Staff Follow Up: December 18, 2018
Regular School Board Meeting
RSBM-121818-04

From the Office of the Chief Financial Officer

**Topic:** AA-1: Resolution No. 19-104 General Obligation Bonds, Series 2019

**Staff Follow Up:** Board member request monthly GOB cash flow projections (L. Alhadeff) RSBM-121818-04

**Response:** The attached GOB cash flow projection was prepared by the District’s Finance Division based on the December 11, 2018 School Board Workshop SMART Program projects adjusted schedules provided by the District’s program management consultants (CBRE | Heery & Atkins). These projections rely on the timelines provided by the Facilities Department and are subject to changes based on construction progress or updated Facilities timelines.

The issuance of general obligation bonds (GOB) will be aligned with the actual cash needs as projects are awarded so that funds are available as the projects progress into the construction phase. The Finance Division is currently working on the 2nd tranche of GOB which is scheduled to close this month (February 2019).

The updated risk provided at the December workshop is $1,159,233,729 which is $309 million above the original SMART Program estimate. The District has already set aside $225 million for this risk however, an additional $84 million is needed to meet the updated risk.
This shortfall can potentially be covered by the following sources.

1) Charter School Millage set aside if the State Legislature continues fully funding charter school capital outlay
2) Sale of Land
3) FEMA Reimbursements (Hurricane Irma)
4) Unallocated Reserves in future years (e.g. FY22, $84 million)

As SMART reserves are dwindling this year, current shortfalls can be covered by utilizing some of the unallocated capital reserve and aligning future funding with the SMART Program projects adjusted schedules.

Additional allocations into the SMART Program require the Board’s approval and all future amounts are subject to change based on economic conditions and the results of annual legislative action. When considering potential uses of the capital reserves, it is important to note there are other capital outlay needs such as security, maintenance, buses and technology to consider when deciding how to allocate these other dollars.

OS/ ja
The estimated rate of GOB consumption is based on the November 30th, 2018 construction project schedules and cash flow projections prepared by Atkins North America, Inc. for the December 11, 2018 School Board Workshop.

The green bars show the cash flows available from the GOB series 1 and the projected future GOB series.

The blue bar is the consumed portion of GOB series 1.

The blue line shows the consumed portion of GOB series 1 and the red line shows the estimated consumption of future GOB issuances.

<table>
<thead>
<tr>
<th>Par Amt</th>
<th>Premium/(Discount)</th>
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<tbody>
<tr>
<td>GOB Series 1</td>
<td>155</td>
</tr>
<tr>
<td>Projected GOB Series 2</td>
<td>175</td>
</tr>
<tr>
<td>Projected GOB Series 3</td>
<td>275</td>
</tr>
<tr>
<td>Projected GOB Series 4</td>
<td>195</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$800</strong></td>
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<tr>
<td><strong>Premium</strong></td>
<td><strong>$33</strong></td>
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