



August 12, 2014

Ms. Kate Burum, Assistant General Counsel and Funds Manager
Oklahoma Water Resources Board
3800 North Claussen Boulevard
Oklahoma City, Oklahoma 73118

TRANSMITTAL LETTER

CONTROL #FAP-20
\$8,750,000.00
OKLAHOMA WATER RESOURCES BOARD
STATE LOAN PROGRAM REVENUE BONDS, SERIES 2012B
DATE OF ISSUE: JULY 02, 2012
ARBITRAGE REBATE CALCULATIONS
FOR THE COMPUTATION PERIOD
JULY 02, 2012 TO JULY 01, 2014
AS OF THE DATE OF THIS REPORT
AUGUST 12, 2014

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 Contingent Rebutable Arbitrage with respect to the Debt for the above-referenced Computation Period.* There are no filing requirements regarding arbitrage rebate with the United States Treasury, Internal Revenue Service ("IRS") as of the date of this Report, and therefore, nothing should be filed with the IRS as of this time.

We have tested the Reserve Fund from July 31, 2013 to June 30, 2014 and found the Reserve Fund to be funded in excess of the IRS Regulations three-part test for determining a reasonably required Reserve Fund. However, the Reserve Fund is invested below the Bond Yield, and therefore, no payment is due to the IRS for this yield restriction requirement, at this time.

Please note that the 5th Year IRS filing date is 60 days from July 01, 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.





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Oklahoma Water Resources Board ("Issuer")
3800 North Claussen Boulevard
Oklahoma City, Oklahoma 73118

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At your request, Arbitrage Compliance Specialists, Inc. ("ACS") has prepared computations pertaining to the amount of the contingent rebatable arbitrage ("Contingent Rebatable Arbitrage") for the Issuer with respect to the above-referenced issue of tax-exempt debt ("Debt") for the above-referenced computation period ("Computation Period"). The computations following 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 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 3.192913%.
2. The yield on the investments is 0.116848534%.
3. Total Contingent Rebatable Arbitrage (\$34,383.98)

For purposes of these calculations, we have allocated the Debt Service Reserve Fund to reflect that portion that is subject to rebate for the Debt. Using procedures, which ACS has developed for calculating arbitrage rebate, ACS has computed the amount of the Contingent Rebatable Arbitrage with respect to the Debt for the Computation Period in accordance with the applicable provisions of the Internal Revenue Code of 1986, as amended and the Treasury Regulations applicable to the Debt.

ARBITRAGE COMPLIANCE SPECIALISTS, INC.

BY: 
Ira B. Sacks, CPA, Director
PTIN: P01247303



NOTES AND ASSUMPTIONS

1. The Dated Date of the Debt is July 2, 2012.
2. The Delivery Date of the Debt is July 2, 2012.
3. The Bond Year, as previously elected, is July 1 for purposes of determining installment computation dates.
4. The Computation Period is July 31, 2013 to July 1, 2014.
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 *Arbitrage and Use of Proceeds 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 Debt Service Fund associated with the Debt constitutes a bona fide debt service fund and has not been taken into account in determining the Cumulative Rebate Liability pursuant to the Code.
9. On May 1, 2011 the Board amended the General Bond Resolution to establish a program wide General Debt Service Reserve Fund. The cash in the General Debt Service Reserve Fund secures all Debt on a parity basis just as in each of the issue specific Debt Service Reserve Funds secures all Debt on a parity basis.
10. According to the *Arbitrage and Use Proceeds Certificate*, Section 4.6 (a) amounts in the Board's Reserve Fund must be invested at or below the Yield on the Debt to which they relate.
11. Amounts held in the Reserve Funds associated with the Debt 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 outstanding principal amount, the allocation method used by the prior rebate calculation provider.
12. 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).

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 SERIES 2012B
 {INTERIM ARBITRAGE REBATE CALCULATIONS}

CALCULATION OF REBATE AMOUNT

PERIOD ENDING	RELEVANT CASH FLOW	FUTURE VALUE FACTOR	PAST END OF REBATE PERIOD INVESTMENT YIELD	PRESENT VALUE FACTOR	TOTAL FUTURE VALUE	NUMBER OF DAYS
07/31/13	-704,472.66	1.029553476			-725,292.28	331
09/30/13	-36.53	1.024132281			-37.41	271
10/15/13	1,308.13	1.022781448			1,337.94	256
01/21/14	0.00	1.014178212			0.00	160
01/22/14	-38,137.24	1.014088977			-38,674.56	159
01/27/14	0.00	1.013642919			0.00	154
02/03/14	-0.98	1.013107909			-0.99	148
03/12/14	730,121.05	1.009637216			737,157.38	109
03/13/14	-760,023.62	1.009548381			-767,280.61	108
04/15/14	476.71	1.006703765			479.91	76
04/16/14	0.17	1.006621187			0.17	75
07/01/14	759,546.47	1.000000000			759,546.47	0
07/01/14	-1,620.00	1.000000000	Computation Date Credit		-1,620.00	0
	-12,838.49				-34,383.98	

NO REBATE REQUIRED : -34,383.98

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LISTING OF INVESTMENTS BY FUND

YIELD RES RESERVES
 =====
 1. GENERAL RESERVE-GOVT FUND/CDS
 2. 1989 RESERVE-TREASURY ACCT
 3. 1994A RESERVE-GOVT FUND/CDS
 PRIOR REPORT AMOUNT
 =====
 5. PRIOR REPORT LIABILITY AMOUNT
 EARNINGS FUND
 =====
 4. CASH ACCT

NOTE: THE DEBT SERVICE RESERVE FUNDS, SUBJECT PORTION, HAS BEEN ALLOCATED AMONG ISSUES SUPPORTED BY THE FUNDS BASED ON RELATIVE OUTSTANDING PRINCIPAL AMOUNTS.

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PROOF OF INVESTMENT YIELD

PERIOD ENDING	INVESTMENTS	PRESENT VALUE FACTOR	PRESENT VALUE	PROCEEDS	PRESENT VALUE FACTOR	PRESENT VALUE
07/31/13	-692,483.39	1.001074621	-693,227.55		1.001074621	
09/30/13	-36.53	1.000879740	-36.56		1.000879740	
10/15/13		1.000831025		1,308.13	1.000831025	1,309.22
01/21/14		1.000519310			1.000519310	
01/22/14	-38,137.24	1.000516063	-38,156.92		1.000516063	
01/27/14		1.000499831			1.000499831	
02/03/14	-0.98	1.000480352	-0.98		1.000480352	
03/12/14		1.000353751		730,121.05	1.000353751	730,379.33
03/13/14	-760,023.62	1.000350505	-760,230.01		1.000350505	
04/15/14		1.000246639		476.71	1.000246639	476.83
04/16/14		1.000243393		0.17	1.000243393	0.17
07/01/14		1.000000000		759,546.47	1.000000000	759,546.47
	<u>-1,490,681.76</u>		<u>-1,491,712.02</u>	<u>1,491,452.54</u>		<u>1,491,712.02</u>

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INVESTMENT DETAIL - YIELD RES RESERVES

GENERAL RESERVE-GOVT FUND/CDS		1989 RESERVE-TREASURY ACCT		1994A RESERVE-GOVT FUND/CDS	
NET	: 566.89	NET	: 4.37	NET	: 199.52
YIELD (Computed)	: 0.113755	YIELD (Computed)	: 0.00900	YIELD (Computed)	: 0.10031
Date		Date		Date	
Transaction Amt		Transaction Amt		Transaction Amt	
-----		-----		-----	
07/31/13	-171,351.72	07/31/13	-102,275.31	07/31/13	-418,856.19
09/30/13	-4.97	10/15/13	5.14	09/30/13	-41.42
09/30/13	4.31	01/21/14	102,274.54	09/30/13	5.54
10/15/13	612.94			10/15/13	690.06
01/21/14	-513,371.68			01/21/14	91,258.34
01/22/14	-38,137.24			01/21/14	319,838.80
01/27/14	-7,295.70			01/27/14	8.69
01/27/14	-8.69			01/27/14	7,295.70
02/03/14	-0.56				
02/03/14	-0.42				
03/12/14	730,121.05				
03/13/14	-760,023.62				
04/15/14	476.71				
07/01/14	759,527.50				
07/01/14	18.97				

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INVESTMENT DETAIL - PRIOR REPORT AMOUNT

PRIOR REPORT LIABILITY AMOUNT
NET : -11,989.27
YIELD (Computed): 0.00000
Date Transaction Amt

07/31/13 -1,632.91
07/31/13 -10,356.36

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INVESTMENT DETAIL - EARNINGS FUND

CASH ACCT	
NET	0.00
YIELD (Computed):	0.00000
Date	Transaction Amt
07/31/13	-0.17
04/16/14	0.17