



CONTROL #3.00

CITY OF NAMPA OFFICE OF ECONOMIC DEVELOPMENT, IDAHO

**\$10,122,098.17
REVENUE ALLOCATION REFUNDING BOND, SERIES 2020A**

**ARBITRAGE REBATE CALCULATIONS
FOR THE 05TH YEAR COMPUTATION PERIOD
FEBRUARY 28, 2020 TO FEBRUARY 27, 2025**

**AS OF THE DATE OF THIS REPORT
MARCH 19, 2025**



City of Nampa Office of Economic Development, Idaho ("Issuer")
500 12th Avenue South
Nampa, Idaho 83651

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We have enclosed the arbitrage rebate calculation report for the above-referenced issue of tax-exempt debt ("Debt"). The computations following as Exhibits 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. Using procedures, which ACS has developed for calculating arbitrage rebate, ACS has computed the amount of the 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.

As detailed in Exhibit 1 of this report, there is no Rebatable 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.

Total Rebatable Arbitrage: \$0.00

It has been an honor for all of us at ACS to assist you with your arbitrage rebate calculations. Should you have any questions regarding this Review and related matters please do not hesitate to call: **Account Manager: Robert Goubert at (800) 672-9993 ext. 7536** or **Lead CPA: Doug Pahnke at (800) 672-9993 ext. 7526**.

Regards,
Arbitrage Compliance Specialists, Inc.

A handwritten signature in blue ink that reads "Doug Pahnke".

Douglas Pahnke, CPA, President

DEFINITIONS

Arbitrage

Treas. Reg. § 1.148-3(a) provides that the arbitrage that must be rebated is based on the difference between the amount actually earned on non-purpose investments and the amount that would have been earned if those investments had a yield equal to the yield on the issue.

Arbitrage Rebate

Treas. Reg. § 1.148-3(b) provides that as of any computation date, the rebate amount for an issue is the excess of the future value, as of that date, for all receipts of non-purpose investments over the future value, as of that date, of all payments on non-purpose investments.

Bona Fide Debt Service Fund

Under Treas. Reg. § 1.148-1(b), a Bona Fide Debt Service Fund:

- Is used primarily to achieve a proper matching of revenues with debt service payments; AND
- Is depleted annually to a reasonable carryover amount.

Bond Year

Each one-year period (or shorter period for the first elected year ending on the issuer elected date).

Bond Yield -

Fixed Rate Issue

Treas. Reg. § 1.148-4(b)(1) provides that the yield on a fixed rate issue is the discount rate that when used in computing the present value, as of the issue date, of all unconditionally payable payments of principal, interest and fees for qualified guarantee on the issue, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the bonds as of the issue date.

Variable Rate Issue

The yield on a variable yield issue is computed separately for each computation period. Treas. Reg. § 1.148-4(c)(1) provides that the yield for each computation period is the discount rate at which the present value, as of first day of the computation period, of all payments of principal and interest and qualified guarantees paid on the bond issue during that computation period equals the present value of the issue price, as of the first day of the computation period.

Commingled Funds

Treas. Reg. § 1.148-1(b) provides that a commingled fund means any fund or account (other than an open-end regulated investment company) that contains both gross proceeds of an issue and amounts in excess of \$25,000 that are not gross proceeds of the issue.

Computation Date

Treas. Reg. § 1.148-3(e)(1) provides that an issuer may treat as computation dates:

- the last day of any Bond Year ending on or before the 1st required Rebate Payment date; AND
- thereafter, the end of each Bond Year or the end of each 5th Bond Year.

Once selected, the issuer may not change the computation date after the 1st required Rebate Payment date.

Computation Date Credit

Computation Date Credits are applied on the last day of each bond year during which there are amounts allocated to gross proceeds of an issue that are subject to the rebate requirement, and on the final maturity date.

Computation Period

The computation period may be selected by the issuer and is the period between the Computation Dates.

Gross Proceeds

All sales proceeds (any amounts actually or constructively received by the issuer from the sale of the debt,

including amounts used to pay underwriter's discount or fees, but excluding pre-issuance accrued interest); investment proceeds (any amounts received from investing sales proceeds or other investment proceeds); Transferred Proceeds as further defined; replacement proceeds (any amounts held in a sinking fund, pledged fund, reserve fund, or otherwise set aside to pay debt service; and disposition proceeds (any funds that must be included due to a change in use).

Investment Yield

Treas. Reg. § 1.148-5(b)(1) provides that the yield on an investment allocated to an issue is the discount rate that, when used in computing the present value as of the date the investment is 1st allocated to the issue of all unconditionally payable receipts from the investment, produces an amount equal to the present value of all unconditionally payable payments for the investment.

Materially Higher Yield

Treas. Reg. § 1.148-2(d)(1) provides that the yield on investments is materially higher than the yield on the issue to which the investments are allocated if the yield on the investments over the term of the issue exceeds the yield on the issue by an amount in excess of the applicable definition of materially higher set forth in Treas. Reg. § 1.148-2(d)(2). If yield restricted investments in the same class are subject to different definitions of materially higher, the applicable definition of materially higher that produces the lowest permitted yield applies to all the investments in the class.

Proceeds

All sales proceeds (any amounts actually or constructively received by the issuer from the sale of the debt, including amounts used to pay underwriter's discount or fees, but excluding pre-issuance accrued interest); investment proceeds (any amounts received from investing sales proceeds or other investment proceeds) and Transferred Proceeds as further defined.

Rebate Installment Payments

IRC §148(f)(3) requires that rebate be paid at least once every 5 years during the life of the debt. Each rebate payment must be paid no later than 60 days after the Computation Date to which the payment relates. The last rebate payment is due no later than 60 days after the last debt is redeemed. Any rebate payment paid within the 60-day period may be treated as paid on the computation date to which it relates. Except for the Final Rebate Payment, the amount of each required Rebate Installment Payment is at least 90 percent of the calculated rebate amount as of that Computation Date, taking into account the future value of previous rebate payments.

Small Issuer Exception

Under IRC § 148(f)(4)(D), governmental bonds issued by a governmental unit that does not expect to issue more than \$5 million of governmental bonds in that calendar year are exempted from the rebate requirements, but not yield restriction rules.

The Taxpayer Relief Act of 1997 supplements the \$5 million Small Issuer Exception, which can be used for any purpose, with up to an additional \$5 million to specifically finance new construction of public school facilities. This increased limit applies to debt issued from January 1, 1998 through December 31, 2001.

The Economic Growth and Tax Relief Reconciliation Act of 2001 supplements the \$5 million Small Issuer Exception, which can be used for any purpose, with up to an additional \$10 million to specifically finance new construction of public school facilities. This increased limit applies to debt issued on and after January 1, 2002.

Spending Exception

Spending exceptions may apply to exempt from the rebate requirements, arbitrage earned on certain proceeds of an issue, if the issuer spends the proceeds in accordance with prescribed 6-month, 18-month, or 2-year schedules.

Rebate Payments

IRC § 148(f)(3) requires that rebate be paid at least once every 5 years during the life of the bonds. Each rebate payment must be paid no later than 60 days after the computation date to which the payment relates. The last rebate payment is due no later than 60 days after the last bond is redeemed. Any rebate payment paid within the 60-day period may be treated as paid on the computation date to which it relates. Except for the Final Rebate Payment, the amount of each required Rebate Installment Payment is at least 90 percent of the rebate amount as of that computation date, taking into account the future value of previous rebate payments.

Temporary Periods

The initial period during which the use of bond proceeds to acquire higher yielding investments will not cause the bonds to be arbitrage bonds.

Transferred Proceeds

Treas. Reg. § 1.148-9 provides that when proceeds of a new refunding issue discharge the outstanding principal of a prior issue, the proceeds of the prior issue transfer to the refunding issue and become transferred proceeds of the refunding issue.

Yield Restriction

After the applicable temporary period is over, bond proceeds must be yield restricted. Yield restriction can be achieved in two ways:

- Investment of proceeds in securities that do not exceed the permitted yield; OR
- Investment of proceeds above the permitted yield followed by making Yield Reduction Payments. (Note that under Treas. Reg. § 1.148-5(c)(3), Yield Reduction Payments may be made only for certain types of proceeds.)

Yield Reduction Payments

Treas. Reg. § 1.148-5(c)(2)(i) provides that yield reduction payments must be paid to the United States at the same time and in the same manner as rebate payments. The provisions that apply to Rebate Payments, such as due dates, making 90 percent installment payments, correction of late payments, and recovery of overpayments, all apply to yield reduction payments as well.

NOTES AND ASSUMPTIONS

1. The PAR amount of the Debt is \$10,122,098.17.
2. The Delivery Date of the Debt is February 28, 2020.
3. The Computation Date is February 27, 2025.
4. The Computation Period is February 28, 2020 to February 27, 2025.
5. The Bond Yield on the Debt is 2.429973%.
6. The Investment Yield is 0.75428009%
7. The Arbitrage Rebate Liability, as of the end of the calculation period, is (\$1,967.22).
8. We have reviewed available Debt documents to determine the sources and uses of the Debt for purposes of identifying Gross Proceeds.
9. The Debt constitutes a single issue for federal taxation purposes and is not treated as part of any other issue of governmental obligations.
10. Computations of yield are based on a 360-day year with semi-annual compounding.
11. Purchase prices on investments are assumed to be at fair market value and represent an arm's length transaction.
12. We have applied the Computation Date Credit amounts set forth in the Regulations for bond years ending on or after January 1, 2007.

Arbitrage Rebate Calculation

Period 02/28/20 to 02/27/25
 Bond Yield 2.42997300%
 Investment Yield 0.75428009%
Liability (\$1,967.22)

Period Ending	Relevant Cash Flow	Future Value Factor	Adjustment	Investment Yield	Present Value Factor	Total Future Value	Days of Period
02/28/20	(7,500.00)	1.12828568%				(8,462.14)	1799
03/01/20	(1,384.50)	1.12805861%				(1,561.80)	1796
03/03/20	0.62	1.12790725%				0.70	1794
03/04/20	7,499.38	1.12783158%				8,458.04	1793
04/02/20	0.93	1.12571483%				1.05	1765
04/03/20	(0.93)	1.12563931%				(1.05)	1764
04/14/20	1.55	1.12480887%				1.74	1753
05/01/20	1,385.33	1.12352668%				1,556.46	1736
05/04/20	0.30	1.12330056%				0.34	1733
02/27/21	(1,780.00)	1.10143424%	Computation Date Credit			(1,960.55)	1440
	(1,777.32)					Liability (1,967.22)	

PAR \$10,122,098.17
Report 05th Year Arbitrage Rebate Calculation
Period 02/28/20 to 02/27/25

EXHIBIT 2
Control # 3.00
Page 1 of 1

Listing of Investments by Fund

Bond Fund

BNY Mellon - 164958
Bona fide until closed on 8/31/20

Zions - 5965855A
Bona fide through 2/27/25

It has been determined that the Fund has been used primarily to achieve a proper matching of revenues with principal and interest payments within each bond year; as described under Section 1.148-1(b) of the Regulations.

Costs of Issuance Fund

BNY Mellon - 164918
\$137,238.12 Spent at closing
Goldman FS Gov Inst 465 (2/28/20 - 4/14/20)

Current Refunding Proceeds

\$10,122,098.17
Held in cash until spent

Rebate Fund

BNY Mellon - 164980
Not funded through 8/31/20 when closed

Zions - 5965855D
Not funded through 2/27/25

Transferred Proceeds

Revenue Allocation Bonds, Series 2010
Goldman FS Money Market Fund (3/1/20 - 5/4/20)

We have included the unspent proceeds of the Refunded Bonds to reflect the portion that is subject to the Bonds. The proceeds of the fund were invested at or below the materially higher yield.

PAR \$10,122,098.17
 Report 05th Year Arbitrage Rebate Calculation
 Period 02/28/20 to 02/27/25

EXHIBIT 3
Control # 3.00
Page 1 of 1

Proof of Investment Yield

Investment Yield 0.75428009%

Period Ending	Investments	Value Factor	Value	Proceeds	Value Factor	Value
02/28/20	(7,500.00)	1.03833883%	(7,787.54)		1.03833883%	
03/01/20	(1,384.50)	1.03827368%	(1,437.49)		1.03827368%	
03/03/20	(1,384.50)	1.03823026%	(1,437.43)	1,385.12	1.03823026%	1,438.07
03/04/20	(0.62)	1.03820855%	(0.64)	7,500.00	1.03820855%	7,786.56
04/02/20	(0.83)	1.03760079%	(0.86)	1.76	1.03760079%	1.83
04/03/20	(0.93)	1.03757909%	(0.96)		1.03757909%	
04/14/20		1.03734043%		1.55	1.03734043%	1.61
05/01/20		1.03697171%		1,385.33	1.03697171%	1,436.55
05/04/20		1.03690665%		0.30	1.03690665%	0.31
	(10,271.38)		(10,664.93)	10,274.06		10,664.93

PAR \$10,122,098.17
Report 05th Year Arbitrage Rebate Calculation
Period 02/28/20 to 02/27/25

EXHIBIT 4
Control # 3.00
Page 1 of 2

Investment Detail - Costs of Issuance Fund - BNY Mellon - 164918

Goldman FS Gov Inst 465 (2/28/20 - 4/14/20)

Net	1.55		Yield	1.24206543%
Date	100% \$	Type	Alloc. %	Alloc. \$
02/28/20	(7,500.00)	Balance Start	100.00000%	(7,500.00)
03/03/20	0.62	Interest	100.00000%	0.62
03/04/20	(0.62)	Principal	100.00000%	(0.62)
03/04/20	2,500.00	Maturity	100.00000%	2,500.00
03/04/20	5,000.00	Maturity	100.00000%	5,000.00
04/02/20	0.93	Interest	100.00000%	0.93
04/03/20	(0.93)	Principal	100.00000%	(0.93)
04/14/20	1.55	Maturity	100.00000%	1.55

PAR \$10,122,098.17
Report 05th Year Arbitrage Rebate Calculation
Period 02/28/20 to 02/27/25

EXHIBIT 4
Control # 3.00
Page 2 of 2

Investment Detail - Transferred Proceeds - Revenue Allocation Bonds, Series 2010

Goldman FS Money Market Fund (3/1/20 - 5/4/20)

Net	1.13		Yield	0.49011230%
Date	100% \$	Type	Alloc. %	Alloc. \$
03/01/20	(1,384.50)	Accrued I	100.00000%	(1,384.50)
03/03/20	(1,384.50)	Principal	100.00000%	(1,384.50)
03/03/20	1,384.50	Interest	100.00000%	1,384.50
04/02/20	(0.83)	Principal	100.00000%	(0.83)
04/02/20	0.83	Interest	100.00000%	0.83
05/01/20	1,385.33	Maturity	100.00000%	1,385.33
05/04/20	0.30	Interest	100.00000%	0.30

PAR \$10,122,098.17
Report 05th Year Arbitrage Rebate Calculation
Period 02/28/20 to 02/27/25

EXHIBIT 5
Control # 3.00
Page 1 of 1

Calculation Credits

Period 02/28/20 to 02/27/25

Date	Transaction Type	Amount
02/27/21	Computation Date	(1,780.00)