	738	-	-	-	11,023,032	-	11,023,032
COPS 2001A	Site Acquisition	-	-	-	-	-	-	10,160,089	10,160,089
COPS 2001A	Royal Palm Beach Elem (96-J)	102,610	774	-	-	-	11,287,443	-	11,287,443
<b>COPS 2001A Total</b>		<b>1,100,079</b>	<b>7,433</b>	<b>135,500,000</b>	<b>64,085,000</b>	<b>54,435,000</b>	<b>121,463,269</b>	<b>17,160,089</b>	<b>138,623,359</b>



**School District of Palm Beach County**  
**Summary of Outstanding COPS Funded Projects**  
**as of 06/30/2022**

Debt Issue	Facility	Square Footage	Student Stations	Original Par	Outstanding COPS as of 06/30/22	Outstanding COPS as of 08/01/22	Asset Based Project Costs	Non-Asset Based Project Costs	Total Project Costs
COPS 2002B	Outstanding Debt COPS 2002B	-	-	115,350,000	-	-	-	-	-
COPS 2002B	Outstanding Debt COPS 2014A	-	-	-	-	-	-	-	-
COPS 2002B	Outstanding Debt COPS 2018A	-	-	-	79,795,000	68,000,000	-	-	-
COPS 2002B	Debt Service Payment	-	-	-	-	-	2,675,346	-	2,675,346
COPS 2002B	Belvedere Elem Modernization	90,849	586	-	-	-	11,290,066	-	11,290,066
COPS 2002B	Greenacres Elem Modernization	84,903	498	-	-	-	11,135,728	-	11,135,728
COPS 2002B	Jupiter Elem Modernization	90,909	604	-	-	-	11,597,540	-	11,597,540
COPS 2002B	Lantana Middle Modernization	145,251	901	-	-	-	19,756,797	-	19,756,797
COPS 2002B	Site Acquisition	-	-	-	-	-	27,595,035	-	27,595,035
COPS 2002B	South Olive Elem Modernization	94,982	601	-	-	-	12,551,380	-	12,551,380
COPS 2002B	Jaega Middle (98-EE)	172,096	1,207	-	-	-	20,657,115	-	20,657,115
<b>COPS 2002B Total</b>		<b>678,990</b>	<b>4,397</b>	<b>115,350,000</b>	<b>79,795,000</b>	<b>68,000,000</b>	<b>117,259,006</b>	<b>-</b>	<b>117,259,006</b>
COPS 2002C	Outstanding Debt COPS 2002C	-	-	161,090,000	-	-	-	-	-
COPS 2002C	Outstanding Debt COPS 2005A	-	-	-	-	-	-	-	-
COPS 2002C	Outstanding Debt COPS 2007C	-	-	-	-	-	-	-	-
COPS 2002C	Outstanding Debt COPS 2015A	-	-	-	-	-	-	-	-
COPS 2002C	Outstanding Debt COPS 2017A	-	-	-	76,790,000	72,880,000	-	-	-
COPS 2002C	Debt Service Payment	-	-	-	-	-	8,520,624	-	8,520,624
COPS 2002C	Equestrian Trails Elem (02-S)	115,633	766	-	-	-	13,236,084	-	13,236,084
COPS 2002C	Diamond View Elem (01-R)	120,747	750	-	-	-	13,501,992	-	13,501,992
COPS 2002C	Panther Run Addition and HVAC Replacement	38,235	428	-	-	-	13,917,920	-	13,917,920
COPS 2002C	West Boca Raton Community High (01-LLL)	371,432	2,547	-	-	-	50,232,536	-	50,232,536
COPS 2002C	Forest Hill High Modernization	304,018	1,919	-	-	-	50,011,322	-	50,011,322
COPS 2002C	U.B. Kinsey/Palmview Elem Modernization	101,117	659	-	-	-	13,240,250	-	13,240,250
COPS 2002C	Village Academy Addition	31,480	278	-	-	-	4,320,932	-	4,320,932
<b>COPS 2002C Total</b>		<b>1,082,662</b>	<b>7,347</b>	<b>161,090,000</b>	<b>76,790,000</b>	<b>72,880,000</b>	<b>166,981,659</b>	<b>-</b>	<b>166,981,659</b>



**School District of Palm Beach County**  
**Summary of Outstanding COPS Funded Projects**  
 as of 06/30/2022

Debt Issue	Facility	Square Footage	Student Stations	Original Par	Outstanding COPS as of 06/30/22	Outstanding COPS as of 08/01/22	Asset Based Project Costs	Non-Asset Based Project Costs	Total Project Costs
COPS 2002D	Outstanding Debt COPS 2002D	-	-	191,215,000	-	-	-	-	-
COPS 2002D	Outstanding Debt COPS 2005A	-	-	-	-	-	-	-	-
COPS 2002D	Outstanding Debt COPS 2012A	-	-	-	1,795,000	-	-	-	-
COPS 2002D	Outstanding Debt COPS 2012B	-	-	-	-	-	-	-	-
COPS 2002D	Outstanding Debt COPS 2015A	-	-	-	-	-	-	-	-
COPS 2002D	Outstanding Debt COPS 2017B	-	-	-	16,930,000	16,930,000	-	-	-
COPS 2002D	Outstanding Debt COPS 2018B	-	-	-	91,735,000	87,780,000	-	-	-
COPS 2002D	Debt Service Payment	-	-	-	-	-	15,124,946	-	15,124,946
COPS 2002D	Osceola Creek Middle (99-HH)	169,332	1,194	-	-	-	23,581,882	-	23,581,882
COPS 2002D	Don Estridge High Tech Middle (98-GG)	177,982	1,327	-	-	-	25,454,847	-	25,454,847
COPS 2002D	H.L. Watkins Middle Modernization	188,548	1,281	-	-	-	25,471,170	-	25,471,170
COPS 2002D	Lantana Elem Modernization	95,220	599	-	-	-	12,583,214	-	12,583,214
COPS 2002D	Palm Beach Public Elem Modernization	68,565	393	-	-	-	15,313,245	-	15,313,245
COPS 2002D	Palm Springs Elem Modernization	121,208	760	-	-	-	17,569,751	-	17,569,751
COPS 2002D	Roosevelt Elem Modernization	117,695	801	-	-	-	19,357,921	-	19,357,921
COPS 2002D	Tradewinds Middle (98-II)	192,160	1,383	-	-	-	24,185,616	-	24,185,616
COPS 2002D	West Boca Raton Community High Buildout	371,432	2,547	-	-	-	-	4,567,390	4,567,390
COPS 2002D	Portable/Modular Replacement	-	-	-	-	-	-	7,693,784	7,693,784
COPS 2002D	Site Acquisition	-	-	-	-	-	-	10,198,388	10,198,388
<b>COPS 2002D Total</b>		<b>1,502,142</b>	<b>10,285</b>	<b>191,215,000</b>	<b>110,460,000</b>	<b>104,710,000</b>	<b>178,642,592</b>	<b>22,459,563</b>	<b>201,102,155</b>
COPS 2003B	Outstanding Debt COPS 2003B	-	-	124,295,000	-	-	-	-	-
COPS 2003B	Outstanding Debt COPS 2018C	-	-	120,790,000	115,485,000	108,555,000	-	-	-
COPS 2003B	Debt Service Payment	-	-	-	-	-	4,831,888	-	4,831,888
COPS 2003B	Atlantic High Replacement	402,435	2,423	-	-	-	56,908,981	-	56,908,981
COPS 2003B	Bak Middle of the Arts Modernization	222,884	1,562	-	-	-	35,323,275	-	35,323,275
COPS 2003B	L.C. Swain Middle (03-KK)	192,661	1,583	-	-	-	25,764,081	-	25,764,081
COPS 2003B	Portable/Modular Replacement	-	-	-	-	-	-	6,006,615	6,006,615
<b>COPS 2003B Total</b>		<b>817,980</b>	<b>5,568</b>	<b>245,085,000</b>	<b>115,485,000</b>	<b>108,555,000</b>	<b>122,828,224</b>	<b>6,006,615</b>	<b>128,834,840</b>
COPS 2004A	Outstanding Debt COPS 2004A	-	-	103,575,000	-	-	-	-	-
COPS 2004A	Outstanding Debt COPS 2012C	-	-	-	4,565,000	-	-	-	-
COPS 2004A	Outstanding Debt COPS 2022A	-	-	39,610,000	39,610,000	39,610,000	-	-	-
COPS 2004A	Debt Service Payment	-	-	-	-	-	4,513,220	-	4,513,220
COPS 2004A	Coral Sunset Elem Addition and HVAC Replacement	33,951	392	-	-	-	7,864,150	3,539,300	11,403,450
COPS 2004A	Hammock Pointe Elem Addition and HVAC Replacement	46,375	431	-	-	-	11,060,207	3,500,000	14,560,207
COPS 2004A	J.C. Mitchell Elem Modernization	127,887	1,122	-	-	-	20,389,923	-	20,389,923
COPS 2004A	Meadow Park Elem Modernization	114,231	878	-	-	-	16,732,365	-	16,732,365
COPS 2004A	Relocatable Classrooms	-	-	-	-	-	-	10,852,240	10,852,240
COPS 2004A	S.D. Spady Elem Modernization	88,807	697	-	-	-	15,071,985	-	15,071,985
COPS 2004A	Site Acquisition	-	-	-	-	-	-	16,248,000	16,248,000
<b>COPS 2004A Total</b>		<b>411,251</b>	<b>3,520</b>	<b>143,185,000</b>	<b>44,175,000</b>	<b>39,610,000</b>	<b>75,631,850</b>	<b>34,139,540</b>	<b>109,771,391</b>



**School District of Palm Beach County**  
**Summary of Outstanding COPS Funded Projects**  
**as of 06/30/2022**

Debt Issue	Facility	Square Footage	Student Stations	Original Par	Outstanding COPS as of 06/30/22	Outstanding COPS as of 08/01/22	Asset Based Project Costs	Non-Asset Based Project Costs	Total Project Costs
COPS 2006A	Outstanding Debt COPS 2006A	-	-	222,015,000	-	-	-	-	-
COPS 2006A	Outstanding Debt COPS 2015B	-	-	-	108,270,000	99,665,000	-	-	-
COPS 2006A	Debt Service Payment	-	-	-	-	-	11,171,586	-	11,171,586
COPS 2006A	Arbitrage Rebate Payment	-	-	-	-	-	457,012	-	457,012
COPS 2006A	Barton Elem Modernization	153,826	1,400	-	-	-	31,388,513	-	31,388,513
COPS 2006A	D.D. Eisenhower Elem Modernization	117,806	659	-	-	-	26,691,761	-	26,691,761
COPS 2006A	Manatee Elem Addition	-	663	-	-	-	-	12,443,089	12,443,089
COPS 2006A	Marsh Pointe Elem (03-X)	110,895	1,002	-	-	-	20,450,648	-	20,450,648
COPS 2006A	Palm Beach Gardens High Modernization	404,363	3,002	-	-	-	101,000,439	-	101,000,439
COPS 2006A	Rolling Green Elem Modernization	146,915	1,109	-	-	-	24,823,899	-	24,823,899
COPS 2006A	Modular Classrooms	-	-	-	-	-	-	12,675,946	12,675,946
COPS 2006A	Voice/Data Equipment	-	-	-	-	-	-	4,493,590	4,493,590
<b>COPS 2006A Total</b>		<b>933,805</b>	<b>7,835</b>	<b>222,015,000</b>	<b>108,270,000</b>	<b>99,665,000</b>	<b>215,983,858</b>	<b>29,612,625</b>	<b>245,596,483</b>
COPS 2007A	Outstanding Debt COPS 2007A	-	-	268,545,000	-	-	-	-	-
COPS 2007A	Outstanding Debt COPS 2014C	-	-	-	33,280,000	33,280,000	-	-	-
COPS 2007A	Outstanding Debt COPS 2015D	-	-	-	99,360,000	99,360,000	-	-	-
COPS 2007A	Debt Service Payment	-	-	-	-	-	-	15,164,616	15,164,616
COPS 2007A	C.O. Taylor Elem Modernization	170,203	1,439	-	-	-	38,954,324	1,350,000	40,304,324
COPS 2007A	Furnishings for 2007B Projects	-	-	-	-	-	-	3,099,441	3,099,441
COPS 2007A	Gladeview Elem Modernization	89,651	402	-	-	-	12,802,892	-	12,802,892
COPS 2007A	Roosevelt Mid Classroom Addition	35,876	352	-	-	-	-	10,504,656	10,504,656
COPS 2007A	Rosenwald Elem Modernization	70,474	314	-	-	-	18,977,020	-	18,977,020
COPS 2007A	Royal Palm School Modernization	144,228	623	-	-	-	38,417,801	1,045,681	39,463,482
COPS 2007A	Site Acquisition	-	-	-	-	-	-	44,784,333	44,784,333
COPS 2007A	Suncoast High School Modernization	301,854	1,713	-	-	-	83,459,659	3,365,623	86,825,282
COPS 2007A	Westward Elem Modernization	111,981	890	-	-	-	30,352,233	970,904	31,323,137
<b>COPS 2007A Total</b>		<b>924,267</b>	<b>5,733</b>	<b>268,545,000</b>	<b>132,640,000</b>	<b>132,640,000</b>	<b>222,963,928</b>	<b>80,285,253</b>	<b>303,249,180</b>



**School District of Palm Beach County**  
**Summary of Outstanding COPS Funded Projects**  
as of 06/30/2022

Debt Issue	Facility	Square Footage	Student Stations	Original Par	Outstanding COPS as of 06/30/22	Outstanding COPS as of 08/01/22	Asset Based Project Costs	Non-Asset Based Project Costs	Total Project Costs
COPS 2007B	Outstanding Debt COPS 2007B	-	-	119,400,000	-	-	-	-	-
COPS 2007B	Outstanding Debt COPS 2011A	-	-	-	-	-	-	-	-
COPS 2007B	Outstanding Debt COPS 2015C	-	-	-	62,970,000	62,970,000	-	-	-
COPS 2007B	Outstanding Debt COPS 2017B	-	-	-	25,015,000	18,680,000	-	-	-
COPS 2007B	Debt Service Payment	-	-	-	-	-	-	14,040	14,040
COPS 2007B	Carver Middle Addition	28,761	352	-	-	-	9,971,159	-	9,971,159
COPS 2007B	Carver Middle Core Addition	-	-	-	-	-	194,380	-	194,380
COPS 2007B	Gladeview Elem Modernization	-	402	-	-	-	-	10,125,905	10,125,905
COPS 2007B	Hagen Road Elem Modernization	121,528	849	-	-	-	28,299,079	-	28,299,079
COPS 2007B	Lake Worth Middle Addition	34,353	366	-	-	-	8,143,680	-	8,143,680
COPS 2007B	Lake Worth Middle Core Addition	-	-	-	-	-	993,515	-	993,515
COPS 2007B	Palm Beach Gardens Elem Modernization	109,509	739	-	-	-	26,043,546	-	26,043,546
COPS 2007B	Wellington High Auditorium	28,093	-	-	-	-	12,612,022	-	12,612,022
COPS 2007B	Sunset Palm Elem (03-Z)	127,035	978	-	-	-	28,461,624	-	28,461,624
<b>COPS 2007B Total</b>		<b>449,279</b>	<b>3,686</b>	<b>119,400,000</b>	<b>87,985,000</b>	<b>81,650,000</b>	<b>114,719,004</b>	<b>10,139,945</b>	<b>124,858,950</b>
COPS 2007E	Outstanding Debt COPS 2007E	-	-	147,390,000	-	-	-	-	-
COPS 2007E	Outstanding Debt COPS 2015D	-	-	-	86,740,000	80,635,000	-	-	-
COPS 2007E	Debt Service Payment	-	-	-	-	-	7,851,073	-	7,851,073
COPS 2007E	Allamanda Elem Modernization	101,824	740	-	-	-	25,577,584	-	25,577,584
COPS 2007E	Banyan Creek Elem Addition	38,953	528	-	-	-	11,126,015	-	11,126,015
COPS 2007E	Banyan Creek Elem Core Addition	-	-	-	-	-	283,683	-	283,683
COPS 2007E	Benoist Farms Elem Pre-K	5,394	36	-	-	-	-	3,765,322	3,765,322
COPS 2007E	Crestwood Middle Addition	-	792	-	-	-	-	13,873,988	13,873,988
COPS 2007E	Hope Centennial Elem (06-D)	131,804	952	-	-	-	30,096,246	-	30,096,246
COPS 2007E	Modular Classrooms	-	-	-	-	-	-	9,783,021	9,783,021
COPS 2007E	Pahokee Stadium	13,667	-	-	-	-	-	12,413,787	12,413,787
COPS 2007E	Seminole Trails Elem Addition	-	444	-	-	-	-	11,834,690	11,834,690
COPS 2007E	Site Acquisition - New Facilities	-	-	-	-	-	-	1,117,253	1,117,253
COPS 2007E	Wellington Elem Addition	81,635	1,022	-	-	-	21,327,101	-	21,327,101
COPS 2007E	Whispering Pines Elem Addition	13,821	40	-	-	-	4,417,223	-	4,417,223
<b>COPS 2007E Total</b>		<b>387,098</b>	<b>4,554</b>	<b>147,390,000</b>	<b>86,740,000</b>	<b>80,635,000</b>	<b>100,678,926</b>	<b>52,788,061</b>	<b>153,466,987</b>
COPS 2010A	Outstanding Debt COPS 2010A QSCB	-	-	67,665,000	67,665,000	67,665,000	-	-	-
COPS 2010A	Galaxy Elem Modernization	95,294	752	-	-	-	28,522,108	-	28,522,108
COPS 2010A	Belle Glade Elem Roof Replacement	-	-	-	-	-	1,608,682	-	1,608,682
COPS 2010A	Pioneer Park Elem Roof Replacement	-	-	-	-	-	1,659,628	-	1,659,628
COPS 2010A	Gove Elem Modernization	131,900	924	-	-	-	35,352,813	-	35,352,813
<b>COPS 2010A Total</b>		<b>227,194</b>	<b>1,676</b>	<b>67,665,000</b>	<b>67,665,000</b>	<b>67,665,000</b>	<b>67,143,231</b>	<b>-</b>	<b>67,143,231</b>



**School District of Palm Beach County**  
**Summary of Outstanding COPS Funded Projects**  
**as of 06/30/2022**

Debt Issue	Facility	Square Footage	Student Stations	Original Par	Outstanding COPS as of 06/30/22	Outstanding COPS as of 08/01/22	Asset Based Project Costs	Non-Asset Based Project Costs	Total Project Costs
COPS 2020A	Outstanding Debt COPS 2020A	-	-	109,820,000	103,820,000	103,820,000	-	-	-
COPS 2020A	Addison Mizner K-8 Modernization *	121,368	1,308	-	-	-	37,857,000	-	37,857,000
COPS 2020A	Citrus Cove Core Expansion *	4,200	-	-	-	-	-	5,753,000	5,753,000
COPS 2020A	Plumosa School of Arts 6-8 Expansion *	39,883	619	-	-	-	20,829,000	-	20,829,000
COPS 2020A	Verde Elem K-8 Modernization *	140,695	1,515	-	-	-	39,970,000	-	39,970,000
COPS 2020A	Washington Elem Modernization *	61,000	503	-	-	-	24,324,000	-	24,324,000
<b>COPS 2020A Total</b>		<b>367,146</b>	<b>3,945</b>	<b>109,820,000</b>	<b>103,820,000</b>	<b>103,820,000</b>	<b>122,980,000</b>	<b>5,753,000</b>	<b>128,733,000</b>
COPS 2021A	Outstanding Debt COPS 2021A			101,905,000	101,905,000	101,905,000			
COPS 2021A	Boca Raton Area ES (05-C) *	95,917	972	-	-	-	31,154,527	-	31,154,527
COPS 2021A	Lake Worth Area HS (03-000) *	266,390	2,703	-	-	-	103,094,102	-	103,094,102
<b>COPS 2021A Total</b>		<b>362,307</b>	<b>3,675</b>	<b>101,905,000</b>	<b>101,905,000</b>	<b>101,905,000</b>	<b>134,248,629</b>	<b>-</b>	<b>134,248,629</b>
COPS 2021B	Outstanding Debt COPS 2021B			9,935,000	9,935,000	9,935,000			
COPS 2021B	Delray Full Service *	40,573	1,308	-	-	-	9,812,153	-	9,812,153
<b>COPS 2021B Total</b>		<b>40,573</b>	<b>1,308</b>	<b>9,935,000</b>	<b>9,935,000</b>	<b>9,935,000</b>	<b>9,812,153</b>	<b>-</b>	<b>9,812,153</b>
<b>Grand Total</b>		<b>10,584,564</b>	<b>80,143</b>	<b>2,193,100,000</b>	<b>1,265,425,000</b>	<b>1,184,095,000</b>	<b>1,949,244,213</b>	<b>258,344,692</b>	<b>2,207,588,905</b>

**Palm Beach County School District**

**Schematic Legend**

The Chart is arranged chronologically from left to right. New Money issues are set along the bottom and refunding bonds are set along the bottom and refunding bonds are set in the rows above, depicting successive refundings.

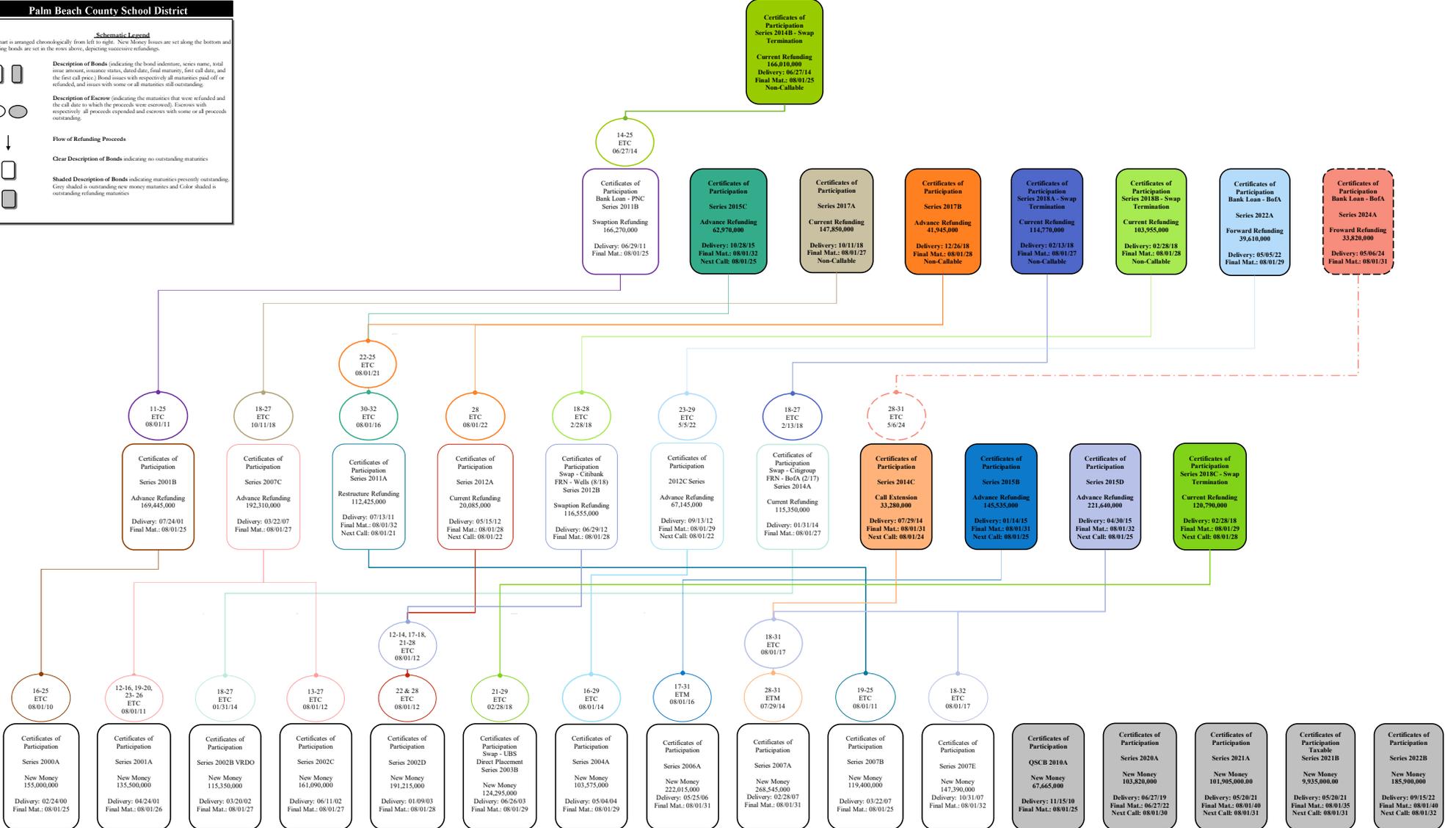
**Description of Bonds** (indicating the bond instrument, series name, total issue amount, issuance status, dated date, final maturity, first call date, and the first call price.) Bond issues with respect to all maturities paid off or refunded, and issues with some or all maturities still outstanding.

**Description of Escrow** (indicating the maturities that were refunded and the call date to which the proceeds were escrowed.) Escrows with respect to all proceeds expended and escrows with some or all proceeds outstanding.

**Flow of Refunding Proceeds**

**Clear Description of Bonds** indicating no outstanding maturities

**Shaded Description of Bonds** indicating maturities presently outstanding. Grey shaded is outstanding new money maturities and Color shaded is outstanding refunding maturities



## **Policy 6.085 - Debt Management**

### **1. Purpose**

The purpose of this Policy is to establish guidance for the issuance and management of the debt of the School District. Such debt includes short-term and long-term obligations issued by the School Board and any associated financing entities, such as traditional financing vehicles like tax-, revenue- and/or bond-anticipation notes; capital and operating leases, general obligation bonds; sales tax bonds; and certificates of participation. The Policy also contemplates new/unique financing concepts such as leveraged leases, qualified zone academy bonds (QZABs) and other financial management tools that may evolve in the future. This Policy is designed to:

- a. Set forth a liability management structure to facilitate the sound and efficient management of District debt, addressing both practical aspects of liability management and philosophical aspects;
- b. Provide guidelines to control the overall debt management process so that all liabilities are managed in accordance with stated objectives;
- c. Encourage and require communication between staff, the Board, the Finance Committee, and the District's legal and financial advisors; and
- d. Develop formalized criteria for evaluating and establishing the basis for comparing actual performance results achieved by debt management.

### **2. Debt Management Guidelines**

In concert with the Finance Committee, the District will maintain separate Debt Management Guidelines ("Guidelines") that will provide specific direction to the Finance Committee in its recommendations regarding debt issuance and will be revised as needed to reflect current innovative and prudent practices in the financial markets.

### **3. Implementation**

The Chief Financial Officer or Superintendent's designee and the Treasurer on behalf of the Superintendent shall be responsible for the implementation of the policies set forth in this Debt Management Policy. District staff shall solicit advice and comments from the Finance Committee on debt-related matters, consistent with the Finance Committee charter in Policy 1.094.

### **4. Policy Review**

The Chief Financial Officer or Superintendent's designee, Treasurer, and Finance Committee shall review this Policy as needed due to changes in the financial markets, but not less than every two (2) years, and suggest that the Superintendent recommend any needed revisions to the Board.

### **5. Permissible Debt**

The Board recognizes that debt is an integral part of the District's ongoing financial management program; and both short-term and long-term debt help the District accomplish its core goals. The Board also recognizes that annual operating and capital revenues are cyclical, which often necessitate the use of short-term financings, while the useful life of new and renovated facilities is often thirty to forty years. As a result, prudent financial management will employ short-term and long-term financing tools to facilitate matching assets and liabilities.

#### **a. Short-Term Debt**

In accordance with applicable laws such as Fla. Stat. § 1011.12(2) and §§ 1011.13 and 1011.14, the District may issue obligations with a maturity of not more than one year ("Notes") to fund anticipated short-term cash flow needs due to the timing of the receipts of the annual current year ad valorem tax collections from the county tax collector and other revenues. The principal of the Notes and the interest thereon will be payable from, and secured by, a pledge of such ad valorem taxes and other revenues, as may be appropriate.

**b. Long-Term Debt**

- i. In accordance with applicable laws such as Florida Statutes Chapters 1010, 1011, and 1013 Part IV, the District will not issue long-term debt obligations or use long-term debt proceeds to finance current operations (except when using excess proceeds to make debt service/lease payments as provided for in the financing documents). For purposes of this Policy, long-term debt includes bonds, leases, certificates of participation, and other similar obligations.
- ii. The District may utilize long-term debt for the acquisition, construction or renovation of facilities or, consistent with Florida law, for the acquisition of equipment that cannot be funded from current revenue sources or in such cases where it is more equitable to finance the facility or equipment over its useful life. The District may also issue long-term debt to refund all or a portion of its outstanding debt subject to limitations detailed in this Policy.
- iii. When debt is used to finance capital improvements, the financing term will be for a period not to exceed the useful life of the facilities or equipment, but never greater than 30 years.

**6. Measures of Debt Levels and Debt Issuance Limits**

- a. **Short Term Debt** - In accordance with applicable laws such as Fla. Stat 1011.12(2) and §§ 1011.13 and 1011.14 the District will not exceed the maximum allowable issuance size. Additionally, the District will not exceed any limits as determined by regulations governing the federal taxability of the interest earned by holders of such debt.

**b. Long Term Debt**

- i. **General Obligation Bonds** - Pursuant to State Board of Education rule 6A-1.037(2), the measure shall be the outstanding debt-to-taxable property ratio, such that a bond issue, together with other school bonds outstanding against the District shall not exceed ten percent (10%) of the nonexempt assessed valuation of the District.

ii. **Certificates of Participation**

- A. The measure shall be lease payments as a percentage of capital outlay millage dollars. The School Board's goal is no more than 50% of the Local Capital Improvement Levy be used for debt service. The District will endeavor to minimize the issuance of new money debt in order to move towards that goal. The District will endeavor to levy sufficient Discretionary Capital Outlay to supplement the Local Capital Improvement Levy to ensure that no more than 75% of such combined revenues are used to debt service for COPs.
- B. Additionally, the District will comply with all applicable Florida statutory requirements and State Board of Education rules, and take into account other factors suggested or required by the credit rating agencies and/or bond insurers when preparing its capital budget and each specific plan of finance.

**7. Selecting Debt Sale Methods**

- a. **Short-term Debt** - Short-term debt shall be issued through a competitive bid process, except in instances where a private placement or a negotiated sale is more cost effective because of unique market conditions or other extraordinary factors.
- b. **Long-term Debt** - The District, with the advice and counsel of the Finance Committee and the Financial Advisor, will determine whether the sale of long-term debt shall be sold via competitive sale or negotiated sale after considering such factors as the size, complexity of the offering, market conditions, and timing of the transaction. Except where sold by negotiated sale through underwriters pursuant to Fla. Stat. § 218.385, bonds must be sold to the highest and best bidder at a public sale except as otherwise allowed by Fla. Stat. § 1010.47(2).

## **8. Financing Structure**

The financing structure-consisting of matters such as principal amortization, call provisions, coupons/yields, credit enhancement, and use of hedging products-will be developed for each financing after considering relevant market conditions and then-current practices. Each structure will be developed to provide the lowest long-term effective financing cost while providing the greatest flexibility to extract additional value as market conditions change over time (such as refund debt or terminate swaps).

## **9. Amortization Structure**

Principal should be structured to provide level debt-service payments for the life of the transaction. "Wrapped debt service" and "bullet maturities" may be appropriate for certain financings, but should only be employed when necessary and/or advantageous to the District.

## **10. Issuing Variable Rate Debt**

The District may issue variable rate obligations in amounts, and in proportion to its fixed-rate debt, that the District, with the advice and counsel of the Finance Committee and the Financial Advisor, determines to be appropriate to achieve the District's goals.

## **11. Credit Ratings**

Because the credit review process incorporates both quantitative analysis (fund balance, debt levels, and wealth levels) and qualitative factors (management experience, political climate, and policies/procedures), the District recognizes that credit ratings provide an indication of both the short-term and long-term financial health of the District and that higher credit ratings also result in reduced interest costs and decreased cost of bond insurance. Accordingly, the District will exercise prudence and diligence in preparing its budget and managing its finances to maintain its current ratings and obtain rating upgrades that reflect the District's commitment to excellence. At the time of this Policy's development, the District's current ratings were:

	Moody's (09/16)	S&P (02/15)	Fitch (11/16)
General Obligation Bonds	Aa2	AA	AA
Certificates of Participation	Aa3	AA-	AA-
Short-term Notes	MIG-1	SP-1+	--

**12. Credit Enhancements**

Credit enhancements (such as insurance and letters of credit) will be used only in those instances where the anticipated present value savings in terms of reduced interest expense exceeds the cost of the credit enhancement.

**13. Investing Debt Proceeds**

Because safety of capital is regarded as the highest priority in handling of investment of debt proceeds, and all other investment objectives are secondary to the safety of capital, the District staff, in consultation with the Finance Committee and Investment Advisor, will follow investment strategies that are consistent with the written Investment Policy (Policy 6.08) and Fla. Stat. § 218.415 and provide the maximum return while complying with the requirements of the IRS Code.

- a. The District, with the guidance of the Finance Committee, Financial Advisor, and Investment Advisor, will attempt to structure investments that allow the District to meet exceptions to the rebate requirements in section 148(f) of the Code.

- b. Debt proceeds are only to be invested in permitted investments, as defined in financing agreements, escrow agreements, resolutions, law, and the School Board's Investment Policy (P-6.08). Neither the District nor any person under its control or direction will make any investment of bond proceeds in any manner that would cause the bonds to be deemed private activity bonds or arbitrage bonds by the IRS under sections 141 or 148 of the Code. The District will comply with all federal tax arbitrage regulations.

#### 14. **Debt Refundings**

The District will monitor outstanding debt in relation to existing conditions in the debt market and may refund any outstanding debt when sufficient cost savings can be realized. Outstanding debt may be refunded as long as the net present value savings is equal to or greater than 3% of the refunded obligation's par amount, but this general criterion will be adjusted as outlined in the Guidelines.

#### 15. **Interest Rate Hedge Contracts**

The Board recognizes that interest rate swaps, caps, collars and other hedging products (collectively referred to herein as "hedges") can be an effective tool to reduce financing costs, diversify certain risks and take advantage of unique market conditions.

- a. **Appropriate Use** - Hedges shall not be used for speculative purposes; and they may be used only when the District has received an opinion acceptable to the market from a nationally recognized bond counsel firm that the agreement relating to the hedge is a legal, valid and binding obligation of the District and entering into the transaction complies with applicable State and Federal laws. In evaluating a particular transaction involving the use of hedges, the District shall review long-term implications including costs of borrowing, historical interest rate trends, variable rate capacity, credit enhancement capacity, opportunities to refund related debt obligations, financial reporting and other similar considerations. The following list includes many of the conditions under which entering into a hedge may be appropriate:
  - i. To achieve savings as compared to a traditional debt structure available in the bond market (both fixed and variable rate obligations);
  - ii. To achieve diversification of a particular debt offering;

- iii. To reduce net interest expense within prudent risk guidelines;
  - iv. To prudently hedge risk in the context of a particular financing or the overall asset/liability management of the District (i. e. buying interest rate caps and entering into delayed start swaps);
  - v. To incur variable rate exposure within prudent guidelines; or
  - vi. To achieve more flexibility in meeting overall financial objectives than can be achieved in conventional markets (i. e., a swaption with an upfront payment).
- b. **Form and Content of Hedges** - Hedges should be in the form set forth by the International Swaps and Derivatives Association (ISDA) Master Agreement and the typical schedules. In preparing the agreement, the District should clearly delineate termination provisions, events of default and posting of collateral.
- c. **Method of Soliciting and Procuring Hedges** - The District, with the guidance of the Finance Committee and Financial Advisor, will determine whether the hedge shall be sold/purchased competitively or via negotiation after considering such factors as the size and complexity of the offering and market conditions.
- i. Unless the District procures a specific team of swap counterparties in the future, the District will use counterparties from its existing underwriting team (or their structured products affiliates) that meet the credit criteria included herein.
  - ii. Regardless of the method of procurement, the District shall obtain an independent finding that the terms and conditions of any hedge entered into reflect a fair market value of such hedge as of the date of its execution.
- d. **Aspects of Risk Exposure Associated with Hedge Contracts** - The District shall evaluate all of the risks inherent in a hedge transaction before proceeding. The risks to be evaluated should include counterparty risk, termination risk, rollover risk, basis risk, tax event risk and amortization risk. The District shall endeavor to diversify its exposure to counterparties within prudent limits.

- e. **Qualifications of Counterparties** - A counterparty must have demonstrated experience in successfully executing hedge transactions and possess credit ratings as specified in the Debt Guidelines. If a counterparty's rating falls below the rating criteria, the District will assess options for replacing the counterparty.

## 16. Compliance and Reporting

- a. **Disclosure Policy** - The District will provide full and fair disclosure in connection with the initial sale and distribution of its publicly-marketed debt instruments and provide ongoing secondary market information, in compliance with the requirements of applicable federal and state securities laws and regulations, including Securities and Exchange Commission Rule 15c 2-12. The District will maintain written procedures to ensure compliance with applicable regulations. The procedures will be reviewed annually.
- b. **Budget Debt Service Payments** - Annually the Superintendent will include in the proposed budget presented to the School Board for its consideration and approval the appropriations necessary to make the required debt service and lease payments during the fiscal year.
- c. **Compliance with Financing Covenants and the Law** - The District shall comply with all covenants and requirements of financing resolutions, and applicable state and federal laws authorizing and governing the issuance and administration of debt obligations.
- d. **Bond Yield Arbitrage Monitoring** - The District will comply with the requirements of the Internal Revenue Code, prior to and subsequent to the issuance of debt, for spending the proceeds in a manner consistent with the exceptions for interest on the Notes not being included in gross income for federal income tax purposes. The District shall contract for arbitrage calculation services to monitor the earnings on its debt proceeds for each debt series and determine whether a rebate is necessary.

- e. **Annual Report on Outstanding Debt** - No later than December 31st of each year, an annual report shall be submitted to the School Board, covering the previous fiscal year, which will include a summary of outstanding obligations and any associated hedges. At a minimum, the report will include the information included in Exhibit A of the Guidelines, as may be amended from time to time by the District with the guidance of the Finance Committee.
- f. **Database** - In addition to the annual report, the Treasurer will maintain a database of existing debt/hedge obligations. The database will include at least the following information related the District's debt:
  - i. For all debt obligations:
    - A. Debt service schedule including principal, interest, and coupon
    - B. Issue date
    - C. Interest rate mode (variable/fixed)
    - D. Call provisions
    - E. Credit enhancement
    - F. Purpose (new money/refunding)
    - G. Senior managing underwriter
  - ii. For all hedge obligations:
    - A. Counterparty
    - B. Type of swap (fixed receiver, fixed payer, basis, etc.)
    - C. Key terms of the agreements, including notional amounts, interest rates and maturity
    - D. The marked to market value as of the most recent fiscal year end

E. Credit ratings of counterparty and any applicable guarantor

F. Embedded options

G. Discussion of market/structural risks

STATUTORY AUTHORITY:	Fla. Stat. §§ 1001.41(2); 1001.43(2)
LAWS IMPLEMENTED:	Fla. Stat. §§ 218.385; 218.415; 1001.41(1); 1001.42(10)(e),(f); 1010.47(2); 1011.12 - 1011.16
HISTORY:	04/19/04; 09/10/08; 08/26/2015; 07/26/2017