



October 30, 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-21
\$9,625,000.00
OKLAHOMA WATER RESOURCES BOARD
STATE LOAN PROGRAM REVENUE BONDS, SERIES 2012C
DATE OF ISSUE: AUGUST 29, 2012
ARBITRAGE REBATE CALCULATIONS
FOR THE COMPUTATION PERIOD
AUGUST 29, 2012 TO SEPTEMBER 30, 2014
AS OF THE DATE OF THIS REPORT
OCTOBER 30, 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 Rebateable 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 September 30, 2013 to September 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 August 28, 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.





October 30, 2014

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 2.057862%.
2. The yield on the investments is 0.152074525%.
3. Total Contingent Rebatable Arbitrage (\$27,213.23)

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 August 29, 2012.
2. The Delivery Date of the Debt is August 29, 2012.
3. The Bond Year, as previously elected, is August 28 for purposes of determining installment computation dates.
4. The Computation Period is September 30, 2013 to September 30, 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 of 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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 STATE LOAN PROGRAM REVENUE BONDS,
 SERIES 2012C
 {INTERIM ARBITRAGE REBATE CALCULATIONS}

CALCULATION OF REBATE AMOUNT

STARTING 08/29/12 TO 09/30/14
 BOND YIELD : 2.05786200%

PERIOD ENDING	RELEVANT CASH FLOW	FUTURE VALUE FACTOR	PAST END OF REBATE PERIOD INVESTMENT YIELD	***** INVESTMENT DESCRIPTION *****	PRESENT VALUE FACTOR	TOTAL FUTURE VALUE	NUMBER OF DAYS
09/30/13	-780,172.45	1.020894420				-796,309.92	360
10/31/13	1,452.79	1.019814155				1,461.58	345
01/31/14	0.01	1.014261557				-0.01	249
01/21/14	-42,354.44	1.014203876				-42,956.04	248
01/27/14	0.00	1.013915573				0.00	243
02/23/14	810,857.49	1.013569611				820,033.68	198
03/12/14	-737,714.61	1.011324046				-746,026.30	197
03/13/14	462.72	1.011265533				467.08	165
06/30/14	74.37	1.005431489				74.75	90
08/28/14	-1,620.00	1.001821521				-1,632.95	32
09/30/14	737,639.99	1.000000000		Computation Date Credit		737,639.99	0
	-11,375.43					-27,213.23	

NO REBATE REQUIRED : -27,213.23

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LISTING OF INVESTMENTS BY FUND

RESERVE FUNDS
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1.	GENERAL RESERVE-GOVT FUND/CDS
2.	1989 RESERVE-TREASURY ACCT
3.	1994A RESERVE-GOVT FUND/CDS

PRIOR REPORT AMOUNT
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5.	PRIOR REPORT LIABILITY AMOUNT
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NOTE: THE DEBT SERVICE RESERVE FUNDS, SUBJECT PORTION, HAVE
BEEN ALLOCATED AMONG ISSUES SUPPORTED BY THE FUNDS
BASED ON RELATIVE OUTSTANDING PRINCIPAL AMOUNTS.

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PROOF OF INVESTMENT YIELD

INVESTMENT YIELD : 0.152074525%

PERIOD ENDING	INVESTMENTS	PRESENT VALUE FACTOR	PRESENT VALUE	PROCEEDS	PRESENT VALUE FACTOR	PRESENT VALUE
09/30/13	-769,269.10	1.001521323	-770,439.41		1.001521323	
10/15/13		1.001457889	-0.01	1,452.79	1.001457889	1,454.91
01/21/14	-0.01	1.001052002	-42,398.82		1.001052002	
01/22/14	-42,354.44	1.001047775	-1.08		1.001047775	
01/27/14		1.001026640			1.001026640	
02/03/14	-1.08	1.001001278	-738,328.75	810,857.49	1.001001278	811,535.73
03/12/14		1.000838442			1.000838442	
03/13/14	-737,714.81	1.000832215		462.72	1.000832215	463.04
04/15/14		1.000696986		74.37	1.000696986	74.40
06/30/14		1.000380114		737,639.99	1.000380114	737,639.99
09/30/14		1.000000000			1.000000000	
	<u>-1,549,339.44</u>		<u>-1,551,168.06</u>	<u>1,550,487.36</u>		<u>1,551,168.06</u>

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INVESTMENT DETAIL - RESERVE FUNDS

GENERAL RESERVE-GOVT FUND/CDS		1289 RESERVE-TREASURY ACCT		1294A RESERVE-GOVT FUND/CDS	
NET	YIELD (Computed)	NET	YIELD (Computed)	NET	YIELD (Computed)
1,065.51	0.18488	2.96	0.00845	79.45	0.05540
Date	Transaction Amt	Date	Transaction Amt	Date	Transaction Amt
09/30/13	-190,327.26	09/30/13	-113,586.76	09/30/13	-465,355.08
10/15/13	580.72	10/15/13	5.71	10/15/13	101,766.36
01/21/14	-570,540.08	01/21/14	113,584.01	01/21/14	101,349.64
01/22/14	-42,354.44			01/21/14	355,206.42
01/27/14	-9.65			01/27/14	9.65
01/27/14	-8,102.46			01/27/14	8,102.46
02/03/14	-0.46				
02/03/14	810,857.49				
03/12/14	-737,714.81				
04/15/14	462.72				
06/30/14	74.37				
09/30/14	737,639.99				

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INVESTMENT DETAIL - PRIOR REPORT AMOUNT

PRIOR REPORT LIABILITY AMOUNT
NET :
YIELD (Computed): 0.00000
Date Transaction Amt
09/30/13 ----- -10,903.35