



ADMINISTRATIVE DIRECTIVE

8.10.045-AD

**Tax-Exempt Bond Post-Issuance
Compliance & Continuing Disclosure
Policy**



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- 2) maintain records identifying the assets or portion of assets that were financed or refinanced with proceeds of each issue of Bonds;
- 3) consult with Bond Counsel and other legal counsel as needed in the review of any contracts or arrangements involving use of Bond-financed facilities to ensure compliance with all covenants and restrictions set forth in the applicable Tax Certificate;
- 4) maintain records for any contracts or arrangements involving the use of Bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in the applicable Tax Certificate; and
- 5) communicate as necessary and appropriate with personnel responsible for the Bond-financed assets to identify and discuss any existing or planned use of the Bond-financed assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the applicable Tax Certificate.

b. Timely Expenditure of Bond Proceeds. At the time of issuance of any Bonds issued to fund original expenditures, the District must reasonably expect to spend at least 85% of all proceeds expected to be used to finance such expenditures (which proceeds would exclude proceeds in a reasonably required reserve fund) within three (3) years after issuance of such Bonds.¹ In addition, the District must



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the extent applicable, working capital expenditures and/or refunding escrow accounts) and ensure that Bond proceeds are spent within the applicable time period(s) required under federal tax law.

- c. **Capital Expenditures.** In general, proceeds (including earnings on original sale proceeds) of tax-exempt Bonds issued to fund original expenditures, other than proceeds deposited in a reasonably required reserve fund or used to pay costs of issuance, should be spent on capital expenditures.⁴ For this purpose, capital expenditures generally mean costs to acquire, construct, or improve property (land, buildings and equipment), or to adapt the property to a new or different use. The property financed or refinanced must have a useful life longer than one (1) year. Capital Expenditures include design and planning costs related to the Project, and include architectural, engineering, surveying, soil testing, environmental, and other similar costs incurred in the process of acquiring, constructing, improving or adapting the property. Although not detailed within this policy, any expenditure of the proceeds of any District borrowing must also comply with all State law limitation14()1 0 91-4(he)3()-17891-3(r)-s]T&TBT/F1 0 1 200.22 513.71 Tm[l]5 T&TBT1 0 0 1 90.206.Tc[7



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- b. **Management or Operating Agreements**. Any management, operating or service contracts whereby a non-exempt entity is using assets financed or refinanced with Bond proceeds (such as bookstore, cafeteria or dining facility, externally-managed parking facilities, gift shops, etc.) must relate to portions of the Project that fit within the allowable private use limitations or the contracts



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section, the CFO or designee will retain an arbitrage rebate consultant to perform rebate calculations that may be required to be made from time to time with respect to any Bond issue. The CFO or designee is responsible for providing the arbitrage rebate consultant with requested



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C. POST-ISSUANCE COMPLIANCE

1. In General.

- a. The CFO or designee will conduct periodic reviews of compliance with these procedures to determine whether any violations have occurred so that such violations can be remedied through the “remedial action” regulations (Treas. Reg. Section 1.141-12) or the Voluntary Closing Agreement Program (VCAP) described in IRS Notice 2008-31 (or successor guidance). If any changes or modifications to the terms or provisions of a Bond issue are contemplated, the CFO or designee will



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the Voluntary Closing Agreement Program (VCAP) described in IRS Notice 2008-31 (or successor guidance), or as otherwise prescribed by Bond Counsel.

3. Ongoing Training.

- a. Training shall be made available to the CFO to support the CFO's understanding of the tax requirements applicable to the Bonds. Such training may include, but would not be limited to, attending training sessions at local conferences such as OMFOA and/or OASBO, participation in IRS teleconferences, reading technical guidance materials provided by educational organizations, the IRS, and/or Bond Counsel, and discussing questions and issues with the District's Bond Counsel and/or arbitrage rebate consultant.

4. Annual Checklist of Tax-Exempt Bond Compliance Checklist.

- a. The CFO will complete the required "Annual Tax-Exempt Bond Compliance Checklist" with respect to all outstanding Bonds on or before the anniversary date of each bond issuance. The CFO will retain a copy of each completed and signed checklist in a file that is retained in accordance with the document retention requirements described in Section B.6.b., above.

II. Federal Securities Procedures:

A. Definitions

1. *Alternate Compliance Officer* means the Sr. Director of Accounting & Payroll.
2. *Annual Reports* means the financial information and operating data (including audited financial statements) required to be filed on an annual basis pursuant to the CDAs.
3. *CDA's* means the District's continuing disclosure certificates, continuing disclosure agreements and undertakings relating to its outstanding securities entered into pursuant to the Rule.
4. *Compliance Officer* means the Chief Financial Officer (CFO).
5. *Disclosure Group* means the group described in Section D of these Procedures that assists the District in complying with these Procedures.



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C. Roles of Parties

1. The Compliance Officer is primarily responsible for ensuring that the District complies with its CDAs and follows these procedures.
2. The Alternate Compliance Officer shall assist the Compliance Officer and shall act as the Compliance Officer if the Compliance Officer is not available to perform the Compliance Officer's functions under these Procedures.
3. The Disclosure Group includes other officers or employees of the District who may assist the Compliance Officer and the Alternate Compliance Officer in ensuring that the District complies with its CDAs and these Procedures.
4. The Compliance Officer and the Alternate Compliance Officer shall each report their actions under these Procedures to each other and to any members of the Disclosure Group. Reports shall be made promptly and in writing.

D. Disclosure Group

1. The Disclosure Group shall include:
 - a. Compliance Officer,
 - b. Alternate Compliance Officer,
 - c. General Ledger Sr. Manager, and
 - d. Bond Accountant.
2. Not later than sixty days after the beginning of each Fiscal Year the Compliance Officer shall determine whether additional members should be appointed to the Disclosure Group to assist the District in carrying out these Procedures. The Compliance Officer may appoint anyone the Compliance Officer believes would assist the District in carrying out these procedures. If District officers or employees have special knowledge relating to matters that the District is required by its CDAs to report on EMMA, the Compliance Officer should consider appointing those people to the Disclosure Group.
3. The District may create distinct Disclosure Groups for each matter as they arise if necessary.



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4. When the Compliance Officer appoints a person as a member of the Disclosure Group, the Compliance Officer shall provide that person with a written copy of these Procedures and a copy of all then-outstanding CDAs, and shall notify all other members of the Disclosure Group of the appointment.

E. Annual Reports:

1. Promptly after adoption of these Procedures the Compliance Officer shall review all existing CDAs and draft a chart outlining the filing deadlines, the material to be included with each Annual Report filing for each CDA, and the Specified Events for each CDA. The chart shall be updated every time the District enters into a CDA, and each time a CDA ceases to be in effect. A copy of the updated chart shall be provided to each member of the Disclosure Group for review before the updated chart is finalized. When each chart is finalized a copy shall be provided to each member of the Disclosure Group promptly.
2. Each fiscal year the Compliance Officer shall calendar the deadlines for each Annual Report filing, with appropriate reminder notifications for each member of the applicable Disclosure Group. The calendar and notifications will be maintained by the Compliance Officer administrative staff who will send email notifications to all members of the Disclosure Group as necessary.
3. Not less than twenty-five (25) days before each filing deadline, the Compliance Officer shall circulate a draft filing for review by the Disclosure Group.
4. The members of the Disclosure Group shall review the draft Filing, and shall advise the Compliance Officer of any changes the member recommends.
5. The Compliance Officer shall take any recommended changes into account, finalize and timely make the Filing, and provide a copy of the final Filing to each member of the Disclosure Group.

F. Specified Event Filings.

1. If any member of the Disclosure Group becomes aware of the occurrence of an event that may qualify as a Specified Event, that member shall notify the Disclosure Group immediately.
2. Each member of the Disclosure Group shall provide a recommendation to the Compliance Officer regarding the reporting of that event. If the Compliance Officer determines that the event is a Specified Event, the Compliance Officer shall circulate a draft Specified Event Filing to the Disclosure Group for review within two business days.
3. All available members of the Disclosure Group shall provide comments to the Compliance Officer on the draft Specified Event filing within two business days after the Compliance Officer circulates the draft filing.

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3. Training sessions shall cover, at a minimum:
 - a. these Procedures;
 - b. the District's disclosure obligations under its CDAs; and
 - c. any changes in laws or regulations and significant new cases or enforcement actions since the date of the most recent prior training session.

History: Adopted 4/2013; Amd 4/2015