



**ELECTRONIC
COMMONWEALTH OF VIRGINIA TREASURY
BOARD REQUEST FOR PROPOSALS #CMI 15-004
REDACTED
TO SERVE AS
REBATE CALCULATION AGENT
FOR THE
VIRGINIA STATE NON-ARBITRAGE PROGRAM
PROPOSAL DUE:
TUESDAY, FEBRUARY 24, 2015 BY 3:00 PM**

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February 24, 2015

Treasury Board
Commonwealth of Virginia
Department of the Treasury
Attention: Harold Moore
P.O. Box 1879
Richmond, Virginia 23218-1879



Dear Mr. Moore and Members of the Selection Committee:

Arbitrage Compliance Specialists, Inc. (“ACS”) is pleased to present our proposal to provide rebate calculation agent services (the “Compliance Services”) for the Virginia State Non-Arbitrage Program (“SNAPSM”). Selecting our firm for this engagement will instill confidence that every tax-exempt debt issue is supported by the most qualified arbitrage rebate accounting firm in the country.

ACS understands the primary objective of this request for proposal (“RFP”) is to contract with a nationally recognized firm that provides Compliance Services for SNAPSM program and participant bonds during the initial five (5) year contract period and ensure timely completion of the rebate reports.

ACS’ goal is to utilize our 28 years of experience in the arbitrage rebate industry, our in-depth governmental accounting knowledge and legal expertise to provide the SNAPSM Program Manager or Participants with accurate calculations of arbitrage liabilities, to prepare all appropriate forms required by the U.S. Internal Revenue Service (“IRS”) and to **eliminate arbitrage liabilities**. This proposal outlines several distinct advantages ACS can offer to the SNAPSM Program Manager or Participants, including:

- ACS leverages the services of an in house tax attorney with 28 years of experience calculating arbitrage rebate. Unlike some competitors, our tax attorney has both direct ownership in the firm and active involvement by providing a legal opinion with **each** calculation ACS completes; and
- ACS has assigned three leaders to the project team who possess significant prior experience with similar state financing programs nationwide, refunding/refunded bonds, and complicated transferred proceeds or commingled fund scenarios.

I, Doug Pahnke, CPA, Managing Director, hereby authorize and bind ACS to provide Compliance Services that comply with the applicable requirements of the Internal Revenue Code and Treasury Regulations (“Tax Code”). Our proposal is valid for a minimum period of 180 days following the deadline date, extendable for another 180 days if requested by SNAPSM. If you have any questions or would like to discuss the details of our proposal, please contact me at (800) 672-9993 ext. 7526.

Best regards,

Doug Pahnke
CPA, Managing Director
Arbitrage Compliance Specialists, Inc.

TAB 1. RFP COVER SHEET AND ALL ADDENDA ACKNOWLEDGMENTS

REQUEST FOR PROPOSALS

#CMI 15-004

Issue Date: February 24, 2015

Title: Rebate Calculation Agent – Virginia State Non-Arbitrage Program

Issuing Agency: Treasury Board
Commonwealth of Virginia
Department of the Treasury
P.O. Box 1879
Richmond, Virginia 23218-1879

Using Agencies: Treasury Board on behalf of all Virginia public entities participating in the State Non-Arbitrage Program

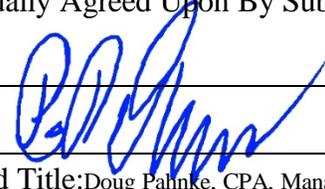
Initial Period Of Contract: Five (5) Years from the Date the Contract is Executed, With the Option to Renew for One Additional Three (3) Year Period at the Option of the Treasury Board and in Accordance with the Terms and Conditions noted in the Contract.

Sealed Proposals Will Be Received Until Tuesday, February 24th at 3:00 pm, For Furnishing the Rebate Calculation Services Described Herein.

If Proposals Are Mailed, Mail Directly To Issuing Agency Shown Above, Adding One Line To The Top Of The Address As Follows: Proposal for Rebate Calculation Services, RFP #CMI 15-004.

If Proposals Are Hand Delivered or Express Delivered To: Proposal for Rebate Calculation Services, RFP #CMI 15-003, Commonwealth of Virginia, Treasury Board, James Monroe Building - 3rd Floor, 101 North 14th Street, Richmond, Virginia 23219, Attn: Harold E Moore.

In Compliance With This Request For Proposals And To All The Conditions Imposed Therein And Hereby Incorporated By Reference, The Undersigned Offers And Agrees To Furnish The Rebate Calculation Services In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiations.

Offeror's Name: Arbitrage Compliance Specialists, Inc.	By (Signature in Ink): 
Complete Address: 5975 South Quebec Street, # 205	Name (please print) and Title: Doug Pahnke, CPA, Managing Director
	Date: February 24, 2015
City/State/Zip: Centennial, Colorado 80111	eVA ID #: VS0000136640
Telephone Number: (800) 672-9993 ext. 7526	E-mail address: doug@rebatebyacs.com

TAB 2. GENERAL QUALIFICATIONS

1. EXPERIENCE OF THE FIRM. PROVIDE A BRIEF HISTORY OF YOUR FIRM, INCLUDING THE SIZE OF THE FIRM AND THE RESOURCES DEDICATED TO THE FUNCTION OF REBATE CALCULATIONS. DESCRIBE YOUR FIRM'S EXPERIENCE IN PROVIDING ARBITRAGE REBATE CALCULATION SERVICES, INCLUDING YOUR FIRM'S EXPERIENCE IN PROVIDING SERVICES SUCH AS REBATE CALCULATION AGENT FOR A PROGRAM SUCH AS SNAPSM. INDICATE THE NUMBER OF REBATE CALCULATIONS YOUR FIRM PREPARES ANNUALLY AND THE PERCENTAGE OF YOUR FIRM'S WORK THAT THIS CONTRACT WOULD REPRESENT. INCLUDE A DISCUSSION OF YOUR FIRM'S EXPERIENCE IN PERFORMING CALCULATIONS FOR REFUNDED AND REFUNDING BONDS AND POOLED-BOND ISSUES. INCLUDE AT LEAST TWO SAMPLE ARBITRAGE REBATE CALCULATION REPORTS RECENTLY PREPARED BY THE OFFICE OF YOUR FIRM THAT WILL HAVE PRIMARY DAY-TO-DAY RESPONSIBILITIES FOR THIS ENGAGEMENT. ONE OF THE REPORTS SHOULD BE FOR A BOND ISSUE WITH AT LEAST 5 YEARS OF INVESTMENT ACTIVITY.

FIRM HISTORY

ACS' arbitrage rebate practice was formed in 1986 as part of Pricewaterhouse, one of the 8 largest accounting firms in the country, and incorporated as Arbitrage Compliance Specialists, Inc. in 1994. Ms. Janet P. Sacks, founder of ACS, was requested by the U.S. Congress as an expert in governmental bonds to provide advice regarding the formation of the arbitrage reporting methodology that is in use today. Having been one of the first arbitrage rebate practices in the country, we have expert knowledge when applying the numerous regulation changes that have taken place since 1986.

FIRM SIZE AND RESOURCES

ACS currently employs 16 full time employees. Because ACS's primary focus is on arbitrage rebate calculations, 100% of our resources are dedicated to all variety of arbitrage rebate calculations and related compliance issues. ACS has developed two robust, scalable and proprietary computer systems capable of supporting, managing and processing vast amounts of data accurately and efficiently.

FIRM EXPERIENCE IN PROVIDING REBATE SERVICES

HISTORICAL INFORMATION BY VOLUME

ACS currently provides arbitrage rebate services for over 17,000 debt issues tied to over 1,500 municipal clients across the United States with over \$55,700,000,000 in total outstanding principal value. Our clients maintain active tax-exempt debt portfolios ranging from 1 to 250 debt issues. Since 1986, our firm has completed over 46,000 calculations for more than \$153,000,000,000 original par value in fixed rate and variable rate tax-exempt debt issues. Since our firm focuses primarily on rebate calculations we are able to commit all available resources to additional projects. We have absolute confidence that our firm possesses the available resources necessary to exceed SNAPSM's expectations.

OVER 46,000 CALCULATIONS COMPLETED SINCE 1986



HISTORICAL INFORMATION BY MAJOR CATEGORY

ACS provides arbitrage rebate services for the following types of debt issues by major category:

Total Number of Educational Clients:	333
Total Number of Municipal Entity Clients:	534
Total Number of County Entity Clients:	612
Total Number of State Entity Clients:	27
Total Number of Other Types of Clients Not Defined Above:	38

TAB 2. GENERAL QUALIFICATIONS, ITEM 1 – EXPERIENCE OF THE FIRM, PAGE 2

EXPERIENCE PROVIDING REBATE CALCULATION SERVICES FOR A PROGRAM SUCH AS SNAPSM

ACS works with the State of Maine's Bond Bank, Governmental Facilities Authority and Health & Higher Educational Facilities Authority to provide rebate calculation services at a program level. ACS actively completes the rebate calculation services for over 100 issues annually and for the same type of entities as SNAPSM. ACS also assists program participants (at the sub level) with calculations when they do not qualify for one of the Expenditure Exceptions to the rebate requirements. We are confident that our reference from this program, David Delano, will agree that ACS has the experience required to manage the SNAPSM program effectively.

HISTORICAL AVERAGE ANNUAL NUMBER OF CALCULATIONS

ACS completes an average of 2,700 calculation per year based upon the most recent three year period.

PERCENTAGE OF FIRM WORK REPRESENTED WITH THIS CONTRACT

Based upon the RFP recommendations, 70 to 90 rebate calculations will be required annually, representing only 3.3% of our annual workload.

FIRM LEGAL AFFILIATION AND ATTORNEY QUALIFICATIONS

Our firm has distinctive legal and accounting experience with the arbitrage regulations dating back to the inception of the 1986 Tax Code. ***ACS is the only arbitrage firm in the country with a nationally recognized tax attorney who is also a CPA and has been calculating arbitrage liability since 1986.***

IRA B. SACKS, CPA, CFP, TAX ATTORNEY, TREASURER

Mr. Sacks' extensive education and background includes Bachelor's Degrees in Accounting, Finance, and Computer Science and Master's Degrees in Law, Taxation, and Business. Mr. Sacks has vast experience in computation of arbitrage rebate and a thorough legal understanding of the Tax Code. The result is an unmatched, comprehensive knowledge of tax regulation and tax regulation interpretation. The combination of Ira's knowledge, experience, and expertise ensures that our clients pay the lowest amount of arbitrage rebate allowed under the Tax Code.

MEMBER OF THE NATIONAL ASSOCIATION OF BOND LAWYERS (NABL)

Arbitrage rebate compliance is a serious business and the Tax Code is a volatile, complex set of rules and regulations subject to frequent changes and constant re-interpretation. As the Tax Code evolves, it is imperative that an arbitrage rebate firm keep abreast of proposed regulations as well as current interpretations of the Tax Code. As a member of NABL, ACS receives daily updates of all proposed and ultimately finalized changes to the Tax Code as well as the current IRS enforcement focus.

FIRM ACCOUNTING QUALIFICATIONS

The calculation of arbitrage rebate requires the accountant to extract expenditures and interest earnings from a client's governmental accounting records and apply these transactions in computing the lowest liabilities possible while adhering to the Tax Code. Since a significant number of our governmental clients move funds between accounts/funds, oftentimes we cannot simply key in the transactions directly from the general ledgers or investment statements.

To adhere to the Tax Code, our accountants are required to reallocate expenditures and re-compute interest earnings to satisfy ***very specific*** tax-exempt bond accounting rules as defined by the Internal Revenue Service. Our accountants perform in-depth analysis of the Statements of Net Position, Cash Flow, Revenues, Expenses, and Changes in Net Position in conjunction with the general ledgers and investment statements to ensure correct allocation of all bond proceeds. Because of the reallocations, the accounting records of bond proceeds are often vastly different from the books and records maintained by our governmental clients for financial reporting purposes. Having two sets of records is

TAB 2. GENERAL QUALIFICATIONS, ITEM 1 – EXPERIENCE OF THE FIRM, PAGE 3

similar to how corporations are allowed to keep one set of records for tax purposes and a different set of records for financial reporting purposes.

Our practice has one of the highest, if not the highest, percentage of calculation staff with accounting degrees. Over 75% of our arbitrage calculation staff members have accounting degrees and 57% are licensed CPAs.

Our accountants have a minimum of 9,560 hours of accounting training, which includes financial reporting, auditing, and taxes. Our personnel that maintain a CPA license and advanced degrees have upwards of 15,000 hours of accounting training. In addition to their formal accounting educations, our firm provides additional accounting and tax law training to include:

- √ 800 hours of initial tax-exempt debt accounting and tax law training;
- √ 40 credit hours of accounting and tax law training per year to maintain CPA license;
- √ 60 hours of in-house training seminars per year.

The IRS and the SEC do not regulate the arbitrage rebate industry. As a result, numerous arbitrage firms employ personnel with little to no accounting training. Formed under one of the largest accounting firms in the country – Pricewaterhouse, we take the educational background and continuing education of our personnel very seriously. ACS continues the Pricewaterhouse legacy and employs exceptional accountants to serve our 1,500 governmental clients. ***We encourage SNAPSM to scrutinize our resumes and compare the educational credentials to those of our competitors. We firmly believe that you will be pleasantly surprised with how we have built the most qualified arbitrage rebate calculation firm in the country.***

ACS' GOVERNMENTAL ACCOUNTING EXPERTISE

The arbitrage laws and regulations contain a significant number of constraints that can range from simply outlawing certain transactions or actions to providing numerous allowable methods to compute arbitrage rebate. As a firm with both legal and accounting experience, we will analyze each of the SNAP'sSM bond issues to identify the various allowable accounting methods that may lower the rebate liability on each debt issue. We will then research, evaluate and apply the most advantageous option within the constraints of the Tax Code. As an example, there are numerous accounting and allocation rules contained within the Tax Code. The various methods provide a degree of flexibility in allowable treatments of investment/expenditure of bond proceeds that serve as our input into the rebate calculation process. A few of the accounting methods and elections used in computing an arbitrage rebate calculation include:

Project Funds:

- First in first out
- Last in first out
- Ratable allocations
- Specific tracing
- Market value
- Modified accrual

Debt Service Residual Extraction:

- 100%
- Average excess
- Year-end excess
- Excess over maximum annual
- Original principal amount
- Maximum debt service payment
- Relative value of principal and interest

Commingled Funds:

- Values of the debt issues
- Remaining maximum annual
- Original principal
- Market value
- Modified accrual

Of the methods listed above, ACS cannot recommend one method over another as each method may produce a lower arbitrage liability under a particular circumstance. Based on ACS' accounting expertise and our extensive 28 years of experience, we will select the method or methods that will serve SNAP'sSM particular spending and investment program.

CASE STUDY EXAMPLE OF A COMPLEX BOND COMPLIANCE PROGRAM WITH REFUNDED/REFUNDING BONDS AND POOLED BOND ISSUES

The example provided below stands out based upon complexity and sheer size. It includes variable rate debt, pooled transactions, thousands of uncommingling allocations, advanced refundings, current refundings, transferred proceeds allocations, market/present value errors, elections that were not followed, and over sixty incorrectly submitted payments to the IRS.

Recently, a very large issuer with approximately 200 debt issues contracted our firm. Our client had performed in-house calculations but decided that the arbitrage rebate regulations had become too convoluted and complex. Through an open bid process, ACS was selected to serve as their arbitrage rebate consultant due to the quantity and complexity of their debt issuances, our technical accounting expertise, in-house tax attorney and team of CPAs.

Upon commencement of the engagement, we provided two CPAs on-site to assist in transitioning the calculations from the in-house process over to our firm. During the weeklong transition, we analyzed bond documents, investment data and past arbitrage rebate calculations. During our initial analysis, we found the following problems concerning their previous arbitrage rebate calculations that were completed in-house:

- √ Incorrect bond yield calculation;
- √ Investment values - incorrect application of present and market values;
- √ Computation date credit amounts and date errors;
- √ Advanced refunding transferred proceeds - reserve funds that support multiple issues through advanced refundings were improperly allocated among supported issues;
- √ Uncommingling – project funds shared between bond issues were incorrectly allocated among bond issues;
- √ Past IRS payment amounts credited on incorrect days;
- √ The issuer elected different bond year end dates, however, failed to adhere to the election;
- √ The issuer elected penalty in lieu of arbitrage rebate and subsequently failed to adhere to the election;
- √ The issuer elected to exclude pooled loan funds, yet included said funds in the calculation; and
- √ Other numerous errors.

The summation of the errors highlighted above resulted in significant underpayments *and* overpayments of arbitrage rebate to the IRS. To further complicate the above errors, the issuer secured guaranteed investment contracts for reserve funds that paid very high rates of return (6-9%). The reserve funds generated **very large** arbitrage rebate liabilities, which numbered in the tens of millions of dollars. Our client's calculations contained thousands of material errors and placed the bonds in jeopardy of losing their tax-exempt status.

Our firm faced many questions on how to address these problems:

- √ Should we recalculate all arbitrage rebate calculations since the issuance of each debt issue resulting in significant costs to our client?
- √ Should we enter the issuer into the IRS' voluntary compliance program and hope for leniency rather than outright revocation of the tax-exempt status of the bonds?
- √ Should we withdraw from the engagement?

After much debate among ACS' directors, CPAs and tax attorney and communication with the client's executive management, we decided to complete an analysis to determine what (if any) portions of the

TAB 2. GENERAL QUALIFICATIONS, ITEM 1 – EXPERIENCE OF THE FIRM, PAGE 5

prior calculations could be salvaged and corrected when computing the current rebate liabilities. Rather than take the costly approach of recalculating over 1,500 years of arbitrage rebate calculations, ACS developed a mutually beneficial solution: ACS made changes to previously completed in-house calculations that could then be used in our calculations going forward. Our internal analysis included over 280 hours of work by our tax attorney and CPAs repairing the prior calculations. If the errors were of a nature that warranted a recalculation, rather than start the calculation from the date of issuance, we found a starting point within the existing calculation to shorten the computation period and reduce our clients' cost. Because ACS has both legal and accounting expertise we are often involved in the most complex debt issues in the arbitrage rebate industry. Such a large compliance matter presented multiple challenges.

In addition to solving the technical accounting challenges, ACS developed a cost effective solution to ensure the protection of the tax-exempt status for 200 debt issues. Our firm was committed to client service in every aspect of the undertaking by minimizing the cost of compliance, providing consultation and support to the client's executive staff during the correction phase of the project and ensuring the end result adhered to the Tax Code.

The example above illustrates our enduring commitment to overcome client-specific challenges and re-emphasizes our commitment to provide our clients with exceptionally qualified staff trained in governmental accounting and tax law that will assist in all aspects of bond compliance.

FIRM SERVICING LOCATIONS

ACS has regional support office locations in the following states: Arizona, California, Florida, Oklahoma, New Jersey, New York, Texas, and Washington. ACS employees commute to our regional support offices to provide on-site client support services. All calculations will be performed from our corporate headquarters in Centennial, Colorado, to foster an interactive environment, to ensure a high degree of quality control and assurances, and allow for easy accessibility to our CPAs and tax attorney.

Main Servicing Office

5975 South Quebec Street, Suite 205
Centennial, Colorado USA 80111
Doug Pahnke, CPA, Managing Director
Doug@RebateByACS.com
(800) 672-9993 ext. 7526

REGIONAL SUPPORT OFFICE SERVICES

We understand that arbitrage compliance is not part of the daily routine of the SNAP'sSM personnel; therefore, Mr. Carl Aridas – Vice President of ACS' east coast operations regional support office - is available to provide on-site services to include:

- √Attendance at management meetings;
- √Comprehensive discussions of the findings of each arbitrage calculation;
- √Training of the SNAPSM Program Manager or Participants staff on strategies to help lower arbitrage rebate liabilities; and
- √IRS audit support.

SAMPLE ARBITRAGE REPORTS

The two sample arbitrage reports have been prepared by the office of ACS having primary day-to-day responsibilities for this engagement. Due to size, these have been moved to Tab 6 so that they can be easily reviewed at SNAP'sSM convenience.

2. PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT. PLEASE INCLUDE SUMMARY RESUMES OF THE PERSON(S) WHO WILL BE RESPONSIBLE FOR PERFORMING THE REBATE CALCULATIONS. CONTAINED WITH THE RESUME SHOULD BE A BRIEF DESCRIPTION OF THEIR EXPERIENCE, OFFICE LOCATION, AVAILABILITY, DEGREE OF RESPONSIBILITY, LENGTH OF TENURE WITH THE FIRM, AND LENGTH OF TIME PERFORMING ARBITRAGE REBATE CALCULATIONS. INCLUDE THE NUMBER OF FULL TIME PROFESSIONALS DEDICATED TO PROVIDING ARBITRAGE REBATE CALCULATION SERVICES. DEMONSTRATE THE FIRM’S EFFORTS TO STAY CURRENT AND UP-TO-DATE ON THE LATEST IRS RULINGS AND REGULATIONS.

QUALIFICATIONS OF KEY ACS PERSONNEL

OVERVIEW OF PROJECT TEAM

ACS has assigned seven key staff members to provide arbitrage rebate services to SNAPSM. These staff members have over one hundred twenty-two (122) years of combined experience in accounting, finance and tax law that they will use to eliminate post-issuance bond compliance issues. All personnel are ACS employees. ACS will not employ any independent contractors or subcontractors.

RESUMES



Janet Sacks, President, CEO

Centennial, Colorado Office

Availability: 100%

Degree of Responsibility : Final Technical Report Reviewer & Review Leader

Tenure with Firm: 20 Years

Length of Time Performing Arbitrage Rebate: 28 Years

Bachelor of Arts Degree

Master of Science: Accounting, Finance

Areas of Expertise:

Advisor to U.S. Congress

Final Report Review

Procedural Integrity

Rebate Minimization

Client Relation Management

IRS Audit Defense Team

Quality Assurance

Tax Credit Bonds

Ms. Janet Sacks started her arbitrage rebate career in 1986 while working for PricewaterhouseCoopers, LLP (formerly Pricewaterhouse). Due to her unparalleled understanding of the complex nature of tax-exempt debt, governmental accounting and the complications of post-issuance compliance, Ms. Sacks was requested by U.S. Congress to take part in the Beryl Anthony Public Finance Commission, which was charged with overhauling the Tax Code. As an original member of this bipartisan commission, Ms. Sacks advised U.S. Congress on the construction of Section 148(f) of the Tax Code that provides the arbitrage rebate calculation methodology that is used today.

Ms. Sacks developed the proprietary ACS computational paradigm, which employs the most current calculation methodologies: uncommingling, allocations, cascading cash flow models and recreating forensic accounting records. Ms. Sacks’ expertise is utilized in performing the final director level review on arbitrage rebate and yield restriction reports to ensure that the most favorable treatment of the Tax Code has been applied, as permitted by law.

As an industry founder, Ms. Sacks is highly regarded in the field of arbitrage compliance and a speaker for national agencies including the Internal Revenue Service, Securities and Exchange Commission, National Association of Bond Lawyers, numerous governmental organizations as well as state and local Government Finance Officer’s Associations.

Relevant Engagements

New – Commonwealth of Kentucky Post-Secondary Education Institutions

Board of Regents of the University of Oklahoma System – University of Oklahoma

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 2

University of North Carolina at Charlotte
 Southern Methodist University
 Dormitory Authority of the State of New York (DASNY)
 Maine Health and Higher Educational Facilities Authority
 Maine Municipal Bond Bank
 Maine Governmental Facilities Authority
 New Jersey Economic Development Authority
 South Jersey Transportation Authority, NJ
 Metropolitan Transportation Authority, NY
 New York City Municipal Water Finance Authority
 Oklahoma Capitol Improvement Authority
 Greater Arizona Development Authority
 State of Delaware
 State of Nevada
 State of Tennessee
 State of Washington

Employment History

Company Name	Start Date	End Date
Pricewaterhouse Coopers, LLP.	1983	1990
Public Financial Management, Inc.	1990	1994
Arbitrage Compliance Specialists, Inc.	1994	Present



Ira Sacks, CPA, CFP, Tax Attorney, Treasurer
Centennial, Colorado Office

Availability: 100%

Degree of Responsibility: Calculation Leader

Tenure with Firm: 20 Years

Length of Time Performing Arbitrage Rebate: 28 Years

Bachelor of Science: Accounting, Finance, Computer Science

Master of Science: Law, Taxation, Business

CPA License #6950, Attorney License #11490

Areas of Expertise:

Accounting Methodologies Cash Flow Modeling Forensic Accounting Qualified Hedges
Bond Year Slicing Optimization Code Interpretation State Revolving Funds Rebate Minimization
Cascading Transferred Proceeds Derivatives IRS Recovery Requests SWAP Transactions

Mr. Ira Sacks has specialized in arbitrage rebate computations for over 28 years and oversees the entire arbitrage rebate computational practice. Mr. Sacks is a renowned tax attorney specializing in Section 148(f) of the Tax Code and applicable regulations with an extensive education and experience within the arbitrage rebate industry. During his tenure, Mr. Sacks has completed more than 17,500 of the most multifaceted arbitrage calculations in the industry with a historical firm portfolio par value exceeding \$150,000,000,000.

As an industry pioneer, Mr. Sacks has developed first-hand working knowledge by completing arbitrage compliance calculations during each significant regulatory modification. Mr. Sacks understands that rebate compliance is a serious business and the Tax Code is a volatile and complex set of rules and regulations subject to frequent changes and constant reinterpretation. Mr. Sacks has completed

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 3

calculations in conformance with each major evolution of the Code including the 1986, 1989 Temporary, 1992 and 1993 regulations.

Mr. Sacks is also the only tax attorney in the country who has been completing arbitrage rebate calculations since the regulations were introduced in 1986. Mr. Sacks’ primary goal is to ensure that each ACS calculation is performed in compliance with the Tax Code and Regulations while employing the most creative rebate minimization strategies.

Credited with the development and implementation of an industry-first, commercially available arbitrage rebate calculation software system, Mr. Sacks also introduced a state-of-the-art bond year slicing optimization financial model used solely by our firm. This technologically advanced approach to isolating variable rate and investment rate allocations has reduced IRS arbitrage rebate and yield restriction payments by more than \$25,000,000.

Mr. Sacks has been a subcommittee member of the National Bond Lawyers Association’s General Tax Matters Committee and maintains a Preparer Tax Identification Number allowing him to prepare IRS related forms for arbitrage rebate payments and refunds.

Relevant Engagements

- New – Commonwealth of Kentucky Post-Secondary Education Institutions
- Board of Regents of the University of Oklahoma System – University of Oklahoma
- University of North Carolina at Charlotte
- Southern Methodist University
- Dormitory Authority of the State of New York (DASNY)
- Maine Health and Higher Educational Facilities Authority
- Maine Municipal Bond Bank
- Maine Governmental Facilities Authority
- New Jersey Economic Development Authority
- South Jersey Transportation Authority, NJ
- Metropolitan Transportation Authority, NY
- New York City Municipal Water Finance Authority
- Oklahoma Capitol Improvement Authority
- Greater Arizona Development Authority
- State of Delaware
- State of Nevada
- State of Tennessee
- State of Washington

Employment History

Company Name	Start Date	End Date
Pricewaterhouse Coopers, LLP.	1986	1990
Public Financial Management, Inc.	1990	1994
Arbitrage Compliance Specialists, Inc.	1994	Present

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 4



Carol Huller, Managing Director

Centennial, Colorado Office

Availability: 100%

Degree of Responsibility: Calculation Manager

Tenure with Firm: 20 Years

Length of Time Performing Arbitrage Rebate: 24 Years

Bachelor of Science Degree

Areas of Expertise:

Bond Year Slicing

Commingled Funds

Hedges

State Revolving Funds

Cascading Transferred Proceeds

Common Reserve Allocations

IRS Audit Defense

SWAP Transactions

Cash Flow Modeling

Derivatives

Pooled Financing

Universal Cap

Ms. Carol Huller began her career in arbitrage rebate as a Financial Analyst at Public Financial Management, LLC, before the formation of ACS. Ms. Huller manages the accounting department at ACS; she oversees all client rebate calculations, provides technical training for ACS personnel, and coordinates calculation workflow, quality control, and professional development. During her tenure, Ms. Huller has completed more than 12,500 complex arbitrage calculations with a historical firm portfolio par value exceeding \$150,000,000,000; reviewed over 7,500 calculations, and has a 100% success rate in responding to IRS audit inquiries in favor of the client.

When ACS takes over the calculation process from another arbitrage firm, Ms. Huller analyzes prior calculations and provides the client with recommendations regarding corrections and alternative methods that can be employed to optimize the prior provider’s calculation and reduce our client’s liability amount. Ms. Huller has discovered material errors in prior calculations, which have led to millions of dollars in reduced client arbitrage payments.

Ms. Huller is known amongst her clients as being readily available to their inquiries and requests for assistance. For example, an existing water authority client undergoing an Internal Revenue Service audit attested to her attentiveness:

“We would never have anyone else do our rebate calculations for us ... we think very highly of [Ms. Huller] and [she is] always there for us; like now, we are undergoing this IRS audit... I have some questions, I call [Ms. Huller] and [she] immediately picks up the phone and addresses my questions, it does not take a day or even hours for [Ms. Huller] to get back to me.”

Due to her extensive knowledge and experience, Ms. Huller has served as an instructor on the topic of arbitrage rebate compliance at Government Finance Officers Association, Association of School Business Officials, and Association of Public Treasurers conferences throughout the country. Ms. Huller is also a member of the National Bond Lawyers Association

Relevant Engagements

New – Commonwealth of Kentucky Post-Secondary Education Institutions
Board of Regents of the University of Oklahoma System – University of Oklahoma
University of North Carolina at Charlotte
Dormitory Authority of the State of New York (DASNY)
Maine Health and Higher Educational Facilities Authority
Maine Municipal Bond Bank
Maine Governmental Facilities Authority
New Jersey Economic Development Authority

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 5

South Jersey Transportation Authority, NJ
 Metropolitan Transportation Authority, NY
 New York City Municipal Water Finance Authority
 Oklahoma Capitol Improvement Authority
 Greater Arizona Development Authority
 State of Delaware
 State of Nevada
 State of Tennessee
 State of Washington

Employment History

Company Name	Start Date	End Date
Public Financial Management, Inc.	1990	1994
Arbitrage Compliance Specialists, Inc.	1994	Present



Doug Pahnke, CPA, Managing Director

Centennial, Colorado Office

Availability: 100%

Degree of Responsibility: On-going Support & Program Leader

Tenure with Firm: 16 Years

Length of Time Performing Arbitrage Rebate: 16 Years

Bachelor of Science: Marketing and Finance

Master of Science: Computer Science

CPA License #29500

Areas of Expertise:

Client Education Client Relation Management IRS Recovery Request Post Issuance Compliance
Industry Analysis Pre Issuance Compliance IRS Audit Defense Team State Revolving Funds

Mr. Doug Pahnke has over 15 years of experience as a Program Leader for many of the largest state and municipal entities across the nation and currently completes projects for over 7,500 debt issues. As Program Leader, Mr. Pahnke provides ongoing support to our firm’s clients and oversees the entire calculation process from pre-issuance to post issuance compliance. To aid in the monitoring of ACS’ client debt portfolios and applicable IRS deadlines, Mr. Pahnke developed a sophisticated Bond Management System (“BMS”) software program that is used by over 1,500 tax-exempt debt issuers. BMS provides real-time management reports to assist our clients in ensuring full compliance with arbitrage rebate and yield restriction regulations.

In 2011, the IRS released extensive post-issuance compliance directives. To satisfy this new requirement, Mr. Pahnke wrote a comprehensive Policy and Procedure Manual containing post-issuance best practices that have been adopted by over 800 debt issuers; several of which have used the manual in the successful defense of IRS audit inquiries.

Mr. Pahnke serves as a liaison between ACS and bond counsels across the country. Recognizing bond counsel’s need to continuously monitor their client’s bond compliance, Mr. Pahnke developed a unique bond compliance program that has been implemented by more than 15 bond counsels which oversee more than 1,500 bond issues.

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 6

In 2013, Mr. Pahnke’s vast knowledge of accounting methods coupled with his computer science background led him to develop a state-of-the-art arbitrage rebate computation software suite that enables different accounting methodologies to be run concurrently. The new software has reduced the time required for ACS to complete an arbitrage calculation by half, which has greatly increased our turnaround times and consequently reduced our client’s compliance costs.

A nationally recognized expert among experts of the arbitrage rebate Tax Code, Mr. Pahnke coordinates ACS’ IRS Audit Defense to include our team of CPAs, legal counsel and calculation support staff. Since the inception of the code, ACS has had a 100% rate of favorable outcomes for our clients under audit by the IRS. Mr. Pahnke is a highly regarded instructor on the topic of arbitrage rebate compliance to government agencies, bond counsel, and accounting firms. Mr. Pahnke is also a member of the United States Treasurers Association, National and State Government Finance Officers Association(s) and the National Association of Bond Lawyers.

Relevant Engagements

- New – Commonwealth of Kentucky Post-Secondary Education Institutions
- Board of Regents of the University of Oklahoma System – University of Oklahoma
- University of North Carolina at Charlotte
- Southern Methodist University
- Maine Health and Higher Educational Facilities Authority
- Maine Municipal Bond Bank
- Maine Governmental Facilities Authority
- New Jersey Economic Development Authority
- South Jersey Transportation Authority, NJ
- Oklahoma Capitol Improvement Authority
- Greater Arizona Development Authority
- State of Delaware
- State of Nevada
- State of Tennessee
- State of Washington

Employment History

Company Name	Start Date	End Date
Sports Authority	1990	1998
Arbitrage Compliance Specialists, Inc.	1998	Present

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 7



Stacia Perrizo, Vice President

Centennial, Colorado Office

Availability: 100%

Degree of Responsibility: Initial Technical Report Reviewer & Review Manager

Tenure with Firm: 13 Years

Length of Time Performing Arbitrage Rebate: 13 Years

Bachelor of Arts Degree

Areas of Expertise:

Client Management

IRS Recovery Request

Quality Assurance

State Revolving Funds

Procedural Integrity

Rebate Minimization

Ms. Stacia Perrizo has over 23 years of experience in arbitrage rebate, internal controls, auditing techniques and financial analysis. As a former Finance and Audit Manager at the Marriott Corporation, Ms. Perrizo is particularly adept in adherence to the Tax Code and technical quality assurance metrics. Ms. Perrizo is primarily responsible for thoroughly reviewing each arbitrage rebate, yield restriction, IRS Audit Defense report, and IRS Overpayment Recovery Request that is prepared by ACS. Ms. Perrizo has reviewed over 10,000-arbitrage compliance reports during her tenure at ACS and has created a rigorous quality assurance framework, scrutinizing each aspect of the arbitrage calculation.

Ms. Perrizo’s process entails a complete analysis of raw financial data, the review of assumptions used in financial cash flow models and the language used in the arbitrage report to ensure compliance with the Tax Code. Ms. Perrizo’s technical review of each arbitrage calculation confirms that the lowest legally permissible arbitrage liability has been calculated. Her extensive experience and review of IRS Audit Defense Responses and IRS refunds has resulted in a 100% success rate in defending against IRS Audits and has ensured the recovery of more than \$10,000,000 in IRS refunds for ACS clients.

Relevant Engagements

- New – Commonwealth of Kentucky Post-Secondary Education Institutions
- Board of Regents of the University of Oklahoma System – University of Oklahoma
- University of North Carolina at Charlotte
- Southern Methodist University
- Maine Health and Higher Educational Facilities Authority
- Maine Municipal Bond Bank
- Maine Governmental Facilities Authority
- New Jersey Economic Development Authority
- South Jersey Transportation Authority, NJ
- Oklahoma Capitol Improvement Authority
- Greater Arizona Development Authority
- State of Delaware
- State of Nevada
- State of Tennessee
- State of Washington

Employment History

Company Name	Start Date	End Date
Marriott Corporation	1990	2001
Arbitrage Compliance Specialists, Inc.	2001	Present

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 8



Carl Aridas, Vice President

New York, New York Office

Availability: 100%

Degree of Responsibility: Pre-Calculation Analysis & Project Manager

Tenure with Firm: 3 Years

Length of Time Performing Arbitrage Rebate: 8 Years

17 Years of Banking Experience

Bachelor of Arts Degree

Master of Business Administration

Series 91 License

Areas of Expertise:

<i>Bond Year Slicing</i>	<i>Cash Waterfall Models</i>	<i>Contract Conversion</i>	<i>Pooled Financing</i>
<i>Call Reports</i>	<i>Client Relation Management</i>	<i>Derivatives</i>	<i>Regulatory Filings</i>

Mr. Carl Aridas brings more than 20 years of experience in arbitrage rebate, project management, business development, risk analysis, and regulatory reporting in the financial services sector. Prior to joining ACS, Mr. Aridas’ background includes serving as a Managing Consultant for Bond Logistix (BLX), Vice President at the Bank of New York Mellon Corporation and Assistant Vice President/ Risk Manager in the Controller’s Division at Deutsche Bank.

Mr. Aridas serves as the Contract Transition Leader by overseeing the transition of clients from prior arbitrage rebate firms to ACS. Due to Mr. Aridas’ extensive experience with complex cash waterfall calculations for municipal derivative securities, he has a thorough understanding of the most intricate investment strategies and vehicles available to tax-exempt debt financial advisers. This in-depth financial acumen has proved invaluable for determining the most beneficial investment valuation techniques to reduce arbitrage liabilities for our clients.

While with The Bank of New York, Mr. Aridas worked directly with the New York Controller of the Transit Authority (“The Authority”) to analyze more than two-hundred debt service, debt service reserve and operating accounts. Mr. Aridas also worked on The Authority’s final closing documents, calculating and updating prior debt service reserve balances that would be available for refinancing bonds.

Between 2007 and 2010, Mr. Aridas was personally responsible for the completion of more than one-hundred fifty reports for the California Department of Transportation (“Caltrans”). Reports were completed for refunding issues, new calculations, variable rate issues and auction rate securities.

Mr. Aridas specializes in Bank Regulatory Reporting, Structured Notes and Municipal Bonds; he holds a Series 91 license for Federal Deposit Insurance Corporation Risk Management.

Relevant Engagements

Metropolitan Transportation Authority, NY
Dormitory Authority of the State of New York (DASNY)
New York City Municipal Water Finance Authority
Nassau County Interim Finance Authority, NY
California Department of Transportation (Caltrans)
Golden State Tobacco Financing Authority
City of Cleveland, OH

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 9

Employment History

Company Name	Start Date	End Date
Federal Deposit Insurance Corporation	1991	1997
Bankers Trust / Deutsche Bank	1997	2000
The Bank of New York	2000	2006
Bond Logistix	2006	2011
Resources Global Professionals	2011	Present
Arbitrage Compliance Specialists, Inc.	2012	Present



Stephen Broden, Vice President

Centennial, Colorado Office

Availability: 100%

Degree of Responsibility: Pre-Calculation Analysis & Project Manager

Tenure with Firm: 5 Years

Length of Time Performing Arbitrage Rebate: 5 Years

6 Years of Banking Experience, 4 Years Government (Special District) Experience

Bachelor of Science Degree: Financial Management

Areas of Expertise:

Client Education

Industry Analysis

Pre/Post Issuance Compliance

Client Relation Management

Investment Structure

Private Activity

Debt Portfolio Analysis

State Revolving Funds

Tax Credit Bonds

Mr. Stephen Broden’s 11 years of finance experience include 6 years of management at various banks in addition to 4 years of management at a special district prior to joining ACS. Before transitioning into his current role, Mr. Broden was responsible for growing his client base from three states to over 15 states while managing 300 issuers with over \$20,000,000,000 of outstanding debt. A former banker - in some cases to tax-exempt debt issuers - Mr. Broden’s knowledge of investment structure and strategies provides invaluable insight when analyzing issuer debt portfolios for compliance with IRS arbitrage rebate regulations.

While at ACS, Mr. Broden has specialized in the intricacies of all types of Build America and Tax Credit Bonds, and regularly instructs on these complicated debt structures and sophisticated compliance requirements to organizations across the country. Mr. Broden also has extensive experience with continuing disclosure and compliance concerning private activity bonds.

Mr. Broden is in charge of the IT infrastructure and is tasked with a focus on continued innovation in both physical systems and client accessibility. Additionally Mr. Broden manages the internet presence for the firm to include the website and social media.

Mr. Broden is an active member at the National Government Finance Officials Association (“GFOA”), National Association of Bond Lawyers, and active member/speaker at 14 other government associations.

Relevant Engagements

- New – Commonwealth of Kentucky Post-Secondary Education Institutions
- Board of Regents of the University of Oklahoma System – University of Oklahoma
- University of North Carolina at Charlotte
- Southern Methodist University
- Maine Health and Higher Educational Facilities Authority
- Maine Municipal Bond Bank

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 10

Maine Governmental Facilities Authority
 New Jersey Economic Development Authority
 South Jersey Transportation Authority, NJ
 Oklahoma Capitol Improvement Authority
 Greater Arizona Development Authority
 State of Nevada
 State of Tennessee
 State of Washington

Employment History

Company Name	Start Date	End Date
Foothills Park and Recreation District	1999	2003
First Bank of Colorado	2003	2006
Wachovia Bank	2006	2009
Arbitrage Compliance Specialists, Inc.	2009	Present

PROJECT TEAM ASSIGNED TASKS

ORGANIZATION CHART OF KEY STAFF ASSIGNMENTS



TASK/PROCESS MANAGEMENT

As depicted in our organizational chart, our processes are categorized into the following three areas:

1. **Project Management** - client support;
2. **Calculation Management** - performance of arbitrage rebate, yield restriction, and spending exceptions; and
3. **Review Management** - verification of tax code interpretation and accuracy of calculations.

Leaders of each category receive extensive training to perform their assigned process efficiently and have extensive number of years of arbitrage rebate experience.

- ✓ Doug Pahnke, CPA Project Leader 16 Years Arbitrage Experience
- ✓ Ira B. Sacks, CPA, Attorney Calculation Leader 28 Years Arbitrage Experience
- ✓ Janet P. Sacks Review Leader 28 Years Arbitrage Experience

ACS promotes from within, therefore each process manager has completed services under all three categories adding flexibility to our process flow. As a result of our three-pronged process, we produce error free reports in approximately 10 business days.

Error Fee Reports: Housing all personnel for each process within a single centralized location has significant advantages in providing error free reports. Bond files often reach into the thousands of

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 11

pages, and as questions arise, our staff members have the ability to discuss their concerns with any of the three process managers with the appropriate documents in-hand. In addition, as reports are completed, our review process concludes the process by ensuring that both the project management and the calculations teams have completed their tasks accurately and have computed the lowest arbitrage rebate liability allowed under the Tax Code.

The SNAPSM Program Manager or Participants' personnel will have access to every one of ACS' employees. If there is a complex tax law concern, our tax-attorney will be utilized; if there is an accounting question, our team of CPAs will assist. Specific task assignments for the team are listed below.

1. Project Management

On-going Support & Program Leader: Mr. Doug Pahnke, CPA, Managing Director

Mr. Pahnke will coordinate the entire calculation process and will be involved in each step of the calculation and support services from the pre-issuance analysis phase to post-issuance compliance services. Mr. Pahnke will periodically visit with designated SNAPSM personnel to discuss project workflow progress and provide updates on regulatory changes.

Pre-Calculation Analysis & Project Managers: Mr. Stephen H. Broden, Vice President; and Mr. Carl Aridas, Vice President

Mr. Broden and Mr. Aridas will monitor all of SNAP'sSM report deadlines, report process flow and all aspects of the bond compliance program. Mr. Aridas is available to attend SNAP'sSM meetings and provide on-site training seminars. Mr. Broden will use a team of up to three staff members during the pre-calculation phase with the intention of obtaining and reviewing information necessary for arbitrage reporting purposes.

2. Calculation Management

Calculation Leader: Mr. Ira Sacks, CPA, CFP, Tax Attorney, Treasurer

Mr. Sacks has been assigned as the CPA and Tax Attorney in charge of providing calculation services to SNAPSM. Mr. Sacks will identify the relevant regulations and elections for each bond issue that will be used to compute the lowest future arbitrage rebate liability, as allowed by the Tax Code for the quarterly, annual and installment periods.

Calculation Manager: Ms. Carol Huller, Managing Director

Ms. Huller is in charge of providing fund reconciliation and calculations. Ms. Huller will also lead a team of reconciliation accountants.

3. Review Management

Initial Technical Report Reviewer & Review Manager: Ms. Stacia Perrizo, Vice President

Ms. Perrizo, as a former auditor, reviews each report to verify the accuracy of the number inputs, report grammar, and reviews invoicing to ensure conformance with SNAP'sSM contract.

Final Technical Report Reviewer & Review Leader: Ms. Janet Sacks, President, CEO

Ms. Sacks applies her 28 years of experience in all aspects of arbitrage reporting and subjects each calculation to a rigorous, multi-level final review to ensure the accuracy of our work.

TAB 2. GENERAL QUALIFICATIONS, ITEM 2 – PROFESSIONAL QUALIFICATIONS OF PERSONNEL SERVING THIS CONTRACT, PAGE 12

FIRM EFFORTS TO STAY CURRENT AND UP-TO-DATE ON THE LATEST IRS RULINGS AND REGULATIONS

MEMBER OF THE NATIONAL ASSOCIATION OF BOND LAWYERS (NABL)

Arbitrage rebate compliance is a serious business and the Tax Code is a volatile, complex set of rules and regulations subject to frequent changes and constant re-interpretation. As the Tax Code evolves, it is imperative that an arbitrage rebate firm keep abreast of proposed regulations as well as current interpretations of the Tax Code. As a member of NABL, ACS receives daily updates of all proposed and ultimately finalized changes to the Tax Code as well as the current IRS enforcement focus.

STATE AND LOCAL CONFERENCES

ACS staff members regularly attend and present at a variety of state and local government finance officer conferences nationwide. Several members of the project team are nationally renowned speakers who participate in and lead panel discussions on such arbitrage rebate related topics as arbitrage compliance, private business use, continuing disclosure, and post issuance compliance procedure development.

BOND BUYER

ACS subscribes to the Bond Buyer and has a dedicated staff member responsible for daily review of the publication. Regular review and dissemination of the information allows ACS to remain on the leading edge of any industry / regulatory trends.

3. REFERENCES. PLEASE LIST THE ISSUES FOR WHICH YOUR FIRM HAS PERFORMED REBATE CALCULATIONS WITHIN THE LAST THREE YEARS. IDENTIFY ISSUER, TYPE OF BOND, ORIGINAL ISSUE AMOUNT, TYPE OF CALCULATION AND SCOPE OF SERVICES PROVIDED. PROVIDE THE NAME, ADDRESS, AND PHONE NUMBER OF A CONTACT PERSON AT EACH ENTITY FOR WHICH YOU PERFORM THIS SERVICE.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

ACS currently manages 9 debt issues (PAR Value of \$3.635 Billion) and the bond program consists of State Lease, Cigarette Tax, Department of Human Services Pooled Program, State Motor Vehicle Commission and Surcharges Revenue and Refunding Bonds.

Ctrl #	Original Issue Amount	Scope of Services (See Footnote #)	Type of Bond Issue
1.00	60,700,000	1, 3	State Lease Revenue Bonds, 2000 Series (State Office Building Projects)
2.00	24,750,000	1, 2	Department of Human Services Pooled Financing Program Bonds, Series 2002
3.00	48,975,000	1	Municipal Rehabilitation Bonds, 2003 Series A
4.00	159,998,107	1	New Jersey Motor Vehicle Commission Bonds, Series 2003A
5.00	807,502,356	1	Motor Vehicle Surcharges Revenue Bonds, 2004 Series A
6.00	1,461,030,000	1, 3	Cigarette Tax Revenue Bonds, Series 2004
7.00	37,495,000	1, 3	State Lease Revenue Refunding Bonds, 2004 Series A
8.00	43,825,000	1	State Lease Revenue Bonds, 2005 Series B
9.00	39,425,000	1	State Lease Revenue Bonds (Liberty State Park Project), 2005 Series C
10.00	8,630,000	1	State Lease Revenue Bonds (State Police Barracks Project), Series 2011 A
11.00	1,041,745,000	1, 3	Cigarette Tax Revenue Refunding Bonds, Series 2012

¹Arbitrage rebate services to include arbitrage rebate calculations, yield restriction/yield reduction analysis, spending exceptions, legal opinion, record retention, on-site training, bond compliance program and other requested services (Similar to SNAPSM).

TAB 2. GENERAL QUALIFICATIONS, ITEM 3 – REFERENCES, PAGE 2

²Pooled financing.

³Refunded/refunding bonds, transferred proceeds allocations.

Ms. Lori Zagarella, Bond Compliance Officer

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OKLAHOMA CAPITAL IMPROVEMENT AUTHORITY

ACS currently manages 25 debt issues (PAR Value of \$1.490 Billion) and the bond program consists of State Agency, State Facilities (Pooled Higher Education), State Highway, Variable Rate Revenue and Refunding Bonds.

Ctrl #	Original Issue Amount	Scope of Services (See Footnote #)	Type of Bond Issue
1.00	12,930,000	1, 3	State Facilities Revenue Bonds, Series 2002A
2.00	92,170,000	1, 3	State Highway Capital Improvement Refunding Revenue Bonds \$65,565,000 Series 2003A & \$26,605,000 Series 2003B
3.00	18,000,000	1, 3	State Facilities Revenue Bonds, Series 2003C
4.00	3,500,000	1, 3	State Facilities Revenue Bonds, Series 2003D
5.00	22,070,000	1, 3	State Agency Facility Refunding Revenue Bonds, Series 2003E
6.00	110,845,000	1, 3	State Agency Facilities Refunding Revenue Bonds, Series 2004A
7.00	5,000,000	1, 3	State Facilities Revenue Bonds, Series 2005 (Capitol Dome Project)
8.00	6,130,000	1, 3	State Facilities Revenue Bonds (Military Department Projects), Series 2005A
9.00	4,000,000	1, 3	State Facilities Revenue Bonds, Series 2005B (Attorney General Project)
10.00	33,000,000	1, 3	State Facilities Revenue Bonds (Native American Center Project), Series 2005C
11.00	21,355,000	1, 3	State Facilities Revenue Bonds, Series 2005D
12.00	3,000,000	1	State Facilities Revenue Bonds, Series 2005E (Attorney General Project)
13.00	333,610,000	1, 2	State Facilities Revenue Bonds (Higher Education Projects), Tax- Exempt Series 2005F
14.00	24,410,000	1	State Facilities Revenue Bonds, Series 2006A (Department of Agriculture, Food and Forestry Projects)
15.00	18,900,000	1	State Facilities Revenue Bonds, Series 2006B (Department of Mental Health and Substance Abuse Services Project)
16.00	22,040,000	1	State Facilities Revenue Bonds, Series 2006C (Oklahoma Supreme Court Project)
17.00	125,700,000	1, 2, 3	State Facilities Revenue Bonds (Higher Education Projects) Multi-Modal Variable Rate Demand, Series 2006D
18.00	6,430,000	1	State Facilities Revenue Bonds, Series 2006E (Oklahoma State Bureau of Investigation)
19.00	25,380,000	1	State Facilities Revenue Bonds, Series 2008A (Native American Center Project)
20.00	11,600,000	1	State Facilities Revenue Bonds, Series 2008B (Oklahoma Supreme Court Project)
21.00	24,880,000	1	State Facilities Revenue Bonds, Series 2009A (Conservation Commission Projects)
22.00	79,250,000	1	State Highway Capital Improvement Revenue Bonds, Series 2009A
23.00	68,830,000	1	State Highway Capital Improvement Revenue Bonds, Series 2009B (Federally Taxable - Interest Subsidy - Build America Bonds)
24.00	87,260,000	1, 2, 3	State Facilities Refunding Revenue Bonds (Higher Education Projects) Tax-Exempt, Series 2010A
25.00	110,565,000	1	State Highway Capital Improvement Revenue Bonds, Series 2010A
26.00	92,075,000	1	State Highway Capital Improvement Revenue Bonds, Series 2010B (Federally Taxable - Interest Subsidy - Build America Bonds)
27.00	60,510,000	1	State Highway Capital Improvement Revenue Bonds, Series 2012
28.00	22,635,000	1, 3	State Facilities Refunding Revenue Bonds, Tax-Exempt Series 2013A
29.00	10,370,000	1	State Facilities Refunding Revenue Bonds, Series 2013C

TAB 2. GENERAL QUALIFICATIONS, ITEM 3 – REFERENCES, PAGE 3

Ctrl #	Original Issue Amount	Scope of Services (See Footnote #)	Type of Bond Issue
30.00	220,725,000	1, 3	State Facilities Revenue Refunding Bonds, Series 2014A
31.00	55,505,000	1, 3	State Agency Facilities Refunding Revenue Bonds, Series 2014B
32.00	83,745,000	1, 3	State Agency Facilities Refunding Revenue Bonds, Series 2014C

¹Arbitrage rebate services to include arbitrage rebate calculations, yield restriction/yield reduction analysis, spending exceptions, legal opinion, record retention, on-site training, bond compliance program and other requested services (Similar to SNAPSM).

²Pooled financing.

³Refunded/refunding bonds, transferred proceeds allocations.

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GREATER ARIZONA DEVELOPMENT AUTHORITY

ACS currently manages 18 debt issues (PAR Value of \$515.195 Million) and the bond program consists of Pooled Infrastructure Revenue, Conduit Infrastructure Revenue and Refunding Bonds.

Ctrl #	Original Issue Amount	Scope of Services (See Footnote #)	Type of Bond Issue
1.00	13,270,000	1, 2	Infrastructure Revenue Bonds, Series 1998
2.00	18,930,000	1, 2	Infrastructure Revenue Bonds, Series 2000A
3.00	2,750,000	1, 2	Infrastructure Revenue Bonds, Series 2001A
5.00	7,640,000	1, 2, 3	Infrastructure Revenue Bonds, Series 2002
6.00	11,230,000	1, 2, 3	Infrastructure Revenue Bonds, Series 2003A
7.00	12,955,000	1, 2	Infrastructure Revenue Bonds, Series 2004A
8.00	10,360,000	1, 2	Infrastructure Revenue Bonds, Series 2004B
9.00	47,695,000	1, 2	Infrastructure Revenue Bonds, Series 2005A
10.00	64,100,000	1, 2	Infrastructure Revenue Bonds, Series 2005B
11.00	52,060,000	1, 2	Infrastructure Revenue Bonds, Series 2006A
12.00	63,220,000	1, 2	Infrastructure Revenue Bonds (Pinal County Road Project), Series 2006-1
13.00	36,520,000	1, 2	Infrastructure Revenue Bonds, Series 2006B
14.00	40,145,000	1, 2	Infrastructure Revenue Bonds, Series 2007A
15.00	26,505,000	1, 2	Infrastructure Revenue Bonds, Series 2007B
16.00	27,760,000	1, 2	Infrastructure Revenue Bonds, Series 2008A
17.00	15,265,000	1, 2	Infrastructure Revenue Bonds, Series 2008-1 (Santa Cruz County Court Facility Project)
18.00	44,590,000	1, 2	Infrastructure Revenue Bonds (Santa Cruz County Jail District Detention Facility Project), Series 2008-2
19.00	16,000,000	1, 2	Infrastructure Revenue Bonds, Series 2009A
20.00	16,300,000	1, 2	Infrastructure Revenue Bonds, Series 2009B
21.00	6,425,000	1, 2	Infrastructure Revenue Bonds, Series 2010A-1
22.00	16,945,000	1, 2	Infrastructure Revenue Bonds, Taxable Series 2010A-2
23.00	10,395,000	1, 2, 3	Infrastructure Revenue Refunding Bonds, Series 2014A

TAB 2. GENERAL QUALIFICATIONS, ITEM 3 – REFERENCES, PAGE 4

¹Arbitrage rebate services to include arbitrage rebate calculations, yield restriction/yield reduction analysis, spending exceptions, legal opinion, record retention, on-site training, bond compliance program and other requested services (Similar to SNAPSM).

²Pooled/conduit financing.

³Refunded/refunding bonds, transferred proceeds allocations.

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MAINE MUNICIPAL BOND BANK/MAINE GOVERNMENTAL FACILITIES AUTHORITY/MAINE HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY

ACS currently manages 102 debt issues (PAR Value of \$6.559 Billion) and the bond program consists of Bond Bank, Pooled/Conduit Revenue and Lease Rental Revenue Bonds.

Ctrl #	Original Issue Amount	Scope of Services (See Footnote #)	Type of Bond Issue
Maine Governmental Facilities Authority			
5.00	86,945,000	1, 3	Lease Rental Revenue Bonds, Series 1999
6.00	51,855,000	1,3	Lease Rental Revenue Bonds, Series 2000
7.00	6,995,000	1, 3	Lease Rental Revenue Bonds, Series 2000B
8.00	36,485,000	1, 3	Lease Rental Revenue Bonds, Series 2001
9.00	10,860,000	1, 3	Lease Rental Revenue Bonds, Series 2002
10.00	18,425,000	1, 3	Lease Rental Revenue Bonds, Series 2003
11.00	29,500,000	1, 3	Lease Rental Revenue Bonds, Series 2004A, Series 2004B, Series 2004C
12.00	54,210,000	1, 3	Lease Rental Revenue Refunding Bonds, Series 2005A
13.00	8,890,000	1	Lease Rental Revenue Bonds, Series 2005B
14.00	10,985,000	1	Lease Rental Revenue Bonds, Series 2007A
15.00	40,565,000	1	Lease Rental Revenue Bonds, Series 2008A
16.00	11,960,000	1	Lease Rental Revenue Bonds, Series 2009A
17.00	25,600,000	1, 3	Lease Rental Revenue Refunding Bonds, Series 2010A
18.00	33,000,000	1	Lease Rental Revenue Bonds, Series 2011A
19.00	30,290,000	1	Lease Rental Revenue Bonds, Series 2013A
Maine Health and Higher Educational Facilities Authority			
5.00	44,850,000	1, 2, 3	Revenue Bonds, Series 1992B
10.00	18,380,000	1, 2, 3	Revenue Bonds, Series 1994A
14.00	13,745,000	1, 2, 3	Revenue Bonds, Series 1995C
15.00	28,515,000	1, 2, 3	Revenue Bonds, Series 1996A
16.00	41,855,000	1, 2, 3	Revenue Bonds, Series 1996B
18.00	8,310,000	1, 2	Revenue Bonds, Series 1997A
19.00	52,640,000	1, 2, 3	Revenue Bonds, Series 1997B
20.00	76,800,000	1, 2, 3	Revenue Bonds, Series 1998A
21.00	100,540,000	1, 2, 3	Revenue Bonds, Series 1998B
22.00	30,585,000	1, 2, 3	Revenue Bonds, Series 1998C
23.00	98,385,000	1, 2, 3	Revenue Bonds, Series 1999A
24.00	41,505,000	1, 2, 3	Revenue Bonds, Series 1999B
25.00	11,755,000	1, 2, 3	Revenue Bonds, Series 2000A

TAB 2. GENERAL QUALIFICATIONS, ITEM 3 – REFERENCES, PAGE 5

Ctrl #	Original Issue Amount	Scope of Services (See Footnote #)	Type of Bond Issue
26.00	12,685,000	1, 2, 3	Revenue Bonds, Series 2000B
27.00	51,540,000	1, 2, 3	Revenue Bonds, Series 2000C
28.00	66,585,000	1, 2, 3	Revenue Bonds, Series 2001A
29.00	10,615,000	1, 2, 3	Revenue Bonds, Series 2001B
30.00	27,565,000	1, 2, 3	Revenue Bonds, Series 2001C
31.00	50,700,000	1, 2, 3	Revenue Bonds, Series 2001D
32.00	56,040,000	1, 2, 3	Revenue Bonds, Series 2002A
33.00	8,175,000	1, 2, 3	Revenue Bonds, Series 2002B
33.50	8,830,000	1, 2	GNMA Collateralized Mortgage Revenue Bonds (Mid Coast Geriatric Services Corporation Project), Series 2002
34.00	63,080,000	1, 2, 3	Revenue Bonds, Series 2003A
35.00	59,245,000	1, 2, 3	Revenue Bonds, Series 2003B
36.00	7,050,000	1, 2, 3	Revenue Bonds, Series 2003C
37.00	35,880,000	1, 2, 3	Revenue Bonds, Series 2003D
38.00	72,315,000	1, 2, 3	Revenue Bonds, Series 2004A
39.00	42,265,000	1, 2, 3	Revenue Bonds, Series 2004B
40.00	48,325,000	1, 2, 3	Revenue Bonds, Series 2005A
41.00	28,325,000	1, 2, 3	Revenue Bonds, Series 2005B
42.00	51,855,000	1, 2	Revenue Bonds, Series 2006A
43.00	56,795,000	1, 2, 3	Revenue Bonds, Series 2006B
44.00	31,575,000	1, 2, 3	Revenue Bonds, Series 2006C
44.50	19,975,000	1, 2, 3	Revenue Bonds, Series 2006D
45.00	86,250,000	1, 2, 3	Revenue Bonds, Series 2006E
46.00	89,125,000	1, 2	Revenue Bonds, Series 2006F
47.00	14,200,000	1, 2	Revenue Bonds, Series 2006G (Colby College)
48.00	68,400,000	1, 2	Revenue Bonds, Series 2006H
50.00	96,495,000	1, 2, 3	Revenue Bonds, Series 2007A
51.00	70,470,000	1, 2, 3	Revenue Bonds, Series 2007B
53.00	107,180,000	1, 2, 3	Revenue Bonds, Series 2008A
55.00	49,540,000	1, 2, 3	Revenue Bonds, Series 2008C
56.00	41,735,000	1, 2, 3	Revenue Bonds, Series 2008D
57.00	98,750,000	1, 2, 3	Revenue Bonds, Bowdoin College Issue consisting of \$98.75M Series 2009A (Tax-Exempt) \$19.75M Series 2009B (Taxable)
58.00	92,780,000	1, 2	Revenue Bonds, Series 2009A
59.00	97,240,000	1, 2, 3	Revenue Bonds, Series 2010A
60.00	108,030,000	1, 2, 3	\$96,755,000 Revenue Bonds, Series 2010B and \$11,275,000 Revenue Bonds, Series 2010C
62.00	280,750,000	1, 2	Revenue Bonds, Maine General Medical Center Issue, Series 2011
63.00	36,535,000	1, 2, 3	Revenue Bonds, Series 2011A
64.00	38,935,000	1, 2, 3	Revenue Bonds, Series 2011C
65.00	27,670,000	1, 2, 3	Revenue Bonds, Colby College Issue, Series 2012
66.00	40,725,000	1, 2, 3	Revenue Bonds, Series 2012A
67.00	143,900,000	1, 2	Revenue Bonds, Eastern Maine Medical Center Obligated Group Issue, Series 2013
68.00	64,030,000	1, 2, 3	Revenue Bonds, Series 2013A
69.00	43,185,000	1, 2, 3	Revenue Bonds, Series 2014A
Maine Municipal Bond Bank			
21.00	40,070,000	1, 2, 3	1993 Series B and C Bonds
23.00	27,815,000	1, 2, 3	Sewer and Water Revenue Bonds SRF Program 1993 Series A and B
26.00	12,365,000	1, 2, 3	1994 Series D Bonds
31.00	6,795,000	1, 2, 3	Sewer and Water Revenue Bonds SRF Program 1996 Series A
32.00	29,970,000	1, 2, 3	1996 Series A and B Bonds
35.00	31,870,000	1, 2, 3	1997 Series A and B Bonds
36.00	20,835,000	1, 2, 3	Sewer and Water Revenue Bonds SRF Program \$15,485,000 1997 Series A (Non-AMT) \$5,350,000 1997 Series B

TAB 2. GENERAL QUALIFICATIONS, ITEM 3 – REFERENCES, PAGE 6

Ctrl #	Original Issue Amount	Scope of Services (See Footnote #)	Type of Bond Issue
38.00	60,950,000	1, 2, 3	1998 Series A Refunding Bonds
40.00	4,795,000	1, 2, 3	Sewer and Water Revenue Bonds Drinking Water SRF Program 1998 Series A
41.00	13,890,000	1, 2, 3	1998 Series D and E Bonds
44.00	70,125,000	1, 2, 3	2000 Series A and B Bonds
45.00	39,560,000	1, 2, 3	2000 Series C and D Bonds
46.00	34,635,000	1, 2, 3	2001 Series A and B Bonds
47.00	68,835,000	1, 2, 3	2001 Series C and D Bonds
48.00	36,520,000	1, 2, 3	2002 Series A Bonds
49.00	77,575,000	1, 2, 3	2002 Series B and C Bonds
50.00	49,315,000	1, 2, 3	2002 Series D Refunding Bonds
51.00	32,720,000	1, 2, 3	2002 Series E and F Bonds
52.00	186,050,000	1, 2, 3	2003 Series A Refunding Bonds
53.00	32,165,000	1, 2, 3	Sewer & Water Rev. Bonds: \$15.285M SRF Program, 2003 Series A & \$16.88M SRF Program, 2003 Series B Ref.
54.00	17,290,000	1, 2, 3	2003 Series B and C Bonds
55.00	18,460,000	1, 2, 3	2003 Series D and E Bonds
56.00	16,065,000	1, 2, 3	Sewer and Water Revenue Bonds Wastewater SRF Program 2003 Series C
57.00	94,565,000	1, 2, 3	2004 Series A and B Bonds
58.00	58,675,000	1, 2, 3	2004 Series C Refunding Bonds
59.00	46,850,000	1, 2, 3	2004 Series D and E Bonds
60.00	48,395,000	1, 2	Grant Anticipation Bonds (Maine Department of Transportation) Series 2004A
61.00	91,250,000	1, 2, 3	2005 Series A Refunding Bonds
62.00	3,770,000	1, 2	Sewer and Water Revenue Bonds, Drinking Water SRF Program, 2005 Series A
63.00	22,050,000	1, 2, 3	2005 Series B and C Bonds
64.00	60,395,000	1, 2, 3	2005 Series D and E Bonds
65.00	14,040,000	1, 2, 3	2006 Series A Bonds
66.00	24,065,000	1, 2, 3	2006 Series B and C Bonds
67.00	51,335,000	1, 2, 3	2007 Series A Refunding Bonds
68.00	69,380,000	1, 2, 3	2007 Series B and C Bonds
69.00	53,560,000	1, 2, 3	2007 Series D and E Bonds
70.00	49,060,000	1, 2	2008 Series A and B Bonds
71.00	50,000,000	1, 2	Grant Anticipation Bonds (Maine Department of Transportation) Series 2008A
72.00	100,010,000	1, 2	2008 Series C Bonds
73.00	50,000,000	1, 2	Transportation Infrastructure Revenue Bonds (TransCap Program), Series 2008A
74.00	10,060,000	1, 2	2009 Series A Bonds
75.00	42,845,000	1, 2	2009 Series B Bonds (Bank Qualified)
76.00	105,000,000	1, 2	Transportation Infrastructure Revenue Bonds (TransCap Program) Series 2009A
77.00	21,620,000	1, 2	2009 Series C Bonds (Bank Qualified)
78.00	54,045,000	1, 2, 3	\$34,930,000 2009 Series D Bonds (Non-AMT) and \$19,115,000 2009 Series F Refunding Bonds
79.00	4,685,000	1, 2, 3	2009 Series E Refunding Bonds (AMT)
80.00	30,000,000	1, 2	Transportation Infrastructure Revenue Bonds (TransCap Program), Series 2009B
81.00	9,590,000	1, 2	2009 Series G Bonds
82.00	17,180,000	1, 2, 3	Wastewater SRF Program \$14.52M 2009 Series A Refunding Bonds and \$2.66M 2009 Series B Refunding Bonds
82.50	2,380,000	1, 2, 3	Drinking Water SRF Program, 2009 Series C Refunding Bonds
83.00	38,710,000	1, 2	2009 Series H Bonds
84.00	8,320,000	1, 2	2010 Series A Bonds
85.00	11,735,000	1, 2	2010 Series B Taxable Bonds (RZEDB or as BAB)
86.00	99,425,000	1, 2, 3	2010 Series C Refunding Bonds
87.00	23,480,000	1, 2	2010 Series D Bonds
88.00	56,685,000	1, 2	\$41.235M 2010 Series E Taxable Build America Bonds & \$15.45M 2010 Series F Taxable Recovery Zone Economic Development Bonds
90.00	25,915,000	1, 2	Grant Anticipation Bonds (Maine Department of Transportation), Series 2010A

TAB 2. GENERAL QUALIFICATIONS, ITEM 3 – REFERENCES, PAGE 7

Ctrl #	Original Issue Amount	Scope of Services (See Footnote #)	Type of Bond Issue
91.00	24,085,000	1, 2	Grant Anticipation Bonds (Maine Department of Transportation), Series 2010B Taxable Build America Bonds
92.00	80,275,000	1, 2	2011 Series A Bonds
93.00	9,210,000	1, 2	2011 Series B Taxable Direct Payment Qualified School Construction Bonds
94.00	77,275,000	1, 2	2011 Series C Bonds
95.00	12,650,000	1, 2	2011 Series D Taxable Direct Payment Qualified School Construction Bonds
96.00	50,375,000	1, 2, 3	\$24,230,000 2011 Series E Bonds & \$26,145,000 2011 Series F Refunding Bonds
97.00	8,515,000	1, 2	2011 Series G Taxable Direct Payment Qualified School Construction Bonds
98.00	55,000,000	1, 2	Transportation Infrastructure Revenue Bonds (TransCap Program) Series 2011A
99.00	17,375,000	1, 2, 3	Sewer and Water Revenue Bonds, Wastewater SRF Program 2012 Series A Refunding Bonds
100.00	44,315,000	1, 2, 3	\$5,375,000 2012 Series A Bonds & \$38,940,000 2012 Series B Refunding Bonds
102.00	1,321,142	1, 2, 3	2012 Series D Taxable Direct Payment Qualified School Construction Bonds
103.00	28,590,000	1, 2	2012 Series E Bonds
105.00	30,140,000	1, 2, 3	2012 Series F Refunding Bonds
105.10	11,835,000	1, 2, 3	2012 Series G Taxable Refunding Bonds
106.00	15,905,000	1, 2	2013 Series A Bonds
107.00	13,525,000	1, 2	2013 Series B Bonds
108.00	1,150,238	1, 2	2013 Series C Taxable Direct Payment Qualified School Construction Bonds
109.00	19,250,000	1, 2	2014 Series A Bonds

¹Arbitrage rebate services to include arbitrage rebate calculations, yield restriction/yield reduction analysis, spending exceptions, legal opinion, record retention, on-site training, bond compliance program and other requested services (Similar to SNAPSM).

²Pooled/conduit financing.

³Refunded/refunding bonds, transferred proceeds allocations.

Mr. David Delano, Chief Financial Officer
 127 Community Drive
 Augusta, Maine 04330
 P: (207) 622-9386
 E: drd@mmbb.com

OTHER ACS CLIENT RECORDS

ACS has submitted client data for a number of large entities which have placed their outstanding debt profiles on public databases so they do not present a confidentiality issue for ACS. ACS' clients maintain a non-evidentiary client privilege statement where our CPA's and Tax Attorney may not voluntarily disclose confidential information.

4. **OPINION.** PROVIDE A SAMPLE OPINION OF YOUR FIRM THAT ARBITRAGE CALCULATION RESULTS WERE CONSISTENT WITH THE TREASURY REGULATIONS WITH RESPECT TO THE REBATE REQUIREMENT, AS AMENDED. IN ADDITION, DESCRIBE THE ASSURANCES YOU WILL PROVIDE TO THE SNAPSM PARTICIPANT THAT THE WORK PERFORMED IS CONSISTENT WITH FEDERAL TAX LAW.

LEGAL AND CPA OPINION FOR

CONTROL #138
\$34,685,000.00
CITY EXAMPLE
(EXAMPLE COUNTY)
GENERAL OBLIGATION AND REFUNDING BONDS, SERIES 2006
DATE OF ISSUE: MARCH 08, 2006
ARBITRAGE REBATE CALCULATIONS
FOR THE 05TH YEAR REBATE INSTALLMENT COMPUTATION PERIOD
MARCH 08, 2006 TO MARCH 08, 2011
AS OF THE DATE OF THIS REPORT
MARCH 30, 2011

At your request, Arbitrage Compliance Specialists, Inc. ("ACS") has prepared computations pertaining to the amount of the rebate installment payment ("Rebate Installment payment") that is due on or before Monday, May 09, 2011 from the Issuer to the United States Treasury, Internal Revenue Service ("IRS") with respect to the above-referenced issue of tax-exempt debt ("Debt") for the above-referenced 05th Year Rebate Installment Computation Period ("Computation Period"). The computations attached as Exhibits (together with this letter, the "Report") have been performed by ACS and are based upon the limited scope of ACS' engagement with information, instructions, assumptions and representations as provided to ACS by the Issuer. The computations reflected in the Exhibits of this Report are summarized as follows:

1.	The yield on the Debt	4.1623%.
2.	The yield on the investments	4.108054782%.
3.	100% Rebate Installment payment	(\$62,420.51)
	TOTAL PAYMENT DUE TO THE IRS:	NONE

For purposes of these calculations, we have allocated the Construction Fund and the Reserve portion of the Debt Service Fund to reflect the portions that are subject to rebate for the Debt.

Based on and subject to the foregoing, the computations are mathematically correct, computed in conjunction with the analytical applicable provisions of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder applicable to the Bonds, and that the Issuer may rely on the computations.

This legal and CPA opinion is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

BY: _____

Ira B. Sacks, Director, Tax Attorney

Certified Public Accountant

PTIN: P01247303

5. AUDIT AND REFUND. HAVE ANY OF YOUR CLIENTS BEEN THE SUBJECT OF AN IRS AUDIT? WERE THERE ANY ADVERSE FINDINGS? HAVE ANY OF YOUR CLIENTS FILED FOR A REFUND FROM THE IRS OF REBATE AMOUNTS OVERPAID? DESCRIBE YOUR FIRM'S EXPOSURE TO AND EXPERIENCE OR INTERACTION WITH THE IRS AND ITS REBATE REGULATIONS.

HAVE ANY ACS CLIENTS BEEN THE SUBJECT OF AN IRS AUDIT?

ACS has thousands of clients with tens of thousands of reports outstanding. As a result, at any time, numerous clients may be subject to an IRS audit for a variety of reasons. ACS supports all of these clients **at no charge**. Each ACS calculation report that has been presented during an IRS audit has been accepted by the IRS, with no adverse findings.

OVERVIEW OF IRS REFUND EXPERIENCE

ACS is committed to providing the highest quality IRS Refunds. As part of our bond compliance process, we always perform due diligence reviews to ensure the Issuer makes either the lowest permissible payment or receives the largest permissible refund. We have 28 years of experience with submittal of IRS Form 8038-R for IRS Refunds.

Our recovery process has allowed client issuers to recover more than \$30M in prior arbitrage payments without denial. The recovery package is prepared by the project team with all records necessary for the IRS approval process and is provided in hard copy form to both clients and any specified consultants for final review.

ACS stands behind the mathematical accuracy of our calculations, as well our interpretations of the Tax Code used to perform the computations. ACS assists clients in defense of IRS Audits and inquiries by acting as an expert consultant to both the Issuer and the Issuer's bond counsel. Most important to our experience is the fact that ACS has not been party to any IRS audit with adverse findings.

IRS EXPOSURE AND EXPERIENCE WITH THE IRS AND ITS REBATE REGULATIONS

JANET P. SACKS IRS EXPERIENCE

Ms. Janet P. Sacks, President and CEO of ACS, has over 28 years of IRS exposure. Ms. Sacks was requested by the U.S. Congress as an expert in governmental bonds to provide advice regarding the formation of the arbitrage reporting methodology that is in use today. Ms. Sacks has dealt with procedural matters related to IRS compliance since the inception of the Arbitrage Rebate Regulations.

ACS IRS EXPERIENCE

As a firm, ACS has over 20 years of IRS exposure. We are experts at working with the IRS on arbitrage related issues. All project team members have personal experience working with the IRS on both Audits and Refunds. With individuals from one of the first arbitrage rebate practices in the country, ACS has expertise regarding application of the numerous regulation changes that have taken place since 1986. ACS has built an extensive knowledge base designed to deliver an initial, preventative "audit-proofing" of our work for Issuers, and to provide all necessary IRS follow-up procedures.

IRS AUDIT CASE STUDIES

CITY OF HOUSTON, TEXAS AUDIT HISTORY & SUCCESS

ACS was involved with one of the largest IRS arbitrage rebate audits in the Country. ACS was the rebate calculation preparer for the City of Houston, Texas - one of the largest issuers of tax-exempt debt in the United States. In response to the IRS audit, ACS was engaged by the City to design a unique valuation, custom software system with special allocation methodology in order to complete numerous IRS filings as required by the IRS.

TAB 2. GENERAL QUALIFICATIONS, ITEM 5 – AUDIT AND REFUND, PAGE 2

Related to this engagement were complex legal analyses with tax counsel involving allocation methods under various sets of IRS Regulations promulgated over the course of the issuance years. After a two-year IRS arbitrage rebate audit of the City of Houston, a “clean” no change audit opinion was received from the IRS on the rebate calculations.

permissible payment or receives the largest permissible refund. We have 28 years of experience with submittal of IRS Form 8038-R for IRS Refunds.

Our recovery process has allowed client issuers to recover more than \$30M in prior arbitrage payments without denial. The recovery package is prepared by the project team with all records necessary for the IRS approval process and is provided in hard copy form to both clients and any specified consultants for final review.

OTHER AUDIT SUCCESS

ACS was engaged to compute the arbitrage rebate for a large State entity. During the course of our engagement, we found that the previously completed rebate reports contained a significant number of material errors. We then corrected over 12 years of calculations which resulted in an overpayment to the IRS of **\$693,146.60**.

Refund rules state that an issuer may seek a refund only if the latest computation period resulted in a **negative** position. Unfortunately, as of the latest computation period; the refund in question had a positive liability. However, based on a correctly computed rebate report, the amount paid by the issuer was significantly higher than what was due. Although the current rules did not take into consideration that an issuer made an overpayment due to an error, ACS sought a refund from the IRS.

ACS completed a thorough refund packet to include an extensive argument for approving the refund. As the circumstances were unique and were not covered under the current refund rules, the IRS initially denied the refund. Mr. Doug Pahnke, CPA and Managing Director of ACS proceeded to move the case from:

Field Agent -> Field Manager -> Field Operations Manager -> Director

After numerous discussions and compelling arguments concerning how the current refund rules were incomplete, Ms. Rebecca L. Harrigal, Director of the Tax Exempt Bonds Division approved the refund. Mr. Pahnke’s efforts and expertise are only one small reflection of how our entire team will apply our extensive knowledge of tax law, accounting rules, and work ethics to provide a comprehensive tax-exempt bond compliance program for SNAPSM.

TAB 3. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES

1. PLEASE FILL OUT THE SCHEDULE IN APPENDIX H.

Appendix H Required Services

Required Services – Complete the table below by stating whether your firm can provide the services listed in the Statement of Needs. Provide any additional comments in the column labeled “comments.”

Rebate Calculations and Recordkeeping:				
	Yes	No		Comments
Review all bond documents, tax, arbitrage certificate, related documents	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS further discusses this topic in Tab 7, ACS Approach Note 1.
Calculate the available construction proceeds	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS further discusses this topic in Tab 7, ACS Approach Note 2.
Confirm and record bond yield	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS further discusses this topic in Tab 7, ACS Approach Note 3.
Calculate the rebate liability amount	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS further discusses this topic in Tab 7, ACS Approach Note 4.
Provide appropriate documentation required to support calculations	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS further discusses this topic in Tab 7, ACS Approach Note 5.
Provide an opinion that the rebate calculation results are accurate and consistent with the rebate requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS further discusses this topic in Tab 7, ACS Approach Note 6.
Maintain cumulative records and retain such documentation	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS further discusses this topic in Tab 7, ACS Approach Note 7.
Report to SNAP SM and SNAP SM participants within 30 calendar days after each installment computation date	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS will report to SNAP SM and SNAP SM participants within an average of 12 days after each installment computation date. ACS further discusses this topic in Tab 7, ACS Approach Note 8.
Prepare federally required forms including the IRS Form 8038-T	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS further discusses this topic in Tab 7, ACS Approach Note 9.
Assist SNAP SM participants whenever necessary in the event of an IRS inquiry and/or audit	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACS further discusses this topic in Tab 7, ACS Approach Note 10.

TAB 3. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES, ITEM 1 – APPENDIX H, PAGE 2

Rebate Calculations and Recordkeeping:				
It is expected that calculations will be required for each fifth year anniversary date until such time as any and all rebate liability has been satisfied. In addition, SNAP SM participants may request calculations at more frequent intervals (i.e., annually, during the construction period, upon completion of construction, all as may be requested by the SNAP SM participant.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
	Yes	No		Comments
Prepare and issue a Rebate Exceptions Compliance Report showing an issuer’s compliance with one of the Expenditure Exceptions to rebate	<input checked="" type="checkbox"/>	<input type="checkbox"/>		6-Month exception compliance reports can be completed in less than five (5) days. 18-Month and 24-Month exception compliance reports can be completed within our average twelve (12) days time.
*Prepare and issue a rebate calculation report at year end to determine an issuer’s estimated rebate liability for financial reporting purposes *Note: These calculations are provided on an informal basis by the SNAP SM Program Manager.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
*Prepare and issue a Yield Restriction Report for an issue with unexpended proceeds after the three (3) year temporary period *Note: These calculations are provided on an informal basis by the SNAP SM Program Manager.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Prepare and issue a Penalty Calculation Report if a participant has elected to pay a penalty in lieu of rebate in connection with the Construction Exception	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

TAB 3. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES, ITEM 1 – APPENDIX H, PAGE 3

<p>The Rebate Calculation Agent must process electronically all investment and transaction data from the SNAPSM Program Manager.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<p>ACS can setup unlimited encrypted accounts for the SNAPSM Program Manager and other SNAPSM personnel. ACS utilizes Citrix Sharefile to establish such accounts.</p>
<p>The rebate calculation agent shall provide a tickler system, which monitors critical deadlines for issues in SNAPSM, including all calculation due dates, including fifth year anniversary dates and those relating to revised calculation dates when bonds have been refunded.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<p>ACS will maintain a tickler system as part of our bond compliance program. SNAPSM Program Manager and other personnel will receive the required monthly updates. All documentation will also be available in the SNAPSM Program Manager’s organized Citrix Sharefile folder for easy historical access.</p>
<p>The Rebate Calculation Agent shall work closely with the SNAPSM Program Manager and as such will be able to provide consultation on specific and technical aspects of the arbitrage rebate regulations to both the Program Manager and SNAPSM Participants.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<p>ACS further discusses this topic in Tab 7, ACS Approach Note 11.</p>
<p>The Rebate Calculation Agent, at its own expense, may periodically provide training, both on a one-on-one basis and in a conference setting on matters relating to arbitrage rebate.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<p>ACS further discusses this topic in Tab 7, ACS’ Bond Compliance Program.</p>
<p>The Contractor must be capable of accessing, maintaining and managing the legacy and existing records of the program. At the termination of the Contract, the Contractor shall turn over all records related to this contract to the Treasury Board at the termination of the Contract. Data that is maintained in an electronic format shall be transmitted electronically</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<p>ACS further discusses this topic in Tab 7, ACS Approach Note 7.</p>

TAB 3. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES, ITEM 1 – APPENDIX H, PAGE 4

<p>Upon termination of this contract, the Rebate Calculation Agent shall provide the Treasury Board and /or the SNAPSM Program Manager an electronic record of the tickler of rebate calculation dates for the SNAPSM Program. This should include all future dates on the tickler, as well as past dates including from the date of this contract</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

2. PROVIDE IN DETAIL THE INFORMATION AND ASSISTANCE THAT YOU WILL REQUIRE FROM THE SNAPSM PROGRAM MANAGER AND SNAPSM PARTICIPANT IN COMPLETING THE ARBITRAGE REBATE CALCULATIONS.

ACCEPTABLE INVESTMENT DATA FORMAT

We provide a significant number of additional bond compliance services beyond calculation services and often assume the bond compliance services from either internal reporting or competing firms. As a result, we have developed a seamless process to make the transition to a new vendor easy, requiring very little work for the SNAPSM Program Manager or Participants. More detail on the contract transition process can be found within Item 5.

Our project managers will review and analyze each individual or commingled fund based on the chart of accounts submitted by the SNAPSM Program Manager or Participants. ACS project managers check all data requests for timeliness and format so that that the SNAPSM Program Manager or Participants receive accurate and detailed requests for information. Our project managers will work with the SNAPSM Program Manager or Participants to further develop procedures that allow for easy on-going receipt of investment records. Specific electronic data formats are listed below.

- √ Excel Spreadsheets;
- √ PFM or Trustee PDF Statements with customized information and codes;
- √ General Ledgers, if appropriate; and
- √ PDF copies of qualified invoices.

REQUIRED DOCUMENTS

Our project managers will review all existing debt issues available on the MSRB’s Electronic Municipal Market Access System (“EMMA”). Our calculation leader will download all available debt issue records automatically into our bond system for further review. ACS adds new debt issues to our system either once the Official Statement is uploaded to EMMA or when called to review pre-issuance documents. Additionally required documents will be requested at an appropriate time. Our project managers will work with the SNAPSM Program Manager or Participants to develop procedures that allow for easy on-going receipt of bond documents. Specific documents are listed below.

- √ Transcript Book (CD or Upload is acceptable).
- √ Subsequent Documents for Remarketing, Credit Enhancements, Derivatives (CD or Upload is acceptable).

TAB 3. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES, ITEM 2 – INFORMATION AND ASSISTANCE REQUIRED, PAGE 2

EXTENT OF SNAPSM PERSONNEL, FINANCIAL ADVISOR, AND BOND COUNSEL INVOLVEMENT

- √ The SNAPSM Program Manager or Participants involvement will be limited to sending general ledger and related pool/bank statements as well as the necessary documents for new issues, which may be transmitted by CD or Upload to ACS.
- √ Financial Advisor and Bond Counsel involvement will be utilized at the discretion of the SNAPSM Program Manager or Participants.

DISSEMINATION OF REPORTS

ACS will provide the SNAPSM Program Manager and/or Participants reports electronically as requested in the RFP.

3. DESCRIBE WHAT TYPE OF SYSTEM YOUR FIRM CURRENTLY USES FOR DATA MANAGEMENT. WILL THIS SYSTEM BE USED TO CALCULATE REBATE AND MAINTAIN THE DATA NEEDED TO CALCULATE REBATE UNDER THIS CONTRACT?

THIRD PARTY SOFTWARE

ACS does not utilize third party calculation software such as Mun-ease or DBC.

IN-HOUSE SOFTWARE

ACS has two unique in-house software systems - the Rebate Output Calculation System (“ROCS”) and Bond Management System (“BMS”). ACS has invested heavily into both programs in order to expand both reporting and management capabilities. These investments have reduced the time required to complete reports and have saved ACS clients over \$20 Million in rebate payments to the IRS. Details regarding both computer systems are provided below.

1. ROCS

ROCS has undergone rigorous testing and has been audited by the IRS and found to be 100% compliant with the Tax Code. Our proprietary software system was designed to compute arbitrage liabilities under various accounting methods to result in the lowest liabilities allowed under the Tax Code.

A majority of arbitrage firms use Microsoft Excel or an off-the-shelf arbitrage calculation software product. ACS has evaluated these systems and found that they can be either prone to errors or severely restricted in their ability to compute arbitrage rebate under various accounting methods. ACS’ custom arbitrage rebate software and experienced professionals will calculate the lowest allowable arbitrage rebate liability in the industry. The Tax Code allows the use of dozens of different accounting and allocation methods, and ACS’ custom-built software gives our accountants the ability to run and re-run the calculation under *each* method with the click of a button. This unique and efficient system continually saves our clients millions of dollars each year in arbitrage payments.

2. BMS

BMS manages our bond compliance program. The system includes report due dates, bond issue facts, bond elections and deadlines. BMS notifies our staff of upcoming calculations, aging reports, and compiles the data into comprehensive reports to assist our staff and our clients with bond management. A few of the types of reports generated from the system are listed on the following page.

TAB 3. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES, ITEM 3 – TYPE OF SYSTEM(S) FOR DATA MANAGEMENT, PAGE 2

Investment Record Request Report -

Generates a listing of specific investment records required to complete calculations.

Transferred Proceeds Report -

List of dates that funds are transferred between the original bond to the corresponding bond or bonds that refunded the original bond issue.

Bond Detail Report -

List of 50 bond facts to include IRS filing dates, special elections, yield restricted funds, yield restricted rates, refund dates and liability amounts.

Budget Report -

Provides our clients budgetary amounts for future fiscal periods.

Reviewer Report -

This comprehensive report includes 50 facts that assist ACS' Reviewers in verifying that the calculations were performed accurately and result in the lowest arbitrage rebate liability allowable under the Tax Code.

Forecasting Staff Scheduling Report -

The number of calculations due per month varies. Therefore, BMS assists ACS' managers in scheduling the proper number of accountants to manage peak periods.

Bond Summary Report -

Key information from each debt issue is entered into our database system to track IRS filing deadlines and election requirements to ensure timely reporting. Information included in this system will be provided as an Arbitrage Rebate Summary.

4. DISCUSS BACK-UP SYSTEMS PROVISIONS INCLUDING DISASTER RECOVERY AND OFF-SITE STORAGE CAPABILITIES.

DISASTER RECOVERY PRACTICES AND ON-SITE AND OFF SITE BACKUP CAPABILITIES

DISASTER RECOVERY PRACTICES

ACS maintains a committee for the purpose of creating and maintaining the disaster recovery plan, announcement of disasters, activation of the plan, execution of plan, monitoring the disaster until normal operations can be restored, restoring the normal operations and improving the disaster recovery plan on an annual basis. ACS is aware of our external, facility, and data systems risks and has the ability to maintain operations in the event of a disaster. ACS will submit our disaster recovery plan to SNAPSM, if requested.

ON-SITE AND OFF SITE BACKUP

On-Site Backup -

ACS' primary server systems are located in a locked server room with proper ventilation and water restrictions. The on-site backup drives update against the shared servers every 30 minutes and are stored in a fire and waterproof case. The primary backup allows for continuation of service within the 5 – 10 minutes that are required to connect the drives to the shared server directly. ACS routinely completes data integrity tests as part of our disaster recovery practices.

TAB 3. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES, ITEM 4 – BACK-UP SYSTEMS, PAGE 2

Off Site Backup –

ACS continually backs up the entire server system off site. ACS utilizes a reputable service provider to back up and secure our data at 256-bit encryption. All data is archived, file updates are redundant to 30 versions, accessible and retrievable both on and off site.

5. THE OFFEROR SHALL MEET THE REPORTING AND DELIVERY REQUIREMENTS AS OUTLINED IN SECTION VI. STATE THE TIME (ON AVERAGE) REQUIRED TO PRODUCE THE VARIOUS ARBITRAGE REPORTS AND CIRCUMSTANCES THAT WILL EXTEND THE TIME REQUIRED TO PRODUCE THE REPORTS.

FIRM WORKLOAD

Currently, ACS manages over 17,000 debt issues for bond compliance. Since 2008, our heavy investments to upgrade our bond management software (“BMS”) have greatly increased our efficiency. BMS allows our accountants to run various accounting methodologies with the click of a button, which has decreased our report turnaround time. ACS can easily add SNAP’sSM program bonds and requested SNAPSM participant bonds into our comprehensive Bond Compliance Program. In the history of our firm we have never missed a client or IRS filing due date.

INITIAL PROJECT TRANSITION TIMELINE

ACS will bring at least one CPA and one additional professional for the on-site transition team. The on-site transition team will consist of members of both our project management and calculation management teams.

Our only expectation of the SNAPSM Program Manager or staff is to direct *our* staff to the location of the bond transcript CDs and previously completed electronic rebate reports. We realistically expect that we will have all information to start the project within 5 days of the contract execution date. With an example contract-execution date of January 5th, 2015, ACS will complete the major contractual milestones according to the following schedule (the SNAPSM Program Manager can adjust as necessary).

Week of March 16th	The ACS transition team will copy the necessary bond documents and completed reports. This process will be performed at <i>no cost to SNAPSM</i> .
Week of March 16th	ACS will determine the debt issues’ subjectivity to rebate and yield restriction. ACS’ tax attorney will analyze the bond documents and determine filing dates and special elections. Bond information will be loaded into our database tracking system to track future filing dates. ACS will review prior arbitrage rebate reports for accuracy. If we find the prior calculations to be reasonable, we will rely on the results and begin our computations where the previous reports end.
Week of March 23rd	ACS will request the necessary investment records to complete calculations.

FIRM TIMELINESS

ACS will complete annual and installment/filing calculations for all the SNAPSM program bonds within the current thirty (30) day time constraints of SNAPSM. ACS’ typical calculation turnaround time is an average of 12 days.

Since ACS utilizes reconciliation accountants to review the provided investment data we are able to better spot transactions that need to be flagged for further discussion. If ACS needs to discuss flagged

TAB 3. SPECIFIC PLANS FOR PROVIDING THE PROPOSED GOODS/SERVICES, ITEM 5 – REPORTING AND DELIVERY REQUIREMENTS, PAGE 2

transactions with the SNAPSM Program Manager or Participants it may extend the time needed to complete a calculation by up to 5 days. If an extension due to our in-depth review is necessary, the calculations would still be provided to the SNAPSM Program Manager or Participants on time.

6. CONFIRM THERE ARE NO OTHER AGREEMENTS THAT THE COMMONWEALTH WOULD BE EXPECTED TO SIGN IF YOUR INSTITUTION IS AWARDED THE CONTRACT.

ACS confirms that there are no other agreements that the Commonwealth would be expected to sign if we are awarded the contract for Compliance Services.

TAB 4. OMITTED INTENTIONALLY

TAB 5. SMALL, WOMEN-OWNED, AND MINORITY-OWNED BUSINESS PARTICIPATION

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, Section 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

APPENDIX B OFFEROR'S REPORT ON SMALL, WOMEN-OWNED AND MINORITY-OWNED BUSINESSES Small Business Subcontracting Plan

Definitions

Small Business: "Small business " means an independently owned and operated business which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. Note: DMBE-certified women- and minority-owned businesses shall also be considered small businesses when they have received DMBE small business certification.

Women-Owned Business: Women-owned business means a business concern that is at least 51% owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, and both the management and daily business operations are controlled by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law.

Minority-Owned Business: Minority-owned business means a business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

All small businesses must be certified by the Commonwealth of Virginia, Department of Minority Business Enterprise (DMBE) by the due date of the solicitation to participate in the SWAM program. Certification applications are available through DMBE online at www.dmbv.virginia.gov (Customer Service).

Bidder Name: Arbitrage Compliance Specialists, Inc._____

Preparer Name: Carol Huller, Managing Director

Date: February 24, 2015

Instructions

- A. If you are certified by the Department of Minority Business Enterprise (DMBE) as a small business, complete only Section A of this form. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification.
- B. If you are not a DMBE-certified small business, complete Section B of this form. For the bid to be considered and the bidder to be declared responsive, the bidder shall identify the portions of the contract that will be subcontracted to DMBE-certified small business in Section B.

Section A

If your firm is certified by the Department of Minority Business Enterprise (DMBE), are you certified as a (**check only one below**):

- Small Business
- Small and Women-owned Business
- Small and Minority-owned Business

Certification number: 713766 Certification

Date: February 24, 2015

Section B

Populate the table below to show your firm's plans for utilization of DMBE-certified small businesses in the performance of this contract. This shall not exclude DMBE-certified women-owned and minority-owned businesses that have received the DMBE small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc.

B. Plans for Utilization of DMBE-Certified Small Businesses for this Procurement

Small Business Name & Address DMBE Certificate #	Status if Small Business is also: Women (W), Minority (M)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Percent of Contract Sub-Contracted to DMBE Registered Small Business During Initial Period of the Contract
None	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Totals	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

TAB 5. SMALL, WOMEN-OWNED, AND MINORITY-OWNED BUSINESS PARTICIPATION, PAGE 4

RE: Memo Regarding Small, Women-Owned, and Minority-Owned Business Participation

ACS is a privately held, woman-owned firm (“WBE”) specializing only in arbitrage compliance services, as provided by our nationally recognized experts in the field. Based upon the size and structure of the SNAPSM Program we are not comfortable utilizing the services of any subcontractors.

ACS has undertaken efforts to become a DMBE-Certified Small Business/Woman-Owned Business but has not been awarded the certification as of November 21, 2014. Our SWaM application (tracking number 713766) was submitted as of October 8, 2014, one day after receipt of the RFP, and will not be approved for up to 30 business days by the DMBE. Since we are already certified Nationally (provided on page 5) and by a number of other State/Local certifying agencies we are confident that a DMBE certification will be granted. ACS has made sure that SNAPSM is aware of all these factors so that our participation is noted appropriately.

In order to ensure equal employment opportunity, we have highlighted the following measures that have been taken by ACS with respect to women and minorities:

1. Equal and fair treatment will be provided to all employees regardless of race, color, religion, ancestry, national origin, or sex.
2. All employees are advised at time of employment that ACS is an Equal Employment Opportunity Employer, and that hiring, promotion or demotion is based only on the individual’s qualifications and ability to perform the work.
3. The company will cooperate with and support apprenticeship-training programs based on strict non-discrimination.
4. The company has appointed a Director of Human Resources, serving as the Equal Employment Officer who is authorized to supply reports and represent this company in all matters regarding this affirmative action program.
5. The name, address, and telephone number of the Equal Employment Officer will be posted in a conspicuous place or places. This officer will be responsible for:
 - a. Supervision of employment practices and for any complaints concerning discriminatory practices.
 - b. Contacts with minority recruitment sources who will be notified in writing that this company is an equal opportunity employer and notification of all eligible employees regarding promotions or vacancies to insure equal opportunity.

Utilizing these measures has helped shape ACS into a diverse working environment that provides many opportunities for women and minorities to seek advancement within the company as well as within the accounting and public finance fields. ACS encourages all of our clients, to help remove the barriers for women and minorities in the workplace. This can be achieved by following the previously mentioned steps as well as by putting forth an effort to contract services with WBE affiliates.

RCMP13246

January 14, 2016

Certification Number

Expiration Date



NATIONAL WOMEN BUSINESS OWNERS CORPORATION

Certifies that:

Arbitrage Compliance Specialists, Inc.

has successfully met the requirements of the NWBOC National Certification Program for certification as a woman-owned and woman-controlled business.

The identified business has qualified as an eligible Woman Business Enterprise (WBE) as set forth in NWBOC Standards and Procedures.

Joan Davis - King
President

January 15, 2015

Date

NAICS Code(s): 541213, 541219, 541618

NWBOC, 1001 W. Jasmine Dr., #G, Lake Park, FL 33403 • 800-675-5066 • www.nwboc.org
Tampering or altering this certificate is, in the discretion of NWBOC, grounds for termination of certification.



TAB 6. SAMPLE REPORTS



**CONTROL #138
\$34,685,000.00
CITY EXAMPLE
GENERAL OBLIGATION AND REFUNDING BONDS, SERIES 2006
DATE OF ISSUE: MARCH 08, 2006
ARBITRAGE REBATE CALCULATION
FOR THE 05TH YEAR REBATE INSTALLMENT COMPUTATION PERIOD
MARCH 08, 2006 TO MARCH 08, 2011
AS OF THE DATE OF THIS REPORT
MARCH 30, 2011**



March 30, 2011

Mr/Ms. Client, Accounting Manager
City Example ("Issuer")
123 Main Street
Anytown, Example 11111

TRANSMITTAL LETTER

RE: \$34,685,000 General Obligation and Refunding Bonds, Series 2006
5th Year Arbitrage Rebate Calculation – For the 05th Year Rebate Installment Computation
Period of March 08, 2006 to March 08, 2011

We have enclosed the arbitrage rebate calculation report (together with Exhibits thereto, the "Report") for the above-referenced issue of tax-exempt debt ("Debt"). As explained in more detail in this Report, *there is no Rebate Installment payment due to the United States Treasury, Internal Revenue Service ("IRS") on or before Monday, May 09, 2011* with respect to the Debt for the above-referenced 05th Year Rebate Installment Computation Period. There are no filing requirements regarding arbitrage rebate with the IRS as of the date of this Report, and therefore, nothing should be filed with the IRS as of this time.

Please note that the 10th Year IRS filing date is 60 days from March 08, 2016. If you have any questions regarding this Report and related matters please call Robert Goubert or Doug Pahnke at (800) 672-9993 ext. 7536 or ext. 7526. We will be happy to discuss any aspect of these calculations.

Very truly yours,

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

Arbitrage Compliance Specialists, Inc.





March 30, 2011

City Example ("Issuer")
123 Main Street
Anytown, Example 11111

LEGAL AND CPA OPINION LETTER

RE: \$34,685,000 General Obligation and Refunding Bonds, Series 2006
5th Year Arbitrage Rebate Calculation – For the 05th Year Rebate Installment Computation
Period of March 08, 2006 to March 08, 2011

At your request, Arbitrage Compliance Specialists, Inc. ("ACS") has prepared computations pertaining to the amount of the rebate installment payment ("Rebate Installment payment") that is due on or before Monday, May 09, 2011 from the Issuer to the United States Treasury, Internal Revenue Service ("IRS") with respect to the above-referenced issue of tax-exempt debt ("Debt") for the above-referenced 05th Year Rebate Installment Computation Period ("Computation Period"). The computations attached as Exhibits (together with this letter, the "Report") have been performed by ACS and are based upon the limited scope of ACS' engagement with information, instructions, assumptions and representations as provided to ACS by the Issuer. The computations reflected in the Exhibits of this Report are summarized as follows:

1. The yield on the Debt is 4.1623%.
 2. The yield on the investments is 4.108054782%.
 3. 100% Rebate Installment payment (\$62,420.51)
- TOTAL PAYMENT DUE TO THE IRS: NONE**

Based on and subject to the foregoing, the computations are mathematically correct, computed in conjunction with the analytical applicable provisions of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder applicable to the Bonds, and that the Issuer may rely on the computations.

This legal and CPA opinion is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

BY: 
Ira B. Sacks, Director, Tax Attorney,
Certified Public Accountant
PTIN: P01247303



BOND INFORMATION AND METHODOLOGY

1. The Dated Date of the Debt is March 1, 2006.
2. The Delivery Date of the Debt is March 8, 2006.
3. The Computation Period is March 08, 2006 to March 08, 2011.
4. The funds and accounts established and/or relating to the Debt are the following:
 - Construction Fund
 - Cost of Issuance Fund
 - Debt Service Fund
 - Escrow Fund
5. Computations of yield are based on a 360-day year with semiannual compounding.
6. Purchase prices on investments are assumed to be at fair market value and represent an arm's length transaction.
7. Based upon Section 5.1 of the Federal Tax Certificate, the above referenced Debt constitutes a single issue for federal taxation purposes and is not treated as part of any other issue of governmental obligations.
8. The Bond Debt Service Fund collectively does not constitute a bona fide debt service fund and has been taken into account in determining Cumulative Rebate Liability pursuant to Section 148(f)(4)(A) of the Internal Revenue Code of 1986, as amended ("Code").
9. Yield Reduction Payment Report will be required at the next Computation Period since there are unspent Construction Fund proceeds remaining on and after the 5th Year Computation Period ending March 08, 2011.
10. ACS has applied the computation date credit amounts set forth in the Proposed Regulations for bond years ending on or after September 26, 2007 (the date the Proposed Regulations were published by the Department of Treasury).

\$34,685,000
 CITY EXAMPLE
 GENERAL OBLIGATION AND REFUNDING BONDS,
 SERIES 2006
 [5TH-YEAR ARBITRAGE REBATE CALCULATIONS]

CALCULATION OF REBATE AMOUNT

STARTING 03/08/06 TO 03/08/11
 BOND YIELD : 4.162300000%

PERIOD ENDING	RELEVANT CASH FLOW	FUTURE VALUE FACTOR	INVESTMENT DESCRIPTION	PAST END OF REBATE PERIOD INVESTMENT YIELD	PRESENT VALUE FACTOR	TOTAL FUTURE VALUE	NUMBER OF DAYS
03/08/06	-36,037,583.95	1.228727391				-44,980,366.50	1800
03/31/06	803,940.28	1.225637334				1,554,173.13	1778
04/01/06	1,268,197.52	1.225497689				1,091,965.86	1747
04/30/06	894,000.56	1.221437554				-1,103,276.00	1747
05/01/06	-903,363.63	1.221297789				-1,104,103.63	1711
05/31/06	907,046.38	1.217251569				-1,370,086.78	1711
06/01/06	-1,125,686.43	1.217111233				-1,371,013.55	1688
06/30/06	1,130,192.26	1.213079329				-1,378,893.47	1688
07/01/06	-1,136,818.14	1.212941121				-1,727,900.59	1657
07/31/06	1,429,289.69	1.208784254				-286,296.38	1657
08/01/06	-595,641.20	1.206849261				743,266.24	1628
08/15/06	237,226.30	1.204779491				-636,945.37	1628
08/31/06	616,931.35	1.204641633				1,160,549.27	1598
09/01/06	-528,742.62	1.200650594				-875,848.91	1598
09/30/06	966,600.34	1.200513209				-1,158,002.63	1568
10/01/06	-729,562.08	1.196535848				-1,129,737.47	1568
10/31/06	947,796.02	1.196398933				-1,805,681.95	1537
11/01/06	-944,281.58	1.192435203				-2,137,364.16	1537
11/30/06	1,514,280.98	1.192298758				-2,523,453.64	1508
12/01/06	-1,792,641.44	1.188348612				-3,360,239.21	1478
12/31/06	2,827,978.02	1.188212634				3,844,032.92	1478
01/01/07	-2,445,852.71	1.184276026				-634,054.81	1447
01/31/07	2,37,226.72	1.184140514				280,460.10	1447
02/15/07	-535,455.72	1.182244970				945,380.97	1447
02/28/07	800,839.43	1.180648739				645,320.90	1447
03/01/07	546,843.96	1.180082349				-1,179.14	1447
03/08/07	-1,000.00	1.179137447	Computation Date Credit			-1,179.14	1447
03/31/07	1,061,343.20	1.176172677				1,248,322.87	1418
04/01/07	1,525,858.64	1.176038092				1,794,467.88	1418
04/30/07	1,611,138.47	1.172148119				1,888,482.78	1388
05/01/07	-773,053.98	1.172007695				-906,025.21	1387
05/31/07	776,527.22	1.168124775				907,080.68	1358
06/01/07	-952,427.02	1.167991111				-1,159,145.94	1357
06/30/07	1,133,562.72	1.164121497				-1,319,604.73	1328
07/01/07	1,486,771.30	1.163988291				-1,162,573.27	1327
07/31/07	1,459,329.26	1.160131940				1,724,850.87	1298
08/01/07	237,226.98	1.158142291				-532,821.57	1297
08/15/07	846,248.66	1.156156055				274,742.60	1268
08/31/07	-461,552.69	1.156023760				978,395.51	1268
09/01/07	910,008.84	1.152193796				-533,565.88	1238
09/30/07	916,541.75	1.152061954				1,048,506.54	1238
10/01/07	-282,845.08	1.148245115				-324,775.48	1208
10/31/07	861,168.98	1.148113726				984,826.49	1207
11/01/07	-877,777.82	1.144309868				-985,444.25	1178
11/30/07	1,553,869.14	1.144179029				-1,777,904.48	1177
12/01/07	-2,441,335.66	1.140388306				2,784,070.64	1148
12/31/07	2,540,375.40	1.140257816				-2,896,682.91	1147
01/01/08	-586,169.84	1.136480085				3,073,229.34	1118
02/01/08	5,352,226.62	1.136350041				-666,094.12	1117
02/15/08	797,025.50	1.132714869				6,072,267.02	1103
02/29/08	-370,442.28	1.132455659				902,802.63	1089
03/01/08	1,435,853.74	1.1315448892				-419,509.46	1087
03/31/08	-663,907.41	1.128703777				-1,618.11	1058
04/01/08	818,026.32	1.128574624				1,609,366.50	1058
04/30/08	-663,907.41	1.124835599				-749,269.06	1028
05/01/08	665,638.48	1.124706889				920,145.13	1028
05/31/08		1.120980678				-746,167.87	998

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

\$34,685,000
 CITY EXAMPLE
 GENERAL OBLIGATION AND REFUNDING BONDS,
 SERIES 2006
 [5TH-YEAR ARBITRAGE REBATE CALCULATIONS]

CALCULATION OF REBATE AMOUNT

STARTING 03/08/06 TO 03/08/11
 BOND YIELD : 4.162300000%

PERIOD ENDING	RELEVANT CASH FLOW	FUTURE VALUE FACTOR	INVESTMENT DESCRIPTION	INVESTMENT YIELD	PAST END OF REBATE PERIOD INVESTMENT YIELD	PRESENT VALUE FACTOR	TOTAL FUTURE VALUE	NUMBER OF DAYS
06/01/08	-663,907.41	1.120852409					-744,142.22	997
06/30/08	793,133.19	1.117138969					866,039.99	968
07/01/08	-873,768.24	1.117011139					-976,008.86	967
07/31/08	875,890.66	1.113310425					975,138.20	938
08/01/08	-405,667.18	1.111830033					-451,581.82	937
08/15/08	108,227.03	1.111401076					120,283.64	923
08/31/08	558,682.62	1.109495002					619,855.57	908
09/01/08	1,547,954.62	1.109368046					1,717,251.39	907
09/30/08	785,281.27	1.105692654					868,279.73	878
10/01/08	-641,880.85	1.105566134					-709,641.73	877
10/31/08	844,325.90	1.101903338					930,365.53	848
11/01/08	-672,445.14	1.101777251					-740,884.76	847
11/30/08	790,898.55	1.098127008					868,507.06	818
12/01/08	-1,222,035.82	1.098001354					-1,418,657.08	817
12/31/08	1,768,505.70	1.094363620					1,935,388.30	788
01/01/09	-2,238,509.57	1.094238396					-2,449,463.12	787
01/31/09	3,181,059.93	1.090613130					2,528,106.59	758
02/01/09	-353,149.95	1.090488335					-385,105.90	757
02/15/09	4,348,226.57	1.088742707					4,734,099.97	743
02/28/09	547,769.33	1.087124269					595,493.33	730
03/01/09	-430,584.60	1.086751125					-467,938.30	727
03/08/09	-1,450.00	1.085880954	Computation Date Credit				-1,617.96	720
03/31/09	663,011.17	1.083150664					718,140.99	698
04/01/09	-748,648.24	1.083026723					-810,806.05	697
04/30/09	855,030.14	1.079438602					922,952.54	668
05/01/09	-756,894.26	1.079315086					-816,927.39	667
05/31/09	915,755.98	1.075739261					985,114.66	638
06/01/09	-929,761.58	1.075616168					-1,000,066.59	637
06/30/09	1,142,662.03	1.072052597					1,224,993.80	608
07/01/09	-943,911.86	1.071929927					-1,011,807.37	607
07/31/09	1,182,659.94	1.068378569					1,263,528.53	578
08/01/09	-473,449.84	1.068256318					-505,765.78	577
08/31/09	708,476.36	1.064717132					754,326.92	548
09/01/09	3,286,508.18	1.064595300					3,498,801.16	547
09/30/09	746,364.47	1.061068243					791,943.64	518
10/01/09	-643,717.61	1.060946829					-682,950.16	517
10/31/09	843,386.38	1.057431858					891,823.63	488
11/01/09	-611,294.21	1.057310861					-646,328.01	487
11/30/09	611,741.38	1.053687353					644,657.92	458
12/01/09	-1,481,613.77	1.053687353					-1,561,157.69	457
12/31/09	1,482,356.20	1.050196434					1,556,765.20	428
01/01/10	-2,757,543.40	1.050076264					-2,895,630.87	427
01/31/10	2,812,369.91	1.046597309					2,943,418.78	398
02/01/10	-1,084,949.79	1.046474551					-1,135,375.60	397
02/28/10	1,115,865.62	1.043249255					1,164,125.98	370
03/01/10	-1,188,567.27	1.042891171					-1,239,546.31	367
03/08/10	-1,500.00	1.042056119	Computation Date Credit				-1,563.08	360
03/31/10	1,343,619.12	1.039436020					1,396,606.11	338
04/01/10	-1,316,248.17	1.039317081					-1,367,999.21	337
04/30/10	1,411,826.39	1.035873771					1,462,473.93	308
05/01/10	-1,320,604.62	1.035752240					-1,367,823.16	307
05/31/10	1,412,081.62	1.032237311					1,457,725.37	278
06/01/10	-1,454,559.52	1.032205606					-1,501,404.90	277
06/30/10	1,455,480.48	1.028785858					1,497,377.73	248
07/01/10	-1,468,342.45	1.028668137					-1,510,437.09	247
07/31/10	1,499,116.27	1.025260108					1,536,984.11	218
08/01/10	-717,610.44	1.025142792					-735,653.17	217
08/31/10	755,102.86	1.021746442					771,623.66	188
09/01/10	2,934,159.75	1.021629528					2,997,624.24	187
09/30/10	776,596.75	1.018244818					790,765.62	158

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

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 SERIES 2006
 [5TH-YEAR ARBITRAGE REBATE CALCULATIONS]

CALCULATION OF REBATE AMOUNT

PERIOD ENDING	RELEVANT CASH FLOW	FUTURE VALUE FACTOR	INVESTMENT DESCRIPTION	PAST END OF REBATE PERIOD INVESTMENT YIELD	PRESENT VALUE FACTOR	TOTAL FUTURE VALUE	NUMBER OF DAYS
10/01/10	-746,197.83	1.018128304				-759,725.13	157
10/31/10	753,590.40	1.014755194				764,709.77	128
11/01/10	-819,378.05	1.014639079				-831,372.99	127
11/30/10	836,489.09	1.011277529				845,922.62	98
12/01/10	-1,609,668.46	1.011161812				-1,627,635.28	97
12/31/10	1,628,266.95	1.007811783				1,640,986.62	68
01/01/11	-2,176,686.38	1.007696462				-2,193,439.17	67
01/31/11	2,196,918.55	1.004357914				2,206,492.53	38
02/01/11	-2,228,993.86	1.004242289				-2,238,451.46	37
02/28/11	2,230,002.71	1.001144983				2,232,556.02	10
03/01/11	-2,230,348.65	1.000801350				-2,232,184.02	7
03/08/11	3,205,744.90	1.000000000				3,205,744.90	0
03/08/11	-1,520.00	1.000000000	Computation Date Credit			-1,520.00	0
	<u>3,642,531.47</u>					<u>-62,420.51</u>	

NO REBATE REQUIRED : -62,420.51

LISTING OF INVESTMENTS BY FUND

ESCROW FUND
=====

1. CASH RECS/CPA VERIFICATION

D/S RESERVE %
=====

2. ALLOCATED INVESTMENTS

CONSTRUCTION/COI FD
=====

3. POOLED INVESTMENT ALLOCATION

NOTE: ALLOCATIONS OF THE DEBT SERVICE RESERVE PORTION
(BASED ON THE RELATIVE PRINCIPAL PRESENT VALUES OF
ALL OUTSTANDING ISSUES TO THIS ISSUE PRINCIPAL)
ARE DETERMINED ON A MONTHLY BASIS, BY ALLOCATION
OF THE CITY'S COMMINGLED INVESTMENT PORTFOLIO USING
MONTHLY AVERAGE YIELDS OF THE PORTFOLIO.

**\$34,685,000
CITY EXAMPLE
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SERIES 2006
[5TH-YEAR ARBITRAGE REBATE CALCULATIONS]**

PROOF OF INVESTMENT YIELD

PERIOD ENDING	INVESTMENTS	PRESENT VALUE FACTOR	PRESENT VALUE	PROCEEDS	PRESENT VALUE FACTOR	PRESENT VALUE
03/08/06	-36,037,583.95	1.225466605	-44,162,855.66	803,940.28	1.225466605	982,756.74
03/31/06		1.222425049		1,268,197.52	1.222425049	1,550,101.31
04/01/06		1.222286976		894,000.56	1.222286976	1,089,151.62
04/30/06		1.218289635			1.218289635	
05/01/06	-903,363.63	1.218152029	-1,100,434.24		1.218152029	
05/31/06		1.214168210		907,046.38	1.214168210	1,101,306.88
06/01/06	-1,125,686.43	1.214031070	-1,366,618.30		1.214031070	
06/30/06		1.210060729		1,130,192.26	1.210060729	1,367,601.27
07/01/06	-1,136,818.14	1.209924052	-1,375,463.61		1.209924052	
07/31/06		1.205830928		1,429,289.69	1.205830928	1,723,676.40
08/15/06	-595,641.20	1.203255545	-718,242.58		1.203255545	
08/31/06		1.201887404		237,226.30	1.201887404	285,602.80
09/01/06	-528,742.62	1.201751651	-635,417.32		1.201751651	
09/30/06		1.197821468		616,931.35	1.197821468	741,482.02
10/01/06	-729,562.08	1.19769287	-873,786.42		1.19769287	
10/31/06		1.193769287		966,600.34	1.193769287	1,157,814.64
11/01/06	-944,281.58	1.193634450	-1,127,127.02		1.193634450	
11/30/06		1.189730814		967,796.02	1.189730814	1,155,325.16
12/01/06	-1,792,641.44	1.189596433	-2,132,519.86		1.189596433	
12/31/06		1.18572077		2,123,496.10	1.18572077	2,517,842.07
01/01/07	-2,827,978.02	1.185572077	-3,352,771.77		1.185572077	
01/31/07		1.181694807		3,245,892.71	1.181694807	3,835,654.56
02/01/07	-535,455.72	1.181561335	-632,673.78		1.181561335	
02/15/07		1.179694301		237,226.72	1.179694301	279,855.01
02/28/07		1.177963269		800,839.43	1.177963269	943,359.43
03/01/07		1.177564161		546,843.96	1.177564161	643,943.85
03/31/07		1.173713080		1,061,343.20	1.173713080	1,245,712.40
04/01/07		1.173580509		1,525,858.64	1.173580509	1,790,717.96
04/30/07		1.169742456		1,611,138.47	1.169742456	1,884,617.07
05/01/07	-773,053.98	1.169610334	-904,171.92		1.169610334	
05/31/07		1.165785265		776,527.22	1.165785265	905,263.99
06/01/07	-992,427.02	1.165653589	-1,156,826.12		1.165653589	
06/30/07		1.161841461		1,133,562.72	1.161841461	1,317,020.17
07/01/07	-998,784.33	1.161710231	-1,160,297.97		1.161710231	
07/31/07		1.157910998		1,486,771.30	1.157910998	1,721,548.84
08/01/07	-459,329.26	1.157780212	-531,802.33		1.157780212	
08/15/07		1.155950756		237,226.98	1.155950756	274,222.71
08/31/07	-461,552.69	1.153863489	-532,568.80		1.153863489	
09/01/07		1.150089918		846,248.66	1.150089918	976,565.73
09/30/07		1.149960015		910,008.84	1.149960015	1,046,591.99
10/01/07	-282,845.08	1.146199211	-324,196.81		1.146199211	
10/31/07		1.146069747		916,541.75	1.146069747	1,053,986.36
11/01/07	-857,777.82	1.143221665	-983,073.21		1.143221665	
11/30/07		1.142192640		1,486,771.30	1.142192640	1,721,548.84
12/01/07	-1,553,869.14	1.138457237	-1,774,817.89		1.138457237	
12/31/07		1.138328648		2,441,335.66	1.138328648	2,779,356.25
01/01/08	-2,540,375.40	1.134605883	-2,891,782.10		1.134605883	
01/31/08		1.134477729		2,704,164.71	1.134477729	3,068,161.19
02/01/08	-586,169.84	1.132685094	-664,996.63		1.132685094	
02/15/08		1.130895292		5,352,226.62	1.130895292	6,062,387.31
02/29/08		1.130639837		797,025.50	1.130639837	901,352.39
03/01/08	-370,442.28	1.126942216	-418,836.80		1.126942216	
03/31/08		1.126814528		1,425,853.74	1.126814528	1,606,854.77
04/01/08	-663,907.41	1.123129816	-748,100.78		1.123129816	
04/30/08		1.123002959		818,026.32	1.123002959	918,749.75
05/01/08	-663,907.41	1.119330314	-745,569.99		1.119330314	
05/31/08		1.119203885		665,638.48	1.119203885	745,069.33
06/01/08	-663,907.41	1.11543665	-743,047.75		1.11543665	
06/30/08		1.115417664		793,133.19	1.115417664	884,774.71
07/01/08	-873,768.24	1.1111769826	-974,616.53		1.1111769826	
07/31/08				875,890.66		973,788.81

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PROOF OF INVESTMENT YIELD

PERIOD ENDING	INVESTMENTS	PRESENT VALUE FACTOR	PRESENT VALUE	PROCEEDS	PRESENT VALUE FACTOR	PRESENT VALUE
08/01/08	-405,667.18	1.111644251	-450,957.59		1.111644251	
08/15/08		1.109887697		108,227.03	1.109887697	120,119.85
08/31/08		1.108008754		558,682.62	1.108008754	619,025.23
09/01/08		1.107883604		1,547,954.62	1.107883604	1,714,953.54
09/30/08		1.104260405		785,281.27	1.104260405	867,155.01
10/01/08	-641,880.85	1.104135679	-708,723.55		1.104135679	
10/31/08		1.100524737		844,325.90	1.100524737	929,201.54
11/01/08	-672,445.14	1.100400433	-739,958.92		1.100400433	
11/30/08		1.096801706		790,898.55	1.096801706	867,458.88
12/01/08	-1,292,035.82	1.096677823	-1,416,947.03		1.096677823	
12/31/08		1.093091271		1,768,505.70	1.093091271	1,933,138.14
01/01/09	-2,238,509.57	1.092967806	-2,446,618.89		1.092967806	
01/31/09		1.089393387		2,318,059.93	1.089393387	2,525,279.16
02/01/09	-353,149.95	1.089270340	-384,675.77		1.089270340	
02/15/09		1.087549139		4,348,226.57	1.087549139	4,728,910.06
02/28/09		1.085953317		547,769.33	1.085953317	594,851.92
03/01/09	-430,584.60	1.085853383	-467,436.35		1.085853383	
03/31/09		1.082035108		663,011.17	1.082035108	717,401.36
04/01/09	-748,648.24	1.081912892	-809,972.18		1.081912892	
04/30/09		1.078374627		855,030.14	1.078374627	922,042.81
05/01/09	-756,894.26	1.078252824	-816,123.37		1.078252824	
05/31/09		1.074726529		915,755.98	1.074726529	984,187.25
06/01/09	-929,761.58	1.074605139	-999,126.57		1.074605139	
06/30/09		1.071090773		1,142,662.03	1.071090773	1,223,894.76
07/01/09	-943,911.86	1.070969793	-1,010,901.09		1.070969793	
07/31/09		1.067467316		1,182,659.94	1.067467316	1,262,450.83
08/01/09	-473,449.84	1.067346746	-505,335.15		1.067346746	
08/31/09		1.063856118		708,476.36	1.063856118	753,716.91
09/01/09		1.063735955		3,286,508.18	1.063735955	3,495,976.92
09/30/09		1.060257136		746,364.47	1.060257136	791,338.26
10/01/09	-643,717.61	1.060137379	-682,429.10		1.060137379	
10/31/09		1.056670329		843,386.38	1.056670329	891,181.36
11/01/09	-611,294.21	1.056550978	-645,863.50		1.056550978	
11/30/09		1.053095656		611,741.38	1.053095656	644,222.19
12/01/09	-1,481,613.77	1.052976709	-1,560,104.79		1.052976709	
12/31/09		1.049533076		1,482,356.20	1.049533076	1,555,781.86
01/01/10	-2,757,543.40	1.049414531	-2,893,806.11		1.049414531	
01/31/10		1.045982548		2,812,369.91	1.045982548	2,941,689.84
02/01/10	-1,084,949.79	1.045864404	-1,134,710.37		1.045864404	
02/28/10		1.042679560		1,115,865.62	1.042679560	1,163,490.27
03/01/10	-1,188,567.27	1.042326288	-1,238,874.91		1.042326288	
03/31/10		1.038917486		1,343,619.12	1.038917486	1,395,909.40
04/01/10	-1,316,248.17	1.038800140	-1,367,318.78		1.038800140	
04/30/10		1.035402870		1,411,826.39	1.035402870	1,461,809.10
05/01/10	-1,320,604.62	1.035285921	-1,367,203.37		1.035285921	
05/31/10		1.031900144		1,412,081.62	1.031900144	1,457,127.23
06/01/10	-1,454,559.92	1.031783591	-1,500,791.06		1.031783591	
06/30/10		1.028409268		1,455,480.48	1.028409268	1,496,829.61
07/01/10	-1,468,342.45	1.028293109	-1,509,886.42		1.028293109	
07/31/10		1.024930201		1,499,116.27	1.024930201	1,536,489.54
08/01/10	-717,610.44	1.024814435	-735,417.54		1.024814435	
08/31/10		1.021462904		755,102.86	1.021462904	771,309.56
09/01/10		1.021347530		2,934,159.75	1.021347530	2,996,796.81
09/30/10		1.018007336		776,596.75	1.018007336	790,581.19
10/01/10	-746,197.83	1.017892352	-759,549.06		1.017892352	
10/31/10		1.014563459		753,590.40	1.014563459	764,565.28
11/01/10	-819,378.05	1.014448864	-831,217.13		1.014448864	
11/30/10		1.011131232		836,489.09	1.011131232	845,800.24
12/01/10	-1,609,668.46	1.011017024	-1,627,402.22		1.011017024	
12/31/10		1.007710616		1,628,266.95	1.007710616	1,640,821.89
01/01/11	-2,176,686.38	1.007596795	-2,193,222.22		1.007596795	
01/31/11		1.004301572		2,196,918.55	1.004301572	2,206,368.75

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PROOF OF INVESTMENT YIELD

PERIOD ENDING	INVESTMENTS	PRESENT VALUE FACTOR	PRESENT VALUE	PROCEEDS	PRESENT VALUE FACTOR	PRESENT VALUE
02/01/11	-2,228,993.86	1.004188136	-2,238,329.19		1.004188136	
02/28/11		1.001130203		2,230,002.71	1.001130203	2,232,523.07
03/01/11	-2,290,348.65	1.000791008	-2,292,160.33		1.000791008	
03/08/11		1.000000000		3,205,744.90	1.000000000	3,205,744.90
	<u>-93,703,135.89</u>		<u>-107,367,678.75</u>	<u>97,352,607.36</u>		<u>107,367,678.75</u>

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INVESTMENT DETAIL - ESCROW FUND

Date	Transaction Amt
03/08/06	-26,127,054.00
04/01/06	2,158,787.00
08/15/06	237,226.30
09/01/06	275,506.22
10/01/06	93,913.14
02/15/07	237,226.72
03/01/07	1,285,505.72
04/01/07	2,298,912.62
08/15/07	237,226.98
09/01/07	250,255.55
10/01/07	1,583,953.53
02/15/08	5,352,226.62
03/01/08	250,255.38
08/15/08	108,227.03
09/01/08	2,135,255.90
02/15/09	4,348,226.57
03/01/09	199,191.84
09/01/09	3,929,191.61
03/01/10	97,188.37
09/01/10	3,677,186.55

CASH RECS/CPA VERIFICATION
 NET : 2,628,409.65
 YIELD (Computed) : 4.16203

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 SERIES 2006
 [5TH-YEAR ARBITRAGE REBATE CALCULATIONS]

INVESTMENT DETAIL - D/S RESERVE %

ALLOCATED INVESTMENTS	NET YIELD (Computed)	Transaction Amt
03/08/06	143,924.41	-801,651.95
03/31/06	2.91287	803,940.28
04/01/06		-890,589.48
04/30/06		894,000.56
05/01/06		-903,363.63
05/31/06		907,046.38
06/01/06		-1,125,686.43
06/30/06		1,130,192.26
07/01/06		-1,136,818.14
07/31/06		1,141,674.69
08/01/06		-595,641.20
08/31/06		598,231.35
09/01/06		-804,248.84
09/30/06		807,666.34
10/01/06		-823,475.22
10/31/06		827,140.02
11/01/06		-944,281.58
11/30/06		948,363.98
12/01/06		-1,792,641.44
12/31/06		1,800,665.10
01/01/07		-2,827,978.02
01/31/07		2,840,587.71
02/01/07		-535,455.72
02/28/07		537,620.43
03/01/07		-738,661.76
03/31/07		741,974.20
04/01/07		-773,053.98
04/30/07		776,402.47
05/01/07		-773,053.98
05/31/07		776,527.22
06/01/07		-992,427.02
06/30/07		996,725.72
07/01/07		-998,784.33
07/31/07		1,003,246.30
08/01/07		-459,329.26
08/31/07		461,365.66
09/01/07		-711,808.24
09/30/07		714,797.84
10/01/07		-667,411.78
10/31/07		670,217.65
11/01/07		-857,777.82
11/30/07		861,168.98
12/01/07		-1,553,869.14
12/31/07		1,559,992.66
01/01/08		-2,540,375.40
01/31/08		2,549,717.71
02/01/08		-586,169.84
02/29/08		587,981.50
03/01/08		-620,697.66
03/31/08		622,600.74
04/01/08		-663,907.41
04/30/08		665,686.32
05/01/08		-663,907.41
05/31/08		665,638.48
06/01/08		-663,907.41
06/30/08		665,577.19
07/01/08		-873,768.24
07/31/08		875,890.66
08/01/08		-405,667.18
08/31/08		406,666.34
09/01/08		-587,301.28
09/30/08		588,725.29

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

\$34,685,000
 CITY EXAMPLE
 GENERAL OBLIGATION AND REFUNDING BONDS,
 SERIES 2006
 [5TH-YEAR ARBITRAGE REBATE CALCULATIONS]

INVESTMENT DETAIL - D/S RESERVE %

ALLOCATED INVESTMENTS	NET YIELD (Computed)	Transaction Amt
10/01/08	143,924.41	-641,880.85
10/31/08	2.91287	643,456.36
11/01/08		-672,445.14
11/30/08		673,976.10
12/01/08		-1,292,035.82
12/31/08		1,294,921.84
01/01/09		-2,238,509.57
01/31/09		2,242,654.18
02/01/09		-353,149.95
02/28/09		353,710.74
03/01/09		-629,776.44
03/31/09		630,808.75
04/01/09		-748,648.24
04/30/09		749,681.99
05/01/09		-756,894.26
05/31/09		757,826.38
06/01/09		-929,761.58
06/30/09		930,747.38
07/01/09		-943,911.86
07/31/09		944,777.67
08/01/09		-473,449.84
08/31/09		473,916.29
09/01/09		-642,683.43
09/30/09		643,195.82
10/01/09		-643,717.61
10/31/09		644,204.19
11/01/09		-611,294.21
11/30/09		611,741.38
12/01/09		-1,481,613.77
12/31/09		1,482,356.20
01/01/10		-2,757,543.40
01/31/10		2,759,253.08
02/01/10		-1,084,949.79
02/28/10		1,085,623.94
03/01/10		-1,285,755.64
03/31/10		1,286,629.25
04/01/10		-1,316,248.17
04/30/10		1,317,037.91
05/01/10		-1,320,604.62
05/31/10		1,321,457.04
06/01/10		-1,454,559.92
06/30/10		1,455,480.48
07/01/10		-1,468,342.45
07/31/10		1,469,215.41
08/01/10		-717,610.44
08/31/10		718,018.79
09/01/10		-743,026.80
09/30/10		743,399.33
10/01/10		-746,197.83
10/31/10		746,565.41
11/01/10		-819,378.05
11/30/10		819,761.92
12/01/10		-1,609,668.46
12/31/10		1,610,447.72
01/01/11		-2,176,686.38
01/31/11		2,177,777.11
02/01/11		-2,228,993.86
02/28/11		2,230,002.71
03/01/11		-2,290,348.65
03/08/11		2,290,644.83

\$34,685,000
 CITY EXAMPLE
 GENERAL OBLIGATION AND REFUNDING BONDS,
 SERIES 2006
 [5TH-YEAR ARBITRAGE REBATE CALCULATIONS]

INVESTMENT DETAIL - CONSTRUCTION/COI FD

POOLED INVESTMENT ALLOCATION		
NET	YIELD (Computed)	Transaction Amt
877,137.41	4.19122	
Date		
03/08/06	126,104.20	
03/08/06	-9,234,982.20	
07/31/06	287,615.00	
08/31/06	18,700.00	
09/30/06	158,934.00	
10/31/06	140,656.00	
11/30/06	565,917.00	
12/31/06	322,831.00	
01/31/07	405,305.00	
02/28/07	263,219.00	
03/31/07	319,369.00	
04/30/07	834,736.00	
06/30/07	136,837.00	
07/31/07	483,525.00	
08/31/07	384,883.00	
09/30/07	195,211.00	
10/31/07	-953,062.73	
12/31/07	881,343.00	
01/31/08	154,447.00	
02/29/08	209,044.00	
03/31/08	803,253.00	
04/30/08	152,340.00	
06/30/08	127,556.00	
08/31/08	152,016.28	
09/30/08	196,555.98	
10/31/08	200,869.54	
11/30/08	116,922.45	
12/31/08	473,583.86	
01/31/09	75,405.75	
02/28/09	194,058.59	
03/31/09	32,202.42	
04/30/09	105,348.15	
05/31/09	157,929.60	
06/30/09	211,914.65	
07/31/09	237,882.27	
08/31/09	234,560.07	
09/30/09	103,168.65	
10/31/09	199,182.19	
01/31/10	53,116.83	
02/28/10	30,241.68	
03/31/10	56,989.87	
04/30/10	94,788.48	
05/31/10	90,624.58	
07/31/10	29,900.86	
08/31/10	37,084.07	
09/30/10	33,197.42	
10/31/10	7,024.99	
11/30/10	16,727.17	
12/31/10	17,819.23	
01/31/11	19,141.44	
03/08/11	915,100.07	

GENERAL OBLIGATION AND REF BONDS, SERIES 2006 (#138)
 SCHEDULE - CONSTRUCTION EXPENDITURE ALLOCATION

DAYS	APPLICABLE YIELDS - INVESTMENT PORTFOLIO	(a)		(c)	(d)	(e)	(f)	EARNINGS
		BEGIN BALANCE	END BALANCE					
03/08/06		9,234,982.20	9,108,878.00	9,108,878.00	126,104.20	9,108,878.00	0.00	0.00
03/31/06	4.530%	9,108,878.00	9,108,878.00	9,108,878.00	0.00	9,108,878.00	26,001.48	26,001.48
04/30/06	4.660%	9,134,879.48	9,108,878.00	9,131,393.00	-22,515.00	9,134,879.48	34,987.84	34,987.84
05/31/06	4.800%	9,169,867.32	9,131,393.00	10,095,181.00	-963,788.00	9,169,867.32	37,382.91	37,382.91
06/30/06	4.870%	9,207,250.23	10,095,181.00	9,235,360.00	859,821.00	9,207,250.23	36,854.23	36,854.23
07/31/06	5.030%	9,244,104.46	9,235,360.00	9,074,227.00	287,615.00	8,956,489.46	39,491.32	39,491.32
08/31/06	5.120%	8,995,980.78	9,074,227.00	9,055,527.00	18,700.00	8,977,280.78	39,118.96	39,118.96
09/30/06	5.170%	9,016,399.74	9,055,527.00	8,896,593.00	158,934.00	8,857,465.74	38,313.52	38,313.52
10/31/06	5.240%	8,895,779.26	8,896,593.00	8,755,937.00	140,656.00	8,755,123.26	39,589.87	39,589.87
11/30/06	5.260%	8,794,713.13	8,755,937.00	8,190,020.00	565,917.00	8,228,796.13	38,022.07	38,022.07
12/31/06	5.270%	8,266,818.21	8,190,020.00	7,867,189.00	322,831.00	7,943,987.21	37,001.37	37,001.37
01/31/07	5.250%	7,980,988.58	7,867,189.00	7,461,884.00	405,305.00	7,575,683.58	35,586.46	35,586.46
02/28/07	5.270%	7,611,270.04	7,461,884.00	7,198,665.00	263,219.00	7,348,051.04	30,770.38	30,770.38
03/31/07	5.280%	7,378,821.43	7,198,665.00	6,879,296.00	319,369.00	7,059,452.43	33,089.47	33,089.47
04/30/07	5.270%	7,092,541.89	6,879,296.00	6,044,560.00	834,736.00	6,257,805.89	30,721.39	30,721.39
05/31/07	5.290%	6,288,527.29	6,044,560.00	5,907,723.00	136,837.00	6,288,527.29	28,253.58	28,253.58
06/30/07	5.270%	6,316,780.87	6,044,560.00	5,907,723.00	483,525.00	6,179,943.87	27,361.18	27,361.18
07/31/07	5.260%	6,207,305.05	5,907,723.00	5,424,198.00	783,883.00	5,723,780.05	27,730.50	27,730.50
08/31/07	5.220%	5,751,510.54	5,424,198.00	5,039,315.00	684,883.00	5,366,627.54	25,498.89	25,498.89
09/30/07	5.110%	5,392,126.43	5,039,315.00	4,844,104.00	195,211.00	5,196,915.43	22,646.93	22,646.93
10/31/07	4.950%	5,219,562.36	4,844,104.00	5,293,970.00	-953,062.73	6,172,625.09	21,943.61	21,943.61
11/30/07	4.810%	6,194,568.70	5,293,970.00	5,645,770.00	-351,800.00	6,194,568.70	24,489.76	24,489.76
12/31/07	4.640%	6,219,058.47	5,645,770.00	4,412,627.00	881,343.00	5,337,715.47	24,508.20	24,508.20
01/31/08	4.330%	5,362,223.67	4,412,627.00	4,238,180.00	154,447.00	5,207,776.67	19,719.76	19,719.76
02/29/08	3.890%	5,227,496.43	4,238,180.00	4,049,136.00	209,044.00	5,018,452.43	16,156.54	16,156.54
03/31/08	3.610%	5,034,608.97	4,049,136.00	3,245,883.00	803,253.00	4,231,355.97	15,436.25	15,436.25
04/30/08	3.260%	4,246,792.22	3,245,883.00	3,093,543.00	152,340.00	4,094,452.22	11,379.08	11,379.08
05/31/08	3.070%	4,105,831.30	3,093,543.00	3,402,668.00	-309,125.00	4,105,831.30	10,705.53	10,705.53
06/30/08	3.060%	4,116,536.83	3,402,668.00	2,965,987.00	127,556.00	3,988,980.83	10,353.37	10,353.37
07/31/08	2.860%	3,999,334.20	2,965,987.00	13,752,439.00	-10,786,452.00	3,999,334.20	9,714.55	9,714.55
08/31/08	2.900%	4,009,048.75	13,752,439.00	15,215,155.00	152,016.28	3,857,032.47	9,874.34	9,874.34
09/30/08	2.950%	3,866,906.81	13,230,970.00	12,538,436.00	29,226,188%	3,670,350.83	9,375.92	9,375.92
10/31/08	2.890%	3,679,726.75	12,538,436.00	11,872,894.00	29,300,84%	3,478,857.22	9,031.96	9,031.96
11/30/08	2.770%	3,487,889.18	11,872,894.00	11,474,886.00	29,376,91%	3,370,966.74	7,940.92	7,940.92
12/31/08	2.630%	3,378,907.66	11,474,886.00	9,866,579.00	29,446,11%	2,905,323.79	7,547.46	7,547.46
01/31/09	2.180%	2,912,871.25	9,866,579.00	9,611,162.00	29,522,61%	2,837,465.50	5,393.20	5,393.20
02/28/09	2.070%	2,842,858.70	9,611,162.00	8,955,087.00	194,058.59	2,648,800.11	4,514.30	4,514.30
03/31/09	1.930%	2,653,314.42	8,955,087.00	8,846,402.00	29,629,13%	2,621,112.00	4,349.25	4,349.25
04/30/09	1.680%	2,625,461.25	8,846,402.00	8,491,435.00	105,348.15	2,520,113.10	3,625.29	3,625.29
05/31/09	1.450%	2,523,738.39	8,491,435.00	7,960,061.00	157,929.60	2,365,808.79	3,108.00	3,108.00
06/30/09	1.290%	2,368,916.79	7,960,061.00	7,247,983.00	211,914.65	2,157,002.14	2,511.70	2,511.70
07/31/09	1.080%	2,159,513.84	7,247,983.00	6,449,578.00	29,794,69%	1,921,631.57	1,980.84	1,980.84
08/31/09	1.160%	1,923,612.41	6,449,578.00	5,663,134.00	29,825,40%	1,689,052.34	1,895.15	1,895.15
09/30/09	0.970%	1,690,947.50	5,663,134.00	5,317,613.00	103,168.65	1,587,778.85	1,348.13	1,348.13
10/31/09	0.890%	1,589,126.98	5,317,613.00	4,651,100.00	29,884,22%	1,389,944.79	1,201.21	1,201.21
11/30/09	0.800%	1,391,145.99	4,651,100.00	4,651,100.00	0.00	1,391,145.99	1,017.63	1,017.63
12/31/09	0.590%	1,392,163.63	4,651,100.00	20,290,651.00	-15,639,551.00	1,392,163.63	697.61	697.61
01/31/10	0.730%	1,392,861.23	20,290,651.00	19,516,866.00	6,864,55%	1,339,744.40	863.57	863.57
02/28/10	0.810%	1,340,607.98	19,516,866.00	19,076,601.00	6,868,97%	1,310,366.30	833.01	833.01
03/31/10	0.800%	1,311,199.31	19,076,601.00	18,247,457.00	6,873,34%	1,254,209.44	890.90	890.90
04/30/10	0.730%	1,255,100.34	18,247,457.00	16,869,361.00	6,878,22%	1,160,311.85	753.06	753.06
05/31/10	0.760%	1,161,064.91	16,869,361.00	15,552,657.00	6,882,68%	1,070,440.33	749.44	749.44
06/30/10	0.770%	1,071,189.77	15,552,657.00	40,761,242.00	6,887,50%	1,071,189.77	677.93	677.93
07/31/10	0.700%	1,071,867.71	40,761,242.00	39,624,165.00	2,629,62%	1,041,966.85	637.25	637.25
08/31/10	0.670%	1,042,604.09	39,624,165.00	38,214,785.00	2,631,23%	1,005,520.02	593.28	593.28
09/30/10	0.610%	1,006,113.31	38,214,785.00	36,953,861.00	2,632,79%	972,915.88	504.43	504.43
10/31/10	0.580%	973,420.32	36,953,861.00	36,687,172.00	2,634,15%	966,395.33	479.51	479.51
11/30/10	0.570%	966,874.84	36,687,172.00	36,052,475.00	2,635,46%	950,147.67	452.97	452.97
12/31/10	0.570%	950,600.64	36,052,475.00	35,376,663.00	2,635,67%	932,781.41	460.19	460.19
01/31/11	0.590%	933,241.61	35,376,663.00	34,651,063.00	17,819.23	914,100.17	467.64	467.64
02/28/11	0.590%	914,567.82	34,651,063.00	34,651,063.00	0.00	914,567.82	413.94	413.94
03/08/11	0.590%	914,981.75	34,651,063.00	34,651,063.00	0.00	915,100.07	118.32	118.32

adjustment for non-bond deposits or new issues

**CONTROL #138
\$40,145,000
AUTHORITY EXAMPLE
INFRASTRUCTURE REVENUE BONDS, 2007
DATE OF ISSUE: MAY 09, 2007
ARBITRAGE REBATE CALCULATION
FOR THE 05TH YEAR REBATE INSTALLMENT COMPUTATION PERIOD
MAY 09, 2007 TO MAY 09, 2012
AS OF THE DATE OF THIS REPORT
JUNE 09, 2012**



June 9, 2012

Mr./Mrs. Client, Controller
Authority Example ("Issuer")
123 Main Street
Anytown, Example 11111

TRANSMITTAL LETTER

RE: \$40,145,000 Infrastructure Revenue Bonds, Series 2007
5th Year Arbitrage Rebate Calculation – For the 05th Year Rebate Installment Computation Period of May 9, 2007 to May 9, 2012

We have enclosed the arbitrage rebate calculation report (together with Exhibits thereto, the "Report") for the above-referenced issue of tax-exempt debt ("Debt"). As explained in more detail in this Report, ***there is no Rebate Installment payment due to the United States Treasury, Internal Revenue Service ("IRS") on or before July 08, 2012*** with respect to the Debt for the above-referenced 05th Year Rebate Installment Computation Period. There are no filing requirements regarding arbitrage rebate with the IRS as of the date of this Report, and therefore, nothing should be filed with the IRS as of this time.

Please note that the 10th Year IRS filing date is 60 days from May 9, 2017. If you have any questions regarding this Report and related matters please call Matt Collins or Stephen H. Broden at (800) 672-9993 ext. 7538. We will be happy to discuss any aspect of these calculations.

Very truly yours,

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

Arbitrage Compliance Specialists, Inc.





June 9, 2012

City Example ("Issuer")
123 Main Street
Anytown, Example 11111

LEGAL AND CPA OPINION LETTER

RE: \$40,145,000 Infrastructure Revenue Bonds, Series 2007
5th Year Arbitrage Rebate Calculation – For the 05th Year Rebate Installment Computation Period of May 9, 2007 to May 9, 2012

At your request, Arbitrage Compliance Specialists, Inc. ("ACS") has prepared computations pertaining to the amount of the rebate installment payment ("Rebate Installment Payment") that is due on or before Monday, July 9, 2012 from the Issuer to the United States Treasury, Internal Revenue Service ("IRS") with respect to the above-referenced issues of tax-exempt debt ("Debt"). For the above referenced 05th Year Rebate Installment Computation Period ("Computation Period"). The computations attached as Exhibits (together with the letter, the "Report") have been performed by ACS and are based upon the limited scope of ACS' engagement with information, instructions, assumptions and representations provided to ACS by the issuer. The computations reflected in the Exhibits of this Reports are summarized as follows:

1. The yield on the Debt is 4.199533%.
2. The yield on the investments is 2.21722396%.
3. Contingent Rebatable Arbitrage by Borrower:

City of ABC	\$ 1,151.04
Town of XYZ	(\$ 55,473.87)
Town of Anywhere	(\$289,463 .80)
Town of Everywhere	(\$ 10,580.41)
Town of Someplace	(\$126,093.20)
Town of Anyplace	(\$ 10,425.76)
New Valley Fire District of Anywhere County	(\$157,125.32)
ABC Ranch Fire District of Anywhere County	(\$100,583.22)
Fire District of XYZ County	(\$ 2,103.30)
Northwest Fire District of Anywhere County	<u>(\$525,73 8.57)</u>
4. Total Contingent Rebatable Arbitrage (\$1,276,436.41)
TOTAL PAYMENT DUE TO THE IRS NONE

Based on and subject to the foregoing, the computations are mathematically correct, computed in conjunction with the analytical applicable provisions of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder applicable to the bonds, and that the Issuer may rely on the computations.

This legal and CPA opinion is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

BY: 
Ira B. Sacks, Director, Tax Attorney
Certified Public Accountant
PTIN: P01247303



BOND INFORMATION AND METHODOLOGY

1. The Dated Date of the Debt is May 9, 2007.
2. The Delivery Date of the Debt is May 9, 2007.
3. The Bond Year, as previously elected, is May 9th for purposes of determining installment computation dates.
4. The Computation Period is May 9, 2007 to May 9, 2012.
5. Computations of yield are based on a 360-day year with semiannual compounding.
6. Purchase prices on investments are assumed to be at fair market value and represent an arm's length transaction.
7. Based upon the Tax Compliance Certificate, the Debt constitutes a single issue for federal taxation purposes and is not treated as part of any other issue of governmental obligations.
8. The Bond Fund associated with the Debt, and Debt Service Accounts established for each loan, constitute a bona fide debt service fund and are have not been taken into account in determining Cumulative Rebate Liability pursuant to the Code.
9. The program funds for the Town Someplace and New Valley & ABC Ranch Fire Districts have been included in this computation period.
10. Amounts held in the Reserve Fund associated with the Debt were reasonably required as described in Tax Compliance Certificate. Accordingly, these amounts have been taken into account in determining the Cumulative Rebate Liability with respect to the Debt. The Reserve Fund is allocated to several of the Issuer's outstanding debt issues, including the Debt, based upon the relative original principal amount.
11. ACS has applied the computation date credit amounts set forth in the Proposed Regulations for bond years ending on or after September 26, 2007 (the date the Proposed Regulations were published by the Department of Treasury).

\$40,145,000
 AUTHORITY EXAMPLE
 INFRASTRUCTURE REVENUE BONDS,
 SERIES 2007A

CALCULATION OF REBATE AMOUNT

PERIOD ENDING	RELEVANT CASH FLOW	FUTURE VALUE FACTOR	INVESTMENT DESCRIPTION	PAST END OF REBATE PERIOD INVESTMENT YIELD	PRESENT VALUE FACTOR	TOTAL FUTURE VALUE	NUMBER OF DAYS
02/01/12	-4,209,352.51	1.109490300				-4,670,238.30	900
03/01/12	2,513.06	1.105654963				2,778.58	870
04/01/12	1,750.22	1.101832288				1,928.44	840
05/01/12	1,646.49	1.098022830				1,807.88	810
06/01/12	1,636.25	1.094226542				1,790.43	780
07/01/12	35,732.82	1.090443380				38,964.62	750
07/03/12	-582.92	1.090191635				-635.49	748
08/01/12	150,631.74	1.086673298	Computation Date Credit			163,687.49	720
08/01/12	-1,550.00	1.086673298				-1,684.34	720
09/01/12	1,343.19	1.082916250				1,454.56	690
10/01/12	1,323.49	1.079172192				1,428.28	660
11/01/12	1,587.41	1.075441078				1,707.16	630
12/01/12	1,449.54	1.071722865				1,553.51	600
01/01/13	35,395.64	1.068017506				37,803.17	570
02/01/13	7,547.65	1.064324959				8,033.15	540
03/01/13	1,330.85	1.060645178				1,411.56	510
04/01/13	1,310.63	1.056978119				1,385.30	480
05/01/13	1,268.35	1.053323739				1,335.98	450
06/01/13	1,457.16	1.049681994				1,529.55	420
07/01/13	1,400,684.55	1.046052839				1,465,190.05	390
08/01/13	1,157,530.79	1.042436232				1,164,215.80	360
09/01/13	-1,246.30	1.038832129	Computation Date Credit			-1,657.47	330
10/01/13	1,539.69	1.035240486				1,294.70	300
11/01/13	1,502.63	1.031661262				1,593.95	270
12/01/13	1,402.83	1.028094412				1,550.21	240
01/01/14	4,495.05	1.024539894				1,442.24	210
02/01/14	1,413.10	1.020997665				1,403.66	180
03/01/14	-232,668.72	1.017467883				4,589.44	150
04/01/14	276.37	1.013949906				1,437.78	125
05/01/14	1,038.82	1.010444291				1,089.67	90
06/01/14	1,853.22	1.006950736				1,856.10	60
07/01/14	1,376.02	1.003469380				1,186.10	30
08/01/14	1,719,859.37	1.000000000				1,719,859.37	0
08/01/14	-1,820.00	1.000000000	Computation Date Credit			-1,820.00	0
	-904,151.09					-1,276,436.41	

NO REBATE REQUIRED : -1,276,436.41

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

\$40,145,000
AUTHORITY EXAMPLE
INFRASTRUCTURE REVENUE BONDS,
SERIES 2007A

LISTING OF INVESTMENTS BY FUND

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PRIOR REBATE AMOUNT
=====
1. PRIOR REPORT LIABILITY AMOUNT
RESERVE FUND
=====
2. ALLOCATED INVESTMENT AGRMT
PROGRAM- NEW VALLEY
=====
3. ISSUER DEPOSITORY TRUST
PROGRAM- ABC RANCH
=====
4. CHECKING
PROGRAM- SOMEPLACE
=====
6. ISSUER ESTIMATED AMOUNT
ESCROW- ANYWHERE
=====
7. ESCROW RECEIPTS
REBATE- XYZ
=====
5. PRIME FUND

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NOTE: THE COMMON RESERVE FUND HAS BEEN ALLOCATED AMONG
ISSUES SUPPORTED BY THE FUND BASED ON RELATIVE
ORIGINAL PRINCIPAL AMOUNTS.

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

\$40,145,000
 AUTHORITY EXAMPLE
 INFRASTRUCTURE REVENUE BONDS,
 SERIES 2007A

PROOF OF INVESTMENT YIELD

PERIOD ENDING	INVESTMENTS	PRESENT VALUE FACTOR	PRESENT VALUE	PROCEEDS	PRESENT VALUE FACTOR	PRESENT VALUE
	-3,176,456.04		-3,356,476.35			
02/01/12		1.056673320		2,513.06	1.056673320	2,650.61
03/01/12		1.054733445		1,750.22	1.054733445	1,842.62
04/01/12		1.052797131		1,646.49	1.052797131	1,730.24
05/01/12		1.050864371		1,636.25	1.050864371	1,716.32
06/01/12		1.048935160		35,732.82	1.048935160	37,412.60
07/01/12		1.047009491			1.047009491	
07/03/12	-582.92	1.046881239	-610.25		1.046881239	
08/01/12		1.045087357		150,631.74	1.045087357	157,423.32
09/01/12		1.043168751		1,343.19	1.043168751	1,401.17
10/01/12		1.041253668		1,323.49	1.041253668	1,378.09
11/01/12		1.039342100		1,587.41	1.039342100	1,649.86
12/01/12		1.037434042		1,449.54	1.037434042	1,503.80
01/01/13		1.035529487		35,395.64	1.035529487	36,653.23
02/01/13		1.033628428		7,547.65	1.033628428	7,801.46
03/01/13		1.031730859		1,330.85	1.031730859	1,373.08
04/01/13		1.029836774		1,310.63	1.029836774	1,349.73
05/01/13		1.027946166		1,258.35	1.027946166	1,303.79
06/01/13		1.026059029		1,457.15	1.026059029	1,495.13
07/01/13		1.024175356		1,400,684.55	1.024175356	1,434,546.60
08/01/13		1.022295142		1,157,530.79	1.022295142	1,161,042.96
09/01/13		1.020418379		1,246.30	1.020418379	1,271.75
10/01/13		1.018545061		1,539.69	1.018545061	1,568.24
11/01/13		1.016675133		1,502.63	1.016675133	1,527.69
12/01/13		1.014808738		1,402.83	1.014808738	1,423.60
01/01/14		1.012945719		1,370.04	1.012945719	1,387.78
02/01/14		1.011086120		4,495.05	1.011086120	4,544.88
03/01/14		1.009229935		1,413.10	1.009229935	1,426.14
03/26/14		1.007385717			1.007385717	
04/01/14	-232,868.72	1.005527782	-234,658.48	276.37	1.005527782	278.41
05/01/14		1.003681801		1,038.82	1.003681801	1,044.56
06/01/14		1.001839206		1,833.22	1.001839206	1,860.04
07/01/14		1.000000000		1,152.02	1.000000000	1,178.18
08/01/14		1.000000000		1,719,959.17	1.000000000	1,719,959.17
	-3,409,907.68		-3,591,745.08	3,543,413.06		3,591,745.08

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

\$40,145,000
AUTHORITY EXAMPLE
INFRASTRUCTURE REVENUE BONDS,
SERIES 2007A

INVESTMENT DETAIL - PRIOR REBATE AMOUNT

PRIOR REPORT LIABILITY AMOUNT
NET : -1,032,896.47
YIELD (Computed): 0.00000
Date Transaction Amt

02/01/12 -1,032,896.47 -----

\$40,145,000
 AUTHORITY EXAMPLE
 INFRASTRUCTURE REVENUE BONDS,
 SERIES 2007A

INVESTMENT DETAIL - RESERVE FUND

ALLOCATED INVESTMENT AGRMT	NET YIELD (Computed)	Transaction Amt
02/01/12	43,480.01	-958,482.88
03/01/12		2,513.06
04/01/12		1,750.22
05/01/12		1,646.49
06/01/12		1,636.25
07/01/12		1,607.10
08/01/12		1,457.16
09/01/12		1,343.19
10/01/12		1,323.49
11/01/12		1,587.41
12/01/12		1,449.54
01/01/13		1,269.92
02/01/13		1,172.24
03/01/13		1,330.85
04/01/13		1,310.63
05/01/13		1,268.35
06/01/13		1,457.16
07/01/13		1,559.83
08/01/13		1,155.96
09/01/13		1,246.30
10/01/13		1,539.69
11/01/13		1,502.63
12/01/13		1,402.83
01/01/14		1,370.04
02/01/14		1,308.17
03/01/14		1,413.10
03/26/14	958,482.88	
03/26/14	-1,192,356.68	
03/26/14		-1,192,356.68
04/01/14		1,272.37
05/01/14		1,036.82
06/01/14		1,858.22
07/01/14		1,172.02
08/01/14		1,176.92
08/01/14	1,192,356.68	

\$40,145,000
 AUTHORITY EXAMPLE
 INFRASTRUCTURE REVENUE BONDS,
 SERIES 2007A

INVESTMENT DETAIL - PROGRAM-NEW VALLEY

Date	Transaction Amt
02/01/12	-462,487.22
08/01/12	149,174.58
02/01/13	6,375.41
08/01/13	156,374.83
02/01/14	3,186.88
08/01/14	153,187.37

ISSUER DEPOSITORY TRUST
 NET : 5,811.85
 YIELD (Computed): 0.83291

\$40,145,000
AUTHORITY EXAMPLE
INFRASTRUCTURE REVENUE BONDS,
SERIES 2007A

INVESTMENT DETAIL - PROGRAM- ABC RANCH

CHECKING	10.21
NET	
YIELD (Computed):	0.54127
Date	Transaction Amt
-----	-----
02/01/12	-266.53
07/03/12	-582.92
08/01/14	859.66

\$40,145,000
AUTHORITY EXAMPLE
INFRASTRUCTURE REVENUE BONDS,
SERIES 2007A

INVESTMENT DETAIL - PROGRAM- SOMEPLACE

ISSUER ESTIMATED AMOUNT
NET : 2,572.98
YIELD (Computed): 0.28938
Date Transaction Amt

02/01/12 -354,627.02
08/01/14 357,200.00

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

\$40,145,000
AUTHORITY EXAMPLE
INFRASTRUCTURE REVENUE BONDS,
SERIES 2007A

INVESTMENT DETAIL - ESCROW - ANYWHERE

ESCROW RECEIPTS
NET : 81,628.14
YIELD (Computed): 4.18715
Date Transaction Amt

02/01/12 -1,385,748.02
07/01/12 34,125.72
01/01/13 34,125.72
07/01/13 1,399,124.72

\$40,145,000
AUTHORITY EXAMPLE
INFRASTRUCTURE REVENUE BONDS,
SERIES 2007A

INVESTMENT DETAIL - REBATE-XYZ

PRIME FUND
NET : 2.19
YIELD (Computed): 0.00590
Date Transaction Amt

02/01/12 -14,844.37
08/01/14 14,846.56

TAB 7. ADDITIONAL MATERIALS

1. ACS DETAILED APPROACH TO SERVICES

1. VERIFY BOND ISSUE(S) ARE SUBJECT TO THE REBATE REQUIREMENTS.

Our project team will analyze applicable bond documents to determine which bonds are subject to rebate, yield restriction, and applicable exceptions. We will then determine IRS filing deadlines, extensions, and election requirements and enter this information into our database tracking system to ensure timely reporting.

2. IDENTIFY, AND SEPARATELY ACCOUNT FOR, ALL "GROSS PROCEEDS" (AS THAT TERM IS DEFINED IN THE REBATE REQUIREMENT) OF THE BOND ISSUANCE, INCLUDING THOSE REQUIRING ALLOCATION ANALYSES DUE TO "TRANSFERRED PROCEEDS" AND/OR "COMMINGLED FUNDS" CIRCUMSTANCES.

Upon receipt of SNAPSM financial records, ACS will review the data for completeness. If ACS discovers any inconsistencies, we will contact SNAPSM to discuss the entries while the transactions are still current and easily reconciled in SNAP'sSM financial records. The ACS accountant will reconcile the investment detail to each debt issue's source/use statement to ensure all Gross Proceeds are accounted for during both the unrestricted and restricted periods.

3. CALCULATE THE BOND YIELD.

The project team will analyze bond-closing documents for every issue during our transition process. The project team will import and/or enter all applicable information into our database tracking system to ensure timely reporting. ACS will use this information to confirm or recompute the bond yield on every bond issuance to ensure accuracy. ACS will utilize bond year slicing/optimization strategies to match the variable rate bond yield as closely as possible to the investment yield. This proprietary bond year slicing model has saved clients with variable rate bonds over \$15 Million compared to conventional rebate methods used by other rebate firms.

4. CALCULATE THE ISSUANCE EXCESS INVESTMENT EARNINGS (CUMULATIVE REBATE LIABILITY), TAKING INTO ACCOUNT ANY PROCEEDS THAT ARE OR HAVE BECOME SUBJECT TO THE YIELD RESTRICTION REQUIREMENTS.

Data is entered into our rebate calculation software and the rebate, yield restriction / yield reduction or spending exception / penalty calculations are performed. Each ACS report is subject to a rigorous review process to ensure the accuracy of our work. A Vice President reviews every calculation prior to the final technical review which is performed by the ACS President. Our process ensures that the most favorable treatment of the Tax Code is applied.

5. PROVIDE AN EXECUTIVE SUMMARY IDENTIFYING THE METHODOLOGY EMPLOYED, MAJOR ASSUMPTIONS, CONCLUSIONS, AND ANY RECOMMENDATIONS FOR CHANGES IN SNAP RECORDKEEPING AND INVESTMENT POLICY.

EXECUTIVE SUMMARY:

- CPA certified and legal professional opinion stating that the methodology and calculations are in accordance with the Tax Code and may be relied upon by SNAPSM in determining the arbitrage rebate liability payments to the United States Treasury;
- Investment yield – the overall cumulative yield for all investments;
- Arbitrage rebate liability;

TAB 7. ADDITIONAL MATERIALS, ITEM 1 – ACS DETAILED APPROACH TO SERVICES, PAGE 2

- Bond yield – The entire arbitrage rebate calculation is based on the bond yield. Therefore, to ensure accuracy in our reports, ACS will recalculate the bond yield using the source documents received;

INVESTMENT INFORMATION:

- Investment yield is calculated for each investment to assist in evaluating whether each investment attributes to a positive arbitrage rebate liability or a negative arbitrage rebate liability;
- Rate of return information identifies which investments are underperforming and may be exchanged for higher yielding investments to maximize the overall rate of return on the investment portfolio;
- Rate of return is also calculated for all investments in aggregate;

RECOMMENDATIONS:

- Future filing due dates;
- Accounting method modifications – ACS will provide recommendations on alternative accounting methods that may be employed to reduce the arbitrage rebate liability;
- Liability reserves – amount of funds to be reserved for upcoming arbitrage filings;
- ACS will analyze the current fund balances, investment yields, yield trends, and future value factors and provide recommendations on whether to submit 90% or 100% of the liability;
- Spending exception elections;
- Yield restriction limits; and
- Recordkeeping for expenditures and investments.

6. PROVIDE A CPA AND LEGAL OPINION THAT ARBITRAGE CALCULATION RESULTS ARE MATHEMATICALLY CORRECT AND CONSISTENT WITH THE REBATE REQUIREMENTS (APPLICABLE LAWS AND REGULATIONS).

Our firm has distinctive legal and accounting experience with the arbitrage regulations dating back to the inception of the Tax Code. ***ACS is the only arbitrage firm in the country with a tax attorney who is also a CPA calculating arbitrage liability since 1986.*** As an added benefit to our clients, ACS provides both a CPA opinion and a legal opinion that confirms both the mathematical accuracy and compliance with applicable laws and regulations.

7. RETAIN RECORDS AND DOCUMENTATION AT LEAST SIX YEARS AFTER THE ISSUE'S FINAL MATURITY.

All records received by ACS will be maintained for at least *six years after* the issue's final maturity or end of the applicable Contract.

8. REPORT TO SNAPSM AND SNAPSM PARTICIPANTS WITHIN 30 CALENDAR DAYS AFTER EACH INSTALLMENT COMPUTATION DATE.

ACS will provide such reports within an average of 12 days after each installment computation date. ACS will make recommendations on decreasing the frequency of calculations, when appropriate, to preserve public funds for other purposes.

9. ACS WILL PREPARE IN A TIMELY MANNER FOR SIGNATURE ALL REQUIRED IRS FORM 8038-T AND FORM 8038-R FILINGS.

Our nationally recognized Tax Attorney will prepare and distribute signature-ready IRS Form 8038-T for payment of arbitrage rebate, yield reduction or penalty elections. Additionally, our Tax

TAB 7. ADDITIONAL MATERIALS, ITEM 1 – ACS DETAILED APPROACH TO SERVICES, PAGE 3

Attorney will prepare and distribute signature-ready IRS Form 8038-R for recovery of overpayment. All forms will be accompanied by detailed filing instructions and a CPA/legal opinion letter. Our recovery process has allowed client issuers to recover more than \$30M in prior arbitrage payments without denial. The recovery package is prepared by the project team with all records necessary for the IRS approval process and is provided in hard copy form to both clients and any specified consultants for final review.

10. ASSIST THE SNAPSM PARTICIPANTS AS NECESSARY IN THE EVENT OF AN INTERNAL REVENUE SERVICE (IRS) INQUIRY.

ACS stands behind the mathematical accuracy of our calculations, as well our interpretations of the Tax Code used to perform the computations. We will assist with and/or represent the SNAPSM participants with the Internal Revenue Service regarding arbitrage inquiries. ACS has assisted hundreds of clients in defense of IRS Audits and inquiries by acting as an expert consultant to both the Issuer and the Issuer's bond counsel to not only deliver initial, preventative "audit-proofing" in our work product, but to also provide all necessary IRS follow-up procedures.

11. PROVIDE ASSISTANCE TO THE SNAPSM PROGRAM MANAGER AND SNAPSM PARTICIPANTS STAFF ON ARBITRAGE-RELATED MATTERS.

ACS will provide on-going assistance as part of our bond compliance program. Because ACS holds a membership to the National Association of Bond Lawyers, we are informed on a daily basis of all proposed and finalized changes to the Tax Code as well as the current IRS enforcement focus. Keeping on top of the numerous amendments to the Tax Code is paramount for our clients to remain compliant with each new regulation. If a change in the Tax Code takes place that will affect our previously performed calculation, ACS will amend the calculation to be in accordance with the new regulation at no cost.

2. ACS' BOND COMPLIANCE PROGRAM

EFFECTIVENESS OF ACS' BOND COMPLIANCE PROGRAM FOR SNAPSM

OVERVIEW

ACS recognizes that the size of SNAP'sSM bond portfolio may be too much to handle for some arbitrage firms. ACS has completed arbitrage services similar in size and scope for other entities across the Country. We will implement our Bond Compliance Program (the "Compliance Program") which will be essential for SNAP'sSM effective management of tax compliance as further discussed below. ACS optimized our Bond Compliance Program to be highly efficient and pass on the cost savings to our clients.

BOND COMPLIANCE PROGRAM

The ACS Bond Compliance Program functions to eliminate the compliance risk placed upon SNAPSM. ACS provides the Compliance Program throughout the entire lifecycle of each debt issue beginning with the preliminary planning stage of a debt issue, and continuing through the calculation process to include support services such as:

- √ Assist with pre issuance analysis;
- √ Assist with creation of the post-issuance policy manual;
- √ Assist with on-going due diligence reviews (part of the post-issuance policy manual);
- √ Assist with record retention by maintaining applicable documents and investment data for the appropriate amount of time as required by the IRS;
- √ Provide an annual review letter for SNAP'sSM auditor;
- √ Provide IRS audit defense;

TAB 7. ADDITIONAL MATERIALS, ITEM 2 – ACS DETAILED APPROACH TO SERVICES, PAGE 2

- √ Provide in-person bond compliance training for SNAP'sSM personnel (to include arbitrage rules, record retention, continuing disclosure, private use and bond compliance program development); and
- √ Recommend other post issuance services as tax law changes.

POST ISSUANCE POLICY MANUAL

ACS will provide SNAPSM with our Post Issuance Policy Manual, which provides definitions of terms, examples of concepts, and includes all of the key characteristics suggested by the IRS and further supported in IRS Publication 5091:

- √ Due diligence review at regular intervals;
- √ Identification of the official or employee responsible for review;
- √ Training of the responsible official/employee;
- √ Retention of adequate records to substantiate compliance;
- √ Procedures reasonably expected to timely identify noncompliance; and
- √ Procedures ensuring that the issuer will take steps to timely correct noncompliance.

OTHER SERVICES AVAILABLE



Due to an increase in IRS and SEC audits, Bond Auditors (a separate wholly owned subsidiary of Arbitrage Compliance Specialists, Inc.) identified the high demand to assist tax-exempt organizations with bond compliance matters outside of arbitrage rebate. While tireless effort goes into the structuring of a bond, the issuer becomes responsible for a different but equally important set of Tax Rules *after* issuance.

Bond Auditors' extensive audit program contains over 80 regulatory auditable items and provides easy to read findings summary reports that help Issuers reduce or eliminate the possibility of tax violations. We work with our client and other bond professionals to remedy the failure and install an active and on-going compliance program to reduce or eliminate future violations.