

**Tax-Exempt Bonds; Post-Issuance Tax Compliance Procedures**

**HOMEDALE JOINT SCHOOL DISTRICT NO. 370,  
OWYHEE AND CANYON COUNTIES, STATE OF IDAHO  
POST-ISSUANCE TAX COMPLIANCE PROCEDURES FOR TAX-EXEMPT BONDS**

The purpose of these Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds is to establish policies and procedures in connection with tax-exempt bonds (the “Bonds”) issued for the benefit of Homedale Joint School District No. 370, Owyhee and Canyon Counties, State of Idaho (the “District”) so as to ensure that the District complies with all applicable post-issuance requirements of Section 148 of the Internal Revenue Code (the “Code”) needed to preserve the tax-exempt status of such tax-exempt Bonds.

**I. General**

Ultimate responsibility for all matters relating to District financings and refinancings rests with the Business Manager of the District.

**II. Post-Issuance Compliance Requirements**

**A. External Advisors/Documentation**

The Business Manager and other appropriate District personnel and/or board members shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in the District resolution(s), tax certificate(s) and/or other documents finalized at or before issuance of Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of the Code throughout (and in some cases beyond) the term of the Bonds.

The Business Manager and other appropriate District personnel and/or board members also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of bond-financed assets and future contracts with respect to output or throughput of bond-financed assets.

Whenever necessary or appropriate, the District shall engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of bond proceeds.

**B. Role of the District as District of Tax-Exempt Bonds**

Unless otherwise provided by District resolutions, agreements entered into in connection with the issuance of Bonds, or tax certificate(s), unexpended bond proceeds shall be held by the District, and the investment of bond proceeds shall be

managed by the Business Manager. Unless otherwise provided by District resolutions, agreements entered into in connection with the issuance of Bonds, or the tax certificate, the Business Manager shall maintain records and shall prepare regular, periodic statements to the District regarding the investments and transactions involving bond proceeds.

If a District resolution provides for bond proceeds to be administered by a trustee, the District shall obtain from the trustee the agreement to provide statements regarding the investments and transactions involving bond proceeds, no less than quarterly.

### **C. Arbitrage Rebate and Yield**

Unless a tax certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:

- the District shall engage the services of a Rebate Service Provider, and the District or the bond trustee shall deliver statements concerning the investment of bond proceeds to the Rebate Service Provider in a manner that will enable timely calculation of arbitrage rebate;
- the Business Manager and other appropriate District personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- the Business Manager and other appropriate District personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- during the construction period of each capital project financed in whole or in part by Bonds, the Business Manager and other appropriate District personnel shall monitor the investment and expenditure of bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.

### **D. Use of Bond Proceeds**

The Business Manager and other appropriate District personnel shall perform the following duties and the Business Manager shall check for compliance with such duties annually:

- monitor the use of bond proceeds, the use of bond-financed assets (e.g., facilities, furnishings or equipment) and the output or throughput of bond-financed assets throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable District resolutions and tax certificates;

- maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
- consult with bond counsel and other professional expert advisers 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 applicable District resolutions and tax certificates;
- 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 applicable District resolutions and tax certificates; and
- meet at least annually with personnel responsible for bond-financed assets to identify and discuss any existing or planned use of bond-financed, assets or output or throughput of bond-financed assets, to ensure that those uses are consistent with all covenants and restrictions set forth in applicable District resolutions and tax certificates.

All relevant records and contracts shall be maintained as described below.

#### **E. Record Keeping Requirements**

Unless otherwise specified in applicable District resolutions or tax certificates, the District shall maintain the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least an additional three years:

- a copy of the bond closing transcript(s) and other relevant documentation delivered to the District at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with bond proceeds;
- a copy of all contracts and arrangements involving private use of bond-financed assets or for the private use of output or throughput of bond-financed assets; and
- copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.

#### **F. TEB VCAP and other Remedial Measures**

The Business Manager shall become aware of the Tax Exempt Bond Voluntary Closing Agreement Program (“TEB VCAP”), which is available to resolve violations of the Code. Should a violation occur, or should a violation be expected to occur, the Business Manager, under penalties of perjury, may submit a request inquiring as to the appropriate resolution.

The Business Manager shall also become aware of the special procedures for filing anonymous requests, and that Compliance Program & Management (“CPM”) will only issue general responses to those anonymous requests. The Business Manager will only use the anonymous request when the violation or expected violation is complex or unique, or where there is significant uncertainty regarding the appropriate settlement terms.

The Business Manager and other appropriate District personnel have been made aware of all information required to submit a request and can readily access such information due to the Record Keeping Requirements set forth in Section E hereto. The Business Manager will determine, based on the circumstances, whether a general submission request or anonymous request is appropriate for a given situation.

Procedure History:

Adopted on: 00-00-00

Revised on: