

POLICY: 813. PURCHASING

ARROWHEAD UNION HIGH SCHOOL DISTRICT  
PURCHASING PROCEDURE

The Board of Education authorizes the Business Office to purchase and supervise the purchasing of all materials, goods, services, and supplies for the school system in accordance with applicable state and federal laws and sound purchasing practices subject to the following provisions.

1. The business manager is authorized to issue purchase orders when budget appropriations are adequate to cover obligations.
2. Contracts shall be awarded to the lowest responsible vendor complying with specifications and with other stipulated conditions of purchase.
3. All purchases of materials, equipment or supplies and all public work contracts of \$25,000 or more shall be made on the basis of competitive bids or quotations.

For public work projects, performance bonding shall follow Wisconsin State Statute requirements.

In the case of purchases not amounting to \$25,000, the business manager shall be authorized to make decisions based on his knowledge of existing market conditions and shall use competitive bids or quotations whenever possible.

4. The engagement of providers of professional services (attorneys, auditors, architects, etc.) shall be made on the basis of the level of service desired, qualifications, cost, expertise, experience, and other relevant factors.
5. Bids shall be taken on property and casualty and employee benefit insurance plans every three years unless the Board otherwise provides.
6. The business manager may authorize the issuing of blanket purchase orders to vendors from whom frequent, low cost purchases are made, provided these purchases do not exceed \$5,000 in total cost, on that single purchase order.
7. In cases where there is a sole source of purchase of materials equipment or supplies, which purchase would be subject to this procedure, the business manager or his designee shall negotiate the terms and conditions of the purchase.
8. Attempts shall be made to involve local bidders whenever possible.
9. In the event two or more vendors submit identical bids or quotations, the purchasing agent shall award the contract or order to the vendor, who in the judgment of the business manager is most likely to provide the better service, product, or contract performance.

**(The District reserves the right to reject any and all bids or quotations and to approve the bidder quotation that is in the best interest of the Arrowhead Union High School District - Policy #813.)**

10. No Board member, officer, or employee of the district, or a spouse or dependent child of any such person shall have a financial interest in any contract entered into by the District with an aggregate value of more than \$1,000 annually.

11. No Board member, officer, or employee of the School District, or their immediate families shall accept anything of value from any supplier of materials, equipment, supplies or services to the District under circumstances that suggest that the item of value was offered for the purpose of securing a concession from the District.
12. No Board member, officer, or employee of the School District shall use District purchasing power and procedures to purchase goods or services for his/her personal use.
13. All purchases are required to follow the Arrowhead Union High School District Purchase Requisition/Purchase Order Process. Exceptions to this process may be approved by the business manager only in emergency situations.

August 8, 1991  
July 9, 1997  
October 8, 2014  
August 19, 2015

**POLICY: 813.1 PURCHASING CARD PROGRAM**

Definition of Terms in this Policy

- The term “purchasing card” refers to a District-issued purchasing card.
- The term “purchasing cardholder” refers to the employee whose name is embossed on the front of the card. In the case of a site assigned card, “purchasing cardholder” refers to the site supervisor or his/her designee.
- The term “business manager” refers to the District Purchasing Card Program administrator. “Purchasing card program” refers to the District’s Purchasing Card Program.

Responsibilities Overview

The cardholder responsibilities include, but are not limited to:

1. All purchases must have District approval, as per District purchasing procedures
2. Securing the physical card and card information (i.e.: card number and security code)
3. Obtaining and retaining proper documentation of card transactions and usage
4. Reviewing, reconciling, and ensuring correct accounting codes for transactions
5. Following up with the card bank and vendors for returns, and fraudulent or disputed charges
6. Notifying the card bank and the business manager of suspected fraudulent charges and lost or stolen cards
7. Complying with all other applicable District policies and procedures

The business manager is directly responsible for managing the program, including, but not limited to:

1. Updating policies, procedures, and manuals for the Purchasing Card Program
2. Performing audits of card usage and transactions
3. Processing new card applications and closing or suspending cards
4. Making adjustments and changes to card blocks, limits, and other card information
5. Retaining documentation of all card applications, changes, and related information
6. Retaining documentation of posting period audits, transactions, and related information
7. Program training for District staff

The business manager is also responsible for, but not limited to:

1. Overseeing the Purchasing Card Program
2. Approving cardholder applications

The accountant and accounts payable bookkeeper:

1. Performing specific duties or tasks associated with the program as assigned by the business manager

Ethics

Purchases will reflect the best available value for the District and will be restricted to only those necessary for District purposes. It is the responsibility of every card user to meet these expectations.

Suppliers and vendors are an extension of our District resources. All District personnel are expected to maintain professional, considerate relationships and communications with District suppliers and vendors.

## Types of Purchasing Cards

1. Individual cards are embossed with a single cardholder's name and are to be signed by that staff member. The name embossed on the card is the only individual authorized to use this card. A cardholder may not lend their card to anyone else. With the appropriate approval, the cardholder may make purchases on behalf of another staff member.
2. Site-assigned cards are embossed with the name of a location or department; such as a school name or specific department within one or more schools. Site assigned cards are the responsibility of the supervisor of the department. Any member of the site in which the card is embossed who has purchasing privileges may request the card to make District-related purchases. A site-assigned card will have "Request District ID" written in the signature line on the back of the card.

## Requesting and the Issuance of Purchasing Cards

1. Supervisors may recommend personnel to become cardholders by completing a "Purchasing Card Application and Issuance Form" and submitting it to the business manager for approval.
2. The business manager will provide training for approved applicants before card(s) are issued.
3. Prior to receiving a purchasing card, approved applicants will sign the issuance form agreeing to cardholder responsibilities.

## Unauthorized Purchases

1. Personal purchases (use of the card for personal identification is prohibited)
2. Purchases intended to bypass any District purchasing procedures or policies
3. Purchases split to circumvent purchase limits or competitive pricing/bidding requirements
4. Business related meals and/or travel that is not pre-approved or authorized by the cardholder's supervisor
5. Capital equipment purchases (unit cost of \$500 or more) unless specifically authorized by the business manager
6. Telephone calls
7. Telecommunications equipment: phones, pagers, or cellular phones
8. Alcoholic beverages, drugs, or pharmaceuticals
9. Insurance
10. Gift cards and/or gift certificates
11. Hazardous materials
12. Furniture, unless specifically authorized by the business manager
13. Computer software, hardware, or any auxiliary device (printer, modem, storage system, etc) that works in conjunction with a computer, unless specifically authorized by the director of technology services
14. Leases or rentals of facilities or property
15. Purchases that require a contract unless contract has been pre-approved and signed by the business manager
16. Consultants or temporary help
17. Services from a "Tax Reportable" or "1099 vendor." A tax reportable or 1099 vendor is defined as an individual, sole proprietorship, or limited partnership who is paid more than \$600 for services. All medical and/or attorney's fees are considered tax or 1099 reportable, regardless of their status.
18. Purchases from companies outside of the United States, unless specifically authorized by the business manager
19. Parking tickets, speeding tickets, or other vehicular tickets or fines
20. Fuel for your personal vehicle during business travel. Fuel and mileage for business travel using your personal vehicle will be reimbursed utilizing the District's "Direct Payment Request" form. If the travel is done in a District-owned vehicle, fuel may be purchased using a card.

## Purchase Limits, Restrictions, and Blocks

1. Cash advances are permanently blocked on all cards
2. Spending limits are enforced. Purchases over the monthly cumulative or single purchase limits set on the card will be declined by the vendor. Spending limits are established by the business manager and take into consideration cardholder job responsibilities, along with types and frequency of purchases.
3. Merchant categories. Certain vendors or vendor types are blocked.

## Requesting a Change to a Purchase Limit or Merchant Block

1. Spending limits and merchant blocks can be temporarily or permanently changed with the approval of the cardholder's supervisor and the business manager.
2. To request a block lift or limit change, submit a "Request for Purchasing Card Limit Adjustment or Merchant Block Lift" to the business manager. The form will be signed by the requestor and his/her direct supervisor.

## Placing Orders

1. Cardholders will keep card information secure at all times.
2. Cardholder will inform vendor prior to purchase that the District is tax exempt. The tax exempt number is embossed on the front of the card. If required, Tax Exempt Certificate copies are available by contacting the business manager.
3. Cardholder will obtain a purchase receipt or confirmation. Cardholder will ensure that no State of Wisconsin sales tax was charged and that both the line item and total purchase prices are correct.
4. The cardholder will retain purchase receipts and other documentation.
5. Cardholder will document detailed information for orders placed over the phone. The optional "Purchasing Card Telephone Order Form" is available for use.
6. Cardholder will ensure site security when using the internet to place orders.
7. Fax orders are not encouraged. Secure or shred any fax documents containing card information. Cardholder will follow up with vendor to ensure they received the fax.

## Recordkeeping and Documentation Requirements

1. The cardholder is responsible for maintaining adequate documentation and records for card use in an organized manner. Documentation will be retained for all transactions and for such a time as is stated in state regulations for records retention.
2. If there is no receipt for a purchase, a "Purchasing Card Missing Receipt" form will be completed, signed by the cardholder's supervisor, and filed with the card's records.
3. The business office shall maintain all records of purchasing card application and issuance forms, limits, cardholder transfers, and lost/stolen/destroyed card information.

## Review and Reconciliation of Transactions

1. Review, approval, and reconciliation will be done by cardholders, approvers, and supervisors/administrators online.
2. Prior to the 20<sup>th</sup> day of each month, all transactions on the most current statement are due to be reviewed, approved, and reconciled by the staff who have been determined to perform these roles for each card. On or after the 20<sup>th</sup> of the month, the business manager will upload transactions from the latest statement into the District financial system and into the general ledger.
3. It is the responsibility of the cardholder to reconcile statements with supporting documentation and to assign the correct accounting code to each transaction.

## Returns, Credits, and Disputed Items

1. The cardholder is responsible for contacting the bank or vendor promptly on any fraudulent, disputed, or returned items.
2. Returns must be made for credit to the card only. No cash returns are permitted.
3. The cardholder will file documentation of disputed, returned, or fraudulent charges with other card documentation.

## Card Security

1. It is the responsibility of the cardholder to safeguard his/her card and card information.
2. It is the responsibility of the business manager to safeguard all card information retained and communicated through the duties of the business manager position.

## Reporting Lost or Stolen Cards

1. If a card is lost or stolen, the cardholder must immediately notify the bank.
2. Once the bank is notified, promptly notify the business manager.
3. For contact information, see the "Purchasing Card Procedure Manual."

## Transaction Audits

1. The business manager will perform both intentional and random audits of card usage. Audits will be performed at least once per month.
2. Notification of audit will be delivered to the cardholder via e-mail. Documentation copies and written explanation of expense(s) are expected to be forwarded to the business manager within three business days of receiving the notification.

## Consequences of Procedure or Policy Violations

1. Misuse, abuse, and/or failure to comply with District policies and procedures will result in disciplinary measures that can include revocation of cardholder privileges or even termination of employment.

## Termination or Transfer of Employment

1. A cardholder who leaves employment of the District or is transferred to another site shall return their card to their supervisor.
2. The supervisor is responsible for contacting the business manager, who will cancel the card. The supervisor will cut the card in half and return it to the business manager.
3. A cardholder who is transferred to another District site may reapply to become a cardholder at that site.

## Payment to Card Bank

1. Payment to the card issuer shall be completed electronically via electronic funds transfer by the business office.

**POLICY: 861. POST-ISSUANCE COMPLIANCE POLICY FOR TAX-EXEMPT AND TAX-ADVANTAGED OBLIGATIONS**

The following procedures and systems are set up for monitoring post-issuance compliance generally.

- A. The Business Manager (the “Compliance Officer”) shall be responsible for monitoring post-issuance compliance issues. [For utility issues, the Compliance Officer will coordinate with the Utility’s [Business Manager] with respect to monitoring post-issuance compliance.]
- B. The Compliance Officer will coordinate procedures for record retention and review of such records.
- C. All documents and other records relating to Obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer. In maintaining such documents and records, the Compliance Officer will comply with applicable Internal Revenue Service (“IRS”) requirements, such as those contained in Revenue Procedure 97-22.
- D. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury’s Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- E. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

Issuance of Obligations - Documents and Records

With respect to each issue of Obligations, the Compliance Officer will:

- A. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the “Transcript”).
- B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.
- C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the Issuer.

Arbitrage

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- B. Confirm that a computation of the yield on such issue from the Issuer’s financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.

- D. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the Issuer has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.
- E. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- F. Monitor compliance with the applicable “temporary period” (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- G. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.
- H. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- I. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.
- J. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- K. Monitor compliance with 6-month, 18-month, or 2-year spending exceptions to the rebate requirement, as applicable.
- L. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.
- M. Arrange for timely computation and payment of “yield reduction payments” (as such term is defined in the Code and Treasury Regulations), if applicable.

### Private Activity Concerns

The following polices relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

- A. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.
- B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.



- C. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- D. Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- E. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:
  - 1. Sale of the facilities, including sale of capacity rights;
  - 2. Lease or sub-lease of the facilities (including leases, easements, or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;
  - 3. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;
  - 4. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot);
  - 5. Joint-ventures, limited liability companies, or partnership arrangements;
  - 6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
  - 7. Development agreements which provide for guaranteed payments or property values from a developer;
  - 8. Grants or loans made to private entities, including special assessment agreements; and
  - 9. Naming rights arrangements.

Monitoring of private use should include the following:

- 1. Procedures to review the amount of existing private use on a periodic basis; and
- 2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt or tax-advantaged debt, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will adversely affect the tax status of the issue and, if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

### Qualified Tax-Exempt Obligations

If the Issuer issues "qualified tax-exempt obligations" in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements and conduit financings on behalf of 501(c)(3) organizations) to assure that the \$10,000,000 "small issuer" limit is not exceeded.

## Federal Subsidy Payments

The Compliance Officer shall be responsible for the calculation of the amount of any federal subsidy payments and the timely preparation and submission of the applicable tax form and application for federal subsidy payments for tax-advantaged obligations such as Build America Bonds, New Clean Renewable Energy Bonds, and Qualified School Construction Bonds.

## Reissuance

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

## Record Retention

The following policies relate to retention of records relating to the Obligations issued.

The Compliance Officer will:

- A. Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with staff to generally maintain the following:
  1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
  2. Documentation evidencing expenditure of proceeds of the issue;
  3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings, or equipment, economic life calculations, and information regarding depreciation.
  4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements, and research agreements);
  5. Documentation evidencing all sources of payment or security for the issue; and
  6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

## Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the “Rule”), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities in a principal amount in excess of \$1,000,000. Unless the Issuer is exempt from compliance with the Rule as a result of certain permitted exemptions, the Transcript for each issue of Obligations will include an undertaking by the Issuer to comply with the Rule. The Compliance Officer of the Issuer will monitor compliance by the Issuer with its undertakings, which may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed “material events.”

## Conduit Bond Financings

In conduit bond financings, such as industrial revenue bonds or Midwestern Disaster Area Bonds, the Issuer is not in a position to directly monitor compliance with arbitrage requirements and qualified use requirements because information concerning and control of those activities lies with the private borrower. The Issuer’s policy in connection with conduit financings is to require that the bond documents in such financings impose on the borrower (and trustee or other applicable party) responsibility to monitor compliance with qualified use rules and arbitrage and other federal tax requirements and to take necessary action if remediation of nonqualified bonds is required.

**POLICY: 862. CONTINUING DISCLOSURE COMPLIANCE POLICY**

Introduction

These Procedures regarding Continuing Disclosure Compliance (the "Procedures") set forth specific procedures of the Arrowhead Union High School District, Wisconsin (the "Issuer") designed to ensure that the Issuer complies in all material respects with any and all continuing disclosure certificate and agreements ("Continuing Disclosure Agreements") existing in connection with the Issuer's outstanding municipal bonds and notes. These Procedures are also intended to ensure that the Official Statement for any new bond or note offering by the Issuer accurately and completely describes the Issuer's prior compliance with its Continuing Disclosure Agreements.

Compliance Officer

The Issuer's Business Manager ("Compliance Officer") is designated as the individual responsible for administering and carrying out these Procedures. The Compliance Officer may coordinate with staff, and may engage a dissemination agent, counsel, and/or other professionals to assist in discharging the Compliance Officer's duties under these Procedures as the Compliance Officer deems necessary.

Compliance with Outstanding Continuing Disclosure Agreements

1. Compilation of Currently Effective Continuing Disclosure Agreements

The Compliance Officer shall compile and maintain a set of all currently effective Continuing Disclosure Agreements of the Issuer. Such agreements are included in the transcript of proceedings for the Issuer's respective bond or note issue. Continuing Disclosure Agreements are "Currently Effective" for purposes of these Procedures (and hence shall be included in the set of Currently Effective Continuing Disclosure Agreements) for so long as the bonds or notes to which they relate are outstanding. As bonds and notes are completely repaid or redeemed, the Compliance Officer shall remove the related continuing disclosure agreements from the set of Currently Effective Continuing Disclosure Agreements.

2. Annual Review and Annual Reporting Requirements

The Compliance Officer shall ensure that all necessary financial statements, financial information and operating data is filed in the manner and by the filing dates set forth in the Currently Effective Continuing Disclosure Agreements. The Compliance Officer shall review the set of Currently Effective Continuing Disclosure Agreements annually, prior to each annual filing, keeping in mind:

- The financial information and operating data required to be reported under a particular Continuing Disclosure Agreement may differ from the financial information and operating data required to be reported under another Continuing Disclosure Agreement; and
- The timing requirements for reporting under a particular Continuing Disclosure Agreement may differ from the timing requirements for filing under another Continuing Disclosure Agreement.

3. Calendar; EMMA Notification System

The Compliance Officer shall keep a calendar of all pertinent filing dates required under the Issuer's Currently Effective Continuing Disclosure Agreements. The Compliance Officer shall also subscribe to notification services made available through the EMMA system.

4. Annual Review of Prior Filings

As part of the annual review process, the Compliance Officer shall also review prior filings made within the past five years subsequent to the last such review of prior filings. If the Compliance Officer discovers any late or missing filings, the Compliance Officer (after discussing the circumstances with the Issuer's dissemination agent, counsel, or other agents as necessary) shall "remedy" such prior failures by ensuring that the missing information is filed.

5. Monitoring of Material Events

The Compliance Officer shall monitor the occurrence of any of the following events and/or other events set forth in the Currently Effective Continuing Disclosure Agreements and shall provide notice of the same in the required manner and by the relevant reporting deadline (likely within 10 days of the occurrence):

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's bonds or notes, or other material events affecting the tax status of the Issuer's bonds or notes;
- Modification to rights of holders of the Issuer's bonds or notes, if material;
- Calls of the Issuer's bonds or notes, if material, and tender offers;
- Defeasances of the Issuer's bonds or notes;
- Release, substitution or sale of property securing repayment of the Issuer's bonds or notes, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Issuer;
- The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

6. Review of Official Statements

The Compliance Officer shall review drafts of any Official Statement for a new offering of bonds or notes, with assistance from its dissemination agent, counsel or other agents of the Issuer as necessary, and shall determine that the Official Statement accurately and completely describes the Issuer's continuing disclosure compliance history within the five years prior to the date of the respective Official Statement. This compliance review is not meant to limit the Issuer's other reviews of or diligence procedures relating to its Official Statements.

7. Municipalities Continuing Disclosure Cooperative Initiative

If the Issuer has previously reported to the Division of Enforcement (the "Division") of the U.S. Securities and Exchange Commission (the "Commission") under the Municipalities Continuing Disclosure Cooperative Initiative (the "MCDC Initiative") and if the Division recommended enforcement proceedings and settlement terms in that connection, then the Compliance Officer shall also be responsible, with assistance from its dissemination agent, counsel, and/or other agents of the Issuer, for implementing the undertakings required by such settlement. A list of these "undertakings" is set forth in the Division's announcement describing the MCDC Initiative:

<http://www.sec.gov/divisions/enforce/municipalities-continuing-disclosure-cooperation-initiative.shtml>

8. Record Retention

The Compliance Officer shall retain documentation evidencing the Issuer's annual reviews and its reviews of Official Statements in connection with new offerings as set forth above. The Issuer shall retain this documentation, for each Continuing Disclosure Agreement, for the period that the related bonds or notes are outstanding.

9. Annual Review Checklist

The Compliance Officer may (or may not) choose to use and retain the attached Annual Review Checklist to assist in implementing these Procedures.

## CONTINUING DISCLOSURE ANNUAL REVIEW CHECKLIST

1. Fiscal Year Ending: \_\_\_\_\_
  
2. Compliance Officer: \_\_\_\_\_
  
3. Checklist Completion Date: \_\_\_\_\_
  
4. Bonds/Notes for which there are Currently Effective Continuing Disclosure Agreements – Attach Agreements:  
  
\$ \_\_\_\_\_, \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_  
\$ \_\_\_\_\_, \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_  
\$ \_\_\_\_\_, \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_  
\$ \_\_\_\_\_, \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_  
\$ \_\_\_\_\_, \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_  
\$ \_\_\_\_\_, \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_  
\$ \_\_\_\_\_, \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_
  
5. Have any new Bonds or Notes subject to Continuing Disclosure Been Issued this Year?  
  
\_\_\_\_\_ No  
  
\_\_\_\_\_ Yes (Add Agreement to Set of Currently Effective Continuing Disclosure Agreements)  
  
If Yes, did the Compliance Officer review the Official Statement's Description of the Issuer's Continuing Disclosure Compliance History within the Prior 5 Years? Circle: Y / N (If N, review and discuss any issues with counsel.)
  
6. Have any Bonds or Notes subject to Continuing Disclosure Been Completely Paid or Redeemed this Year?  
  
\_\_\_\_\_ No  
  
\_\_\_\_\_ Yes (Remove Agreement from Set of Currently Effective Continuing Disclosure Agreements)

# PROCEDURE

7. (a) Has the Compliance Officer Reviewed the Annual Continuing Disclosure Filing to Ensure that all Necessary Financial Statements, Financial Information and Operating Data is Included?

\_\_\_\_\_ Yes

\_\_\_\_\_ No (Compliance Officer must review the Annual Continuing Disclosure Filing)

- (b) For purposes of this review, please keep in mind:

Different Continuing Disclosure Agreements may require different information to be filed (so check each one).

Checked?  
Y / N

Different Continuing Disclosure Agreements may have different filing timing requirements (so check each one).

Y / N



Have any of the Following Events Occurred this Year?

<u>Event</u>	<u>Circle</u>
1. Principal and interest payment delinquencies	Y / N
2. Non-payment related defaults, if material	Y / N
3. Unscheduled draws on debt service reserves reflecting financial difficulties	Y / N
4. Unscheduled draws on credit enhancements reflecting financial difficulties	Y / N
5. Substitution of credit or liquidity providers, or their failure to perform	Y / N
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's bonds or notes, or other material events affecting the tax status of the Issuer's bonds or notes	Y / N
7. Modification to rights of holders of the Issuer's bonds or notes, if material	Y / N
8. Calls of the Issuer's bonds or notes, if material, and tender offers	Y / N
9. Defeasances of the Issuer's bonds or notes	Y / N
10. Release, substitution or sale of property securing repayment of the Issuer's bonds or notes, if material	Y / N
11. Rating changes	Y / N
12. Bankruptcy, insolvency, receivership or similar event of the Issuer	Y / N
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material	Y / N
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material	Y / N

If any such Event Occurred, was Proper Notice Provided?

\_\_\_\_\_ Yes

\_\_\_\_\_ No (Call your dissemination agent or counsel immediately to discuss)

\_\_\_\_\_ N/A

# PROCEDURE

Has the Issuer Retained a Dissemination Agent? (i.e., a Paid Third Party that Assists with Filings)

Yes: Name/Contact: \_\_\_\_\_

No

DATE OF BOARD APPROVAL: NOVEMBER 21, 2014