Financial Services/Controller Guideline Manual

#07-220 **Title:** Debt Management

Effective Date: April 1, 2013 **Revised Date**

Purpose: It is the District's responsibility to establish controls over the debt it issues and financing arrangements it enters into.

Source: Governing Board policy and Arizona State Law

Guideline Owner: Controller

Applicability: These Guidelines govern the issuance and management of all debt and lease financings funded from the capital markets, including all obligations and ancillary commitments, e.g. credit support, derivative agreements, etc., related to those debt and lease financings, including investment of bond proceeds not otherwise covered by other investment principles of the District.

While adherence to these Guidelines is required in applicable circumstances, the District recognizes that changes in the capital markets, District programs and other unforeseen circumstances may produce situations that are not covered by these Guidelines or require modifications or exceptions to achieve the Guideline goals. In these cases, management flexibility is appropriate provided that any required specific authorization is obtained from the Governing Board and, if necessary pursuant to statute, from the Arizona State Legislature.

Exceptions (if applicable): n/a

Guideline:

I. Introduction

These Debt Management Guidelines ("Guidelines") are intended to present overall guidelines for the internal management of debt at Maricopa Community Colleges (the "District") and not be a constraint to the District taking the best course of action when beneficial, depending upon circumstances at that time, with any exceptions that may from time to time occur being specifically considered and appropriately approved. These guidelines confirm the commitment of the District's management, staff, advisors and other decision makers to adhere to sound financial management practices, including full and timely repayment of all borrowings, while seeking to achieve the lowest possible cost of capital within prudent risk parameters.

II. Background

Debt financing allows the District to pay for an asset over a period of time, up to its useful life, rather than pay for it at the time of purchase. This is a financially responsible practice for certain types of investments within appropriate limitations and at appropriate interest rates. Debt financing may also be financially beneficial if borrowing rates are below investment returns or if the District invests in capital assets which provide investment returns or cost savings which are larger than the cost of borrowing. Debt financing also allows the District to provide needed infrastructure more quickly than a pay-as-you-go approach may permit, thereby allowing the District to better meet the educational and social needs of its constituent students, as well as the broader community. The ability to fund capital needs with the proceeds of debt issuances is a critically important option for the District if given a lack of other available funds for capital projects and infrastructure.

Since debt is a limited resource, an approach for securing debt as cost effectively as possible is wise. The District can improve the effective use of debt financing resources by its approach to structuring debt financings.

The effective use of debt requires both a financial and legal analysis.

III. Principles for Structuring Debt

Since debt is limited and the District's demand for debt may exceed the capacity at some point in time, it is imperative that borrowings are structured to effectively utilize this resource. Guidelines will assure that the District stretches these resources as far as possible and that financings are executed at the lowest all-inclusive cost. Guidelines to utilize in structuring external borrowings include the following:

1. When issuing debt, the District will seek the lowest cost source of financing available. In most cases, this will entail the issuance of General Obligation Bonds. For select projects or facilities on a case-by-case basis, the District may issue revenue bonds or lease obligations secured by tuition and fee revenue, as permitted by State law.

2. External borrowings will be for the minimum required portion of project costs. Projects with alternative restricted funding sources, such as gifts or grants, may only use debt financing for the unfunded portion.

3. External borrowings will not fund a debt service reserve unless it is more cost effective to do so.

IV. Capital Development and Debt Issuance Process

A. Capital Development Process.

1. The Capital Plan. The District will develop a comprehensive Capital Development Plan ("CDP") prior to seeking Governing Board approval for any new General Obligation bond or significant publicly financed capital programs. The CDP is to include: a recommendation for the total amount of bonds to be issued; estimated annual and total debt service costs, schedules, tax payer impacts as prescribed under statute; estimated annual operating costs associated with implementation; and proposed projects and categories of expenditures.

2. Financial Reporting and Monitoring. Monthly reports will be internally prepared detailing the District's major operating revenue sources, including tuition, and the

District's operating expenditures. The District will conduct variance analyses for any major revenue or expenditure variances. The reports will also include year-to-date data, as well as comparisons to budget and previous year's data. Quarterly financial reports of the CDP will be presented to the Governing Board and the Audit & Finance Committee for monitoring. Amounts expended, encumbered, and available will be presented.

3. Authorization for Issuance. Debt issuance to fund capital project expenditures shall not be authorized by the Governing Board unless such issuance has been incorporated into the annual budget, the CDP, or the Governing Board has taken specific action to authorize the project and debt issuance. The Governing Board's adoption of the annual budget and/or CDP does not, in and of itself, constitute authorization for debt issuance for proposed capital projects. Each financing shall be presented to the Governing Board in the context of the annual budget or CDP.

4. Review of Capital Plan. The CDP is to be reviewed, updated, and presented to the Major Taxpayers in May or June of each year and will be reviewed by the Audit & Finance Committee at least annually.

B. Debt Issuance Process.

1. Governing Board Approval. All debt obligations require review and approval by the Governing Board prior to their issuance. In seeking approval, the District must disclose fully the estimated costs of the project and the debt issuance, information on debt capacity, outstanding debt levels, and debt service payments.

2. Legislative Review. If a project or financing requires specific approval or review by the Legislature or a Legislative Committee, the District will seek and obtain such approval or review prior to the issuance of the debt obligation.

3. Intent to Reimburse. Before the start of project construction, a Declaration of Official Intent within the meaning of Treasury Regulations Section 1.250-2 will, if necessary, be prepared and approved by a designated District representative, which generally will be the CFO. The Declaration will permit the District to be reimbursed from the proceeds of a tax-exempt debt obligation for any District incurred expenditures that occurred prior to the issuance of the debt, subject to the Treasury Regulations.

4. Favorable Opinions. The District shall receive opinions from the District's Bond Counsel, and from the District General Counsel where appropriate, that indicate that the Governing Board has authority under Arizona State law for the planned transaction and that the debt instruments are validly and legally issued pursuant to law.

C. Debt Financing

1. Tax Exempt Financing. The District will generally seek to issue all of its debt financings on a tax-exempt interest rate basis, unless there is private use associated with the project or other need or benefit to be obtained from issuing taxable obligations. If there is private use, determination will be made of the

extent of private use as defined in IRS Code Section 141 and, if such private use could exceed 10%, or the alternate 5% "disproportionate use" test, consideration will be given to using any available District funds for the private use and/or financing a portion of the project on a taxable interest rate basis.

2. Coordination and Timing of External Borrowings.

a) External borrowings will be coordinated to the extent practicable so that multiple project needs can be accommodated in a single borrowing, reducing the use of debt capacity for issuance costs.

b) The timing of borrowings will generally be structured to minimize the effect of negative arbitrage on the size of borrowing.

3. Appropriate Use of Long-Term Debt.

a) Purpose for Long-Term Debt. The District will consider the use of debt to finance essential capital facilities, projects and certain equipment where it is cost effective and fiscally prudent. The scope, requirements, and demands of the Annual Budget or CDP, and the ability or need to expedite or maintain the programmed schedule of approved capital projects, will be additional factors in the decision to issue longterm debt. Inherent in its long-term debt policies, the District recognizes that future students and other stakeholders will benefit from the capital investment and that it is appropriate that they pay a share of the asset cost. Long-term debt will not be used to fund District operations. The District will also assess the availability and viability of funding capital projects, or portions of capital projects, on a pay-as-you-go basis, as an alternative to debt financing.

b) Lease Financing. Lease obligations are appropriate means of financing capital equipment and facilities for the District. The useful life of the capital assets, the terms and conditions of the lease, and the direct impact on debt capacity and budget flexibility will be evaluated by the District prior to the implementation of a lease financing. Subject to funding availability, consideration will be given to fund capital equipment with pay-as-you-go funding where feasible. Cash flow sufficiency, capital program requirements, investment alternatives, lease program structures and cost, and market factors will be considered in conjunction with a pay-as-you-go strategy in lieu of lease financing. Short-term equipment leases that do not access the capital markets are not covered by these Guidelines.

4. Use of Variable Rate Debt.

a) Variable Rate Debt. Variable rate debt will be considered as an option for financing capital assets when sufficient invested assets are available to protect against the effect of large swings in interest rates and/or the District internally establishes an interest rate stabilization reserve to address periods of high, short-term, variable interest rates. Variable rate debt obligations ("VRDOs") will be issued in accordance with the following principles:

(1) The District will limit total principal outstanding on VRDOs in accordance with any rating agency guidelines for assessing the debt structure of higher education issuers with credit ratings at or above the

District’s rating.

(2) Generally, the District will not issue VRDOs for research facilities, since the federal government will only reimburse the District for the interest rate paid bondholders, and not for an interest rate stabilization reserve at a higher assumed interest rate.

(3) Colleges of the District utilizing variable rate debt will be responsible for rate risk.

(4) The District’s current guideline for variable rate debt is no more than 30% of the District’s total outstanding indebtedness.

5. Partnership Approaches. For certain types of projects where project and/or ongoing management can be contracted out, privatization of the project will be considered as a means to accelerate construction and availability of the project and/or to reduce potential liability to the District if financial objectives are not achieved. Privatization approaches that are financed solely with private equity or other private funds may allow for the financing to be off-balance sheet and/or off-credit to the District, thereby preserving the District’s debt capacity for other capital needs.

V. Debt Affordability Targets and Guideline Limits

Prior to each debt issuance, in order to seek to maintain its current bond ratings, the District will assess its debt affordability according to criteria mutually agreed to at that time with the District’s Financial Advisor. Any proposed debt issuance that would require the District to exceed its debt affordability limits will be specifically analyzed and reviewed prior to issuance.

VI. Purpose of Financing

For each financing, documentation shall be prepared and retained in a permanent “transaction file” regarding the various vendor selections, the decision process for sizing and structure, the method of bond sale, and investment decisions.

A. New Money Financing.

1. New money issues are those financings which generate additional funding to be available for expenditure on capital projects. These funds will be used for acquisition, construction and major rehabilitation of capital assets. New money bond proceeds may not be used to fund operational activities. The structure for any financing is recommended by the Financial Advisor based on market conditions at the time of the sale and based on the District’s cash flow or repayment needs and desires.

B. Refunding Bonds.

1. A present value analysis shall be prepared that identifies the economic effects of any refunding to be proposed to the Governing Board. It is acknowledged that some refundings may be executed for other than economic purposes, such as to restructure debt, change the type of debt instruments being used, or to retire

a bond issue and bond resolution or indenture in order to remove undesirable covenants.

2. Target savings amount shall be measured by calculating the net present value savings as a percentage of the refunded par amount. The target savings from any particular refunding candidate will generally be 3% for any one refunding transaction, net of all transaction expenses. In cases where the call date for the obligations being refunded is near, a lower percentage savings may be accepted in order for the District to realize savings that would otherwise be lost. The CFO shall have discretion in making the final determination to include individual refunding candidates that are above or below the target in order to optimize the District's debt service savings and/or to accommodate other financial objectives.

3. Certain circumstances may require the District to deviate from use of these refunding targets, such as the need to update inefficient covenants, restructure debt service payments or to alter bond payment dates.

VII. Types of Debt Products

A. Current Coupon Bonds.

1. Current coupon obligations are debt obligations that pay interest periodically (generally every six months) and principal at maturity. They may be used for both new money and refunding transactions. Current coupon bonds may be sold at par, discounts or premiums to meet the demands of the investor. Features such as annual principal maturities, the use of discount or premium pricing, maturity of the debt, and the parameters of the call provisions are adjusted to the market conditions at the time of sale. In most circumstances, the District will use current coupon obligations in financing its capital needs.

B. Zero Coupon or Capital Appreciation Bonds.

1. Zero coupon bonds or capital appreciation bonds have principal amortization that is much slower than level debt service resulting in increased interest expenditure over the life of the bond. The District will only use Zero Coupon or Capital Appreciation Bonds in limited circumstances where the need to defer principal and interest payments is critical for cash flow reasons.

C. Lease Purchase Financing.

1. Lease purchase financing represents a longterm financing lease which is suitable for financing capital equipment or the acquisition and construction of real property.

   a) Equipment. The District has the ability to consider lease purchase transactions, including lease revenue obligations, as a more cost-effective alternative to long-term vendor leases, as well as the ability to implement a master equipment lease program. The District's practice is to limit the maturity of equipment financings to the average useful life of the equipment.

b) Real Property. The District's practice is that the final maturity will not exceed the estimated useful life of the facility. In general, the District's practice is for the final maturity to not exceed 30 years. Principal payments related to real property acquisition or construction will generally be amortized such that it usually results in approximately level debt service payments, although the District may consider alternative amortization structures to meet its repayment objectives.

D. Derivative Products

4. The District does not engage in derivative products.

VIII. Structural Features

A. Maturity of Debt.

1. The final maturity of any debt issued by or on behalf of the District shall be equal to or less than the useful life of the assets being financed.

2. The District may amortize its debt over the term it deems most advantageous, consistent with its structuring parameters such as cash flow capacity, tax rate impact, existing debt service payments, etc. In general, the District will seek to limit the final maturity of any debt obligation to no more than 30 years.

B. Debt Service Structure.

1. Combined principal and interest payments for any particular debt issue will generally be structured by the District to have approximately equal debt service payments over the life of the debt obligation. Exceptions will occur when new money financings are structured to "wrap" around existing debt payments or to match up to the projected revenues associated with the obligations being issued, or for refunding obligations which will have varying principal repayments that reflect the structure and payment requirements of the obligations being refunded.

C. Capitalized Interest.

1. Unless otherwise required or necessary, the District will normally seek to avoid the use of capitalized interest. Certain types of financings, such as lease-secured financings, and certain revenue bond projects, may require that interest on the debt obligations be paid from capitalized interest until the District has constructive use of the project or until revenues generated by the project, or possibly legislative appropriations in certain cases, become available. In order to avoid unnecessarily increasing the debt obligation size, the District will minimize its use of capitalized interest where appropriate and possible.

D. Discount Bonds.

1. Under certain market conditions, debt obligations sold to investors at discount and deep discount pricing may reduce the District's interest cost on debt it issues

below that of debt sold at non-discount prices. The District will review the benefit provided by selling obligations at a discount at the time of pricing an issue, and recognizing that debt sold at a discount reduces the potential for future possible savings from refunding of the debt obligations.

E. **Debt Service Reserve Fund.**

1. The District will forgo using debt service reserve funds unless required to enhance the marketability of any debt issued by or on behalf of the District.

F. **Financial and Risk Analysis of Issuance.**

1. Net present value cost analysis, assessment of structural risks and complexities, and consideration of restrictions to future financing flexibility will be assessed by the District to determine the most efficient bond type and structuring features. Generally, the District's operating fund investment rate will be used as the discount rate when comparing alternatives.

G. **Call Provisions.**

1. In general, District debt will not include call protection which is longer than 10 years. Prior to use of any noncall provision, the District will evaluate expected interest savings from selling non-callable obligations in relation to the estimated savings from a potential future refunding, based on the theoretical value of the call option.

H. **Credit Enhancement.**

1. Bond Insurance. The District will use bond insurance when it provides an economic advantage to a particular bond maturity or an entire issue. Bond insurance may provide improved credit quality for the debt obligations as a result of the insurance provider's guarantee of the payment of principal and interest on the obligations. Because of the possible higher insured credit rating on the obligations, investors may be more willing to purchase insured bonds with lower yields than uninsured bonds, thus providing the District with interest cost savings.

    a) Benefit analysis. The decision to use bond insurance will be an economic decision. The District's analysis will compare the present value of the interest savings as a result of the bond insurance to the cost of the insurance premium. Insurance will be considered for purchase when the premium cost is less than the projected interest savings evaluated to the first call date.

    b) Provider selection. The District CFO, or the Financial Advisor on behalf of the District, will solicit quotes for bond insurance from applicable providers, or in the case of a competitive sale, will submit application for pre-qualification of insurance. The District recognizes that all providers may not be interested in providing bids to the District or pre-qualifying the issue. The winning underwriter in a competitive sale will determine whether it will purchase insurance for the issue. For a negotiated sale, the District CFO will have the authority to purchase bond insurance when deemed advantageous

and the terms and conditions governing the guaranty are satisfactory.

2. Lines and Letters of Credit. Lines and letters of credit ("LOC") represent a bank's promise to pay principal and interest when due for a defined period of time and subject to certain conditions. In the case of a direct pay LOC, the trustee can draw upon the letter of credit to make debt service payments; under a stand-by LOC, the LOC can be used to cover the District's liquidity needs when debt obligations are put or tendered under a variable rate debt structure. If a letter of credit is to be used, the District CFO or designee will prepare and distribute to qualified banks, as described in paragraph (b) below, a request for qualifications, which includes terms and conditions which are acceptable to the District;

a) Liquidity Facility. The issuance of variable rate debt, including variable rate bonds and commercial paper, may require the use of a liquidity facility. Under such a structure, the CFO will be authorized to appoint a bank(s) to ensure the availability of liquidity support, should the bonds or commercial paper be tendered or not remarketed.

b) Provider selection. In soliciting for banks to provide liquidity support or a full pay LOC, the District will generally only solicit from banks holding short-term ratings of P-1/A-1, by Moody's Investors Service and Standard & Poor's, respectively.

c) Selection criteria will include, but not be limited to, the following:

(1) long-term ratings at least equal to A2/A by Moody's Investors Service and Standard & Poor's', respectively;

(2) short-term ratings of at least P-1/A-1 by Moody's Investors Services and Standard & Poor's, respectively;

(3) terms and conditions acceptable to the District; the District will provide a term sheet along with the request for qualifications, to which the banks will highlight any requested modifications;

(4) representative list of clients for whom the bank has provided liquidity facilities;

(5) fees; specifically, the cost of the LOC, draws, bank counsel and other administrative charges and estimate of trading differential cost.

IX. Documentation of Transactions

The decision processes used in each financing process will be documented. The documentation will capture information regarding selection of the financing team and other related decisions. This information will be compiled into a post-pricing book, "transaction file", which will be retained for each financing.

X. Credit Objectives

A. The District will actively seek to maintain and improve the credit ratings of its outstanding debt obligations.

XI. Method of Debt Sale

A. The District will generally utilize a sale process that seeks to obtain the lowest interest cost for the debt, using one of three possible methods of sale: competitive sale, negotiated sale or private placement. As each type of sale has the potential to provide the lowest cost given the right conditions, a decision as to the type of sale will be determined based on market conditions and other factors at the time of sale. The factors that will be considered by the District relative to each type of sale are outlined below.

1. Competitive Sale.

   a) Bond prices are stable and/or demand is strong;

   b) Market timing and interest rate sensitivity are not critical to the pricing;

   c) The debt issue has a strong credit rating;

   d) There are no complex explanations required during marketing, regarding the District's projects, media coverage, political structure, political support, funding, or credit quality;

   e) The bond type and structural features are conventional;

   f) Transaction size is manageable for a competitive sale;

2. Negotiated Sale.

   a) Bond prices are volatile and/or demand is weak or supply of competing bonds is high;

   b) Market timing is important, such as for refundings;

   c) Coordination of multiple components of the financing are required;

   d) The credit rating for the issue is lower or weakening;

   e) Sale and marketing of the bonds will require complex explanations about the District's projects, media coverage, political structure, political support, funding, or credit quality;

   f) Variable rate financings;

   g) The bond type and/or structural features are non-standard, such as for a forward bond sale, issuance of variable rate bonds or where there is use of derivative products;

   h) Early structuring and market participation by underwriters is desired;

   i) Pre-qualified underwriters pool;

   j) Large transaction size;

k) Expected high retail demand or a desire by the District to make bonds available to retail investors, including various constituencies of the District (e.g. alumni, community members, etc.), or to broaden the investor base.

3. Private Placement.

a) The District may privately place its securities with one or more investors if the need arises. As this is generally a more costly approach to accessing the capital markets, the District is generally unlikely to use this approach.

XII. Investment of Bond Proceeds

A. **Purchase and Sale of Investments.** The District will comply with its Investment Principles, which are reviewed and renewed annually by the District's Audit & Finance Committee. If the District engages a Registered Investment Advisor for investment advisory services, it shall competitively bid such services.

XIII. Market Relationships

A. **Rating Agencies and Investors.** The CFO, or designee, shall be primarily responsible for maintaining the District's relationships with bond rating agencies, including Moody's Investors Service, Standard & Poor's, and/or Fitch and shall: 1) periodically meet with each of the District's credit analysts, and 2) communicate with each of the District's analysts prior to each debt offering.

B. **Rating of Financings.** Debt issued by or on behalf of the District will be rated by one or more bond-rating firms (i.e., Standard and Poor's, Moody's Investor Service, or Fitch).

C. **Official Statement.** The Official Statement prepared for the bond buyers will include a statement which identifies the taxes, revenues or other moneys pledged for payment of principal and interest on the revenue bonds.

XIV. Continuing Disclosure

It is the policy of the District to remain in compliance with the Security and Exchange Commission Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its underwriters and bondholders within seven months of the close of the fiscal year.

XV. Consultants

The District CFO, or designee, shall periodically issue Requests for Proposals (RFPs) for Financial Advisor, Bond Counsel, Trustee/Paying Agent, and Underwriters to serve the District. The CFO may also secure these services through procurements undertaken by the State of Arizona on behalf of all State agencies and political subdivisions.

A. **Financial Advisor.** The District will select a Financial Advisor to assist in the debt issuance and debt administration processes and will generally use a Financial Advisor on its debt financings. The Financial Advisor for a debt offering shall not also be an underwriter for the same debt offering. Selection of the District's Financial Advisor(s) should include the following criteria:

1. Experience in providing consulting services to large and complex issuers;
2. Knowledge and experience in structuring and analyzing complex debt financings and issues;
3. Experience and reputation of assigned personnel; and,
4. Fees and expenses.

B. **Financial Advisory Services.** Financial advisory services provided to the District will include, but not be limited to, the following:

1. Evaluation of risks and opportunities associated with debt issuance;
2. Monitoring marketing opportunities;
3. Evaluation of proposals submitted to the District by investment banking firms;
4. Structuring and pricing of bond issues;
5. Preparation of request for proposals for other financial services (trustee and paying agent services, underwriting services, printing, credit facilities, remarketing agent services, etc.); and
6. Providing advice, assistance and preparation for presentations with rating agencies and investors.

C. **Bond Counsel.** District debt will include a written opinion by legal counsel affirming that (a) the District is authorized to issue the proposed debt and has met all constitutional and statutory requirements necessary for issuance, and (b) a determination of the proposed debt's federal income tax status has been made. This approving opinion and other documents relating to the issuance of debt will be prepared by a nationally recognized bond counsel firm counsel with extensive experience in public finance and tax issues.

D. **Underwriters.** In selecting underwriters for most negotiated sales, the District will generally select several underwriters so that a syndicate of underwriters is formed for the transaction. In certain cases, such as smaller obligation financings, the District may select a single underwriter if the District believes that to be in its best interests. There should be diversity among the firms selected so that for most, if not all financings, all of the various target markets – e.g., institutional versus retail, Arizona versus national distribution – desired by the District for the financing are emphasized and covered. Depending upon the financing, the District may also have each underwriter in the pool submit a short proposal for that specific financing that includes the firm's proposed marketing approach, personnel to be assigned, and underwriting costs. The underwriter or underwriters selected by the District for any financing will depend upon the size and complexity of the financing, timing issues, distribution capabilities and other factors, with in most cases one of the underwriters designated by the District as the Senior Manager for the financing.

E. Disclosure Counsel. The District will hire, when appropriate, Disclosure Counsel to prepare official statements in the event of a competitive sale. Disclosure Counsel will be responsible for ensuring that the official statement complies with all applicable rules, regulations and guidelines. Disclosure Counsel will be a nationally recognized firm with extensive experience in public finance. Bond Counsel for a transaction may serve as Disclosure Counsel.

F. Disclosure by Financing Team Members. The District expects that all members of its financing team will at all times provide the District with objective advice and analysis, maintain the confidentiality of District financial plans, and be free from any conflicts of interest. All financing team members will be required to provide full and complete disclosure, under penalty of perjury, relative to any and all agreements with other financing team members and outside parties that could compromise any firm's ability to provide independent advice that is solely in the best interests of the District, or that could be perceived as a conflict of interest. The extent of disclosure may vary depending on the nature of the transaction.

XVI. IRS Compliance and Record Keeping Requirements

As most of the District's debt will be issued on a tax exempt basis, there are requirements for compliance with various IRS Regulations, Revenue Procedures, and Revenue Rulings, based on consultations with bond counsel and bond tax counsel. Since private use, as defined by the IRS, is generally limited to 10% for government issued debt, some financings may be bifurcated with a portion being tax exempt and a portion being taxable interest rate debt. Also, certain records relating to the tax exempt debt needs to be retained for as long as the life of the bonds plus 3 years.

At a minimum, the District's policy is to retain, either electronically or in paper form, the following:

1. A financing transcript for each debt offering, prepared at the time of closing the financing by bond counsel.
2. Summary level project and construction cost information, along with the construction and architecture contracts.
3. All bond trustee and paying agent statements.
4. Governing Board's Agenda items describing and approving the financed projects.
5. Arbitrage calculation reports, where applicable for tax-exempt debt.
6. Investment agreements and documentation on the methodology and bids used to procure such agreements.
7. All agreements related to the management and/or use by private entities (including naming rights agreements) of facilities financed with tax-exempt debt proceeds, including management or use of such facilities by federal agencies.

For construction expenditures incurred prior to the issuance of tax-exempt debt for such purpose, the District's CFO or designee will execute a Declaration of Official Intent to enable the District to be reimbursed for such expenditures upon closing of the financing pursuant to the provisions of federal tax law.

Post-issuance compliance with federal tax law, where applicable, will be monitored by staff assigned by, and reporting to, the District CFO.

Cross Reference: None