



**D.C. Everest Area School District**

6300 Alderson Street  
Weston, WI 54476  
Phone 715-359-4221

**Mr. Jack E. Stoskopf, Jr.**  
Assistant Superintendent  
Business/Personnel Services

**MISSION STATEMENT**

D.C. Everest Area School District, in partnership with the community, is committed to being an innovative educational leader in developing knowledgeable, productive, caring, creative, responsible individuals prepared to meet the challenges of an ever-changing global society.

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**TO:** Dr. Kristine Gilmore, Superintendent

**FROM:** Jack E. Stoskopf, Jr., Assistant Superintendent Business/Personnel Services

**RE:** Short Term Borrowing

**DATE:** October 19, 2011

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**Background:** In the past, the district has done multiple short term borrowings each year. A critical cash flow analysis as well as an increased district fund balance is allowing for just one borrow during the 2011-2012 school year. This reduces lawyer's fees and reduces the amount of interest the district will pay on borrowed money.

Attached are the preliminary documents for the November short term borrowing that the district does each year. The bids will be taken on the day of the board meeting and the final documents will be available the evening of the board meeting. This borrowing is for \$4,900,000.

Please note that the final documents will need a number of key signatures from various board members the night of the approval.

Thank you.

Exhibit A

**RESOLUTION AUTHORIZING TEMPORARY BORROWING  
IN AMOUNT NOT TO EXCEED \$4,900,000.00  
PURSUANT TO SECTION 67.12(8)(a)1, WIS. STATS.**

WHEREAS, D.C. Everest Area School District, Marathon Marathon County, Wisconsin (the "District"), is temporarily in need of funds in the amount not to exceed \$4,900,000.00 to meet the immediate expenses of operating and maintaining the public instruction in the District during the current school year;

WHEREAS, school districts are authorized by the provisions of Section 67.12(8)(a)1, Wisconsin Statutes, to borrow money and issue tax and revenue anticipation promissory notes for such public purposes;

WHEREAS, the School Board deems it necessary and in the best interest of the District that funds be borrowed and tax and revenue anticipation promissory notes be issued pursuant to the provisions of Section 67.12(8)(a)1, Wisconsin Statutes;

WHEREAS, in accordance with Section 67.12(8)(a)1, Wisconsin Statutes, the total amount borrowed shall be for the purpose of meeting the immediate expenses of operating and maintaining the public instruction in the District during the current school year, shall not exceed one-half of the estimated receipts for the operation and maintenance of the District for the current school year as heretofore certified by the District Clerk, and the loan shall not extend beyond November 1 of the next school year;

WHEREAS, the tax for the operation and maintenance of the schools of the District for the current school year heretofore has been voted to be collected on the next tax roll; and,

WHEREAS, to the best of the knowledge, information and belief of the School Board, the District complies with the revenue limits set forth in Sections 121.91 and 121.92, Wisconsin Statutes.

NOW, THEREFORE, BE IT RESOLVED by the School Board of the District that:

1. **Authorization.** For the purpose hereinabove set forth, there shall be borrowed, pursuant to Section 67.12(8)(a)1, Wisconsin Statutes, the aggregate principal sum of not to exceed \$4,900,000.00.
2. **Terms of the Note(s).** To evidence such borrowing, the District President and District Clerk are hereby authorized, empowered and directed to make, execute, issue, sell and deliver to the Purchaser(s), as set forth below, for and on behalf of the District, its Tax and Revenue Anticipation Promissory Note(s) (collectively, the "Note(s)") payable to the order of the Purchaser(s) or its designee, in the denomination of \$100,000 or more, in the amount(s) and at the interest rate(s) as follows:

**Sale Results**

_____	\$ _____
(name of purchaser)	(total principal amount)

<u>Note No.</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Premium, if any</u>	<u>Net Effective Rate</u>
_____	\$ _____	_____ %	\$ _____	_____ %
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

_____	\$ _____
(name of purchaser)	(total principal amount)

<u>Note No.</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Premium, if any</u>	<u>Net Effective Rate</u>
_____	\$ _____	_____ %	\$ _____	_____ %
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

The Note(s) shall be dated November 3, 2011 ; shall bear interest at the rate(s) per annum set forth above from their dated date until paid; and shall mature on October 25, 2012. Interest on the Note(s) shall be paid at maturity.

3. **Redemption Provisions.** The Note(s) are not subject to optional redemption.

~~OR~~ The District shall have the option to prepay the Note(s) (upon 30 days notice to the Purchaser(s)) on or after for the unpaid principal amount thereof, plus accrued interest to the date of prepayment without prepayment penalty.

4. **Arbitrage Covenant.** The proceeds of the Note(s) (the "Note Proceeds") shall be used solely for the purposes for which borrowed (or for the payment of the principal of and/or interest on the Note(s)). Note Proceeds may be temporarily invested in legal investments until needed, provided, however, that the District hereby covenants and agrees that so long as the Note(s) remain outstanding, the Note Proceeds will not be used or invested in a manner which would cause the Note(s) to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable regulations promulgated thereunder by the U.S. Department of Treasury (the "Regulations").

The District Clerk, or other officer of the District charged with the responsibility for issuing the Note(s), shall provide the appropriate certificate of the District, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the District regarding the amount and use of the Note Proceeds and the facts and estimates on which such expectations are based, all as of the date of delivery and payment for the Note(s) (the "Closing").

5a. **Qualified Tax-Exempt Obligation Status.** The School Board hereby designates the Note(s) to be "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code and in support of such designation the District President, or other officer of the District charged with the responsibility for issuing the Note(s), shall provide an appropriate certificate of the District necessary to establish the "qualified tax-exempt obligation" status of the Note(s) all as of the date of the Closing.

5b. **Additional Tax Covenants.** The District hereby further covenants and agrees that it will take all necessary steps and perform all obligations required by the Code and the Regulations (whether prior to or subsequent to the Closing) to assure that the Note(s) are obligations described in Section 103(a) of the Code, the interest on which is excludable from gross income for federal income tax purposes, throughout their term. The District Clerk or other officer of the District charged with the responsibility for issuing the Note(s), shall provide an appropriate certificate of the District, for inclusion in the transcript of proceedings, as of the date of the Closing certifying that it can and covenanting that it will comply with the provisions of the Code and the Regulations. Such certificate shall indicate that the District qualifies either for the "small governmental unit" exception or for the six month expenditure "safe harbor" exception to the rebate requirements of the Code, set forth certain facts regarding the use of the Note Proceeds to establish that the Note(s) will not constitute "private activity bonds" as defined in Section 141 of the Code and state other facts necessary to establish that the Note(s) are obligations described in Section 103(a) of the Code, the interest on which is excludable from gross income for federal income tax purposes.

If the District does not qualify for any exemption from the rebate requirements of the Code, the District hereby covenants and agrees that there shall be paid from time to time all amounts to be rebated to the United States pursuant to Section 148(f) of the Code and any applicable Regulations.

It is the intent of the District to take all reasonable and lawful actions to comply with any new tax laws enacted so that the Note(s) will continue to be obligations described in Section 103(a) of the Code, the interest on which is excludable from gross income for federal income tax purposes.

6. **Irrepealable Tax; Segregated Fund; Compliance With Revenue Limits.** So long as the Note(s), or interest thereon, remain unpaid, the aforesaid tax for operation and maintenance of the District (including the amount budgeted to pay interest on the Note(s)) shall be and continues irrepealable. The District shall segregate in a special fund, tax monies and other available revenues received for operation and maintenance of the District sufficient to pay the principal of and interest on the Note(s) as the same becomes due. Said special fund shall be used for the sole purpose of paying the principal of and interest on the Note(s). If there shall be insufficient sums in said special fund to meet such payments, the District shall promptly pay the same when due from other monies available in or attributable to the current school year. This covenant specifically includes monies (for example, deferred tax and state aid payments) attributable to the current school year which are not received prior to the end of the current school year. The District complies with and covenants to continue to comply with the revenue limits set forth in Sections 121.91 and 121.92, Wisconsin Statutes.

7. **Execution of the Note(s); Appointment of Acting District Clerk.** The Note(s) shall be executed on behalf of the District by the District President and District Clerk, or others authorized under Section 120.05, Wisconsin Statutes to sign on their behalf, sealed with its official or corporate seal, if any, and delivered to the Purchaser(s) upon payment to the District of the purchase price thereof, plus any accrued interest to the Closing. A facsimile signature of either of the officers may be imprinted on the Note(s) in lieu of the manual signature of such officer, but unless the District has contracted with a fiscal agent under Section 67.10(2), Wisconsin Statutes, at least one of the signatures shall be manual. In the event that any of the officers whose signatures appear on the Note(s) shall cease to be such officers before the delivery of the Note(s), such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until such delivery. In accordance with Section 120.05(3), Wisconsin Statutes, the School Board hereby appoints any one of the officers to discharge the duties of the District Clerk as Acting District Clerk in connection with the issuance of the Note(s) in the event the District Clerk is unable to discharge such duties due to disability or absence.

8. **Payment of the Note(s); Registered Form.** The Note(s) shall be payable in lawful money of the United States of America by the District Clerk or Treasurer. If the term of the Note(s) is more than one year, the Note(s) shall be issued in registered form as to principal and interest in

accordance with the provisions of Section 149 of the Code. The transfer of the Note(s) may be effected only by surrender of the old Note(s) and either the reissuance by the District of the old Note(s) to the new holder or the issuance by the District of new Note(s) to the new holder **OR** through a book-entry system maintained by the District or its agent. The District hereby appoints the Purchaser(s) identified in Section 2 above, or the Purchaser(s)'s designee, as its agent(s) (the "Agent") for the purpose of maintaining a book-entry system to ensure that the Note(s) remain in registered form pursuant to the requirements of Section 149 of the Code. The Agent is hereby directed to maintain a record of ownership that identifies all of the owners of interests in the Note(s).

9. **Resolution a Contract; Non-Impairment of Contract.** This Resolution constitutes a contract with the holders of the Note(s) made, in part, for the purpose of securing, and inducing investors to buy, the Note(s). The District will take no action with respect to such contract which would contravene provisions of the United States Constitution and the Constitution of the State of Wisconsin prohibiting the passage of laws impairing the obligations of contracts. In addition, the holder or holders of any of the Note(s) shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce his or their rights against the District, the School Board, and any and all officers thereof.

10. **Closing.** The appropriate officers and agents of the District are hereby directed and authorized to do all acts and execute and deliver all documents as may be necessary and convenient to effectuate the Closing.

11. **Near Final Official Statement.** Any Near Final or Preliminary Official Statement, the drafts of the closing certificates and any other documents heretofore delivered to the Purchaser(s) identified in Section 2 are deemed "final" as of the date of such delivery for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the "Rule"). All actions taken by the officers and agents of the District in connection with the preparation of such certificates and other documents are hereby ratified and approved. In connection with the Closing, the District Clerk, or other appropriate District official, shall certify the finalized and executed certificates and other documents and cause such final certificates and other documents to be delivered to the Purchaser(s) identified in Section 2.

12a. **Undertaking to Provide Continuing Disclosure.** This Section constitutes the written undertaking required by the Rule. This undertaking is intended for the benefit of the holders of the Note(s) and shall be enforceable by the Purchaser(s) on behalf of such holders (provided that the holders' and Purchaser(s)'s right to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the District's obligations hereunder and any failure by the District to comply with the provisions of this undertaking shall not be an event of default with respect to the Note(s)). Capitalized terms used in this Section and not otherwise defined in this Resolution shall have the meanings assigned such terms in Appendix A.

The District undertakes to provide Material Event Notices as provided in this Section. If a Material Event occurs while any Note(s) are outstanding, the District shall provide or cause to be provided a Material Event Notice in a timely manner not in excess of ten business days after the occurrence of the Material Event to the MSRB through the Electronic Municipal Market Access System available at [www.emma.msrb.org](http://www.emma.msrb.org) in an electronic format prescribed by the MSRB. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Note(s). Unless otherwise required by law and subject to technical and economic feasibility, the District shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the District's information.

The District's continuing obligation hereunder to provide Material Event Notices shall terminate immediately once the Note(s) no longer are outstanding. This Section, or any provision hereof, shall be

null and void in the event that the District delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Note(s). This Section may be amended without the consent of the Noteholders, but only upon the delivery by the District to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Section and by the District with the Rule.

~~12b. — **Exemption From Continuing Disclosure.** The requirements of the Rule are not applicable to the Note(s) since the Note(s) are a primary offering of less than \$1,000,000.~~

13. **Conflicting Resolutions; Severability; Effective Date.** All prior resolutions, rules or other actions of the School Board or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted and recorded October 25, 2011 .

By: \_\_\_\_\_

Mary A. Hancock  
District President

(SEAL)

And: \_\_\_\_\_

Rita A. Kasten  
District Clerk