



PROPOSAL TO PROVIDE  
ARBITRAGE REBATE SERVICES TO  
NEWHALL SCHOOL DISTRICT

---



June 9, 2020

Sheri Staszewski  
Assistant Superintendent, Business Services  
Newhall School District  
25375 Orchard Village Road, Suite 200  
Santa Clarita, California 91355

Dear Mrs. Staszewski:

Causey Demgen & Moore P.C. (herein referred to as "Causey") is pleased to submit this proposal to provide calculations of the arbitrage rebate liability, if any, associated with the \$19,995,858.10 General Obligation Bond Anticipation Notes (herein referred to as the "Notes") issued by the School Facilities Improvement District N. 2011-1 of the Newhall School District (herein referred to as the "District") for the 2020 and 2021 fiscal year computation period .

### **OBJECTIVES AND SCOPE**

The objective of each engagement will be to provide a comprehensive arbitrage rebate report including firm opinion, bond yield calculation, analysis and summarization of investment activity, and the determination of the amount of rebatable arbitrage, if any, owed by District to the U.S. Department of the Treasury associated with the applicable issue of Notes. The engagements will be performed using records provided to us by or on behalf of the District. Inasmuch as we will be relying on records which we will not audit, we do not take responsibility for finding or reporting on any irregularities which might result if the records provided are incomplete or inaccurate.

For each note issue our arbitrage rebate calculation services will encompass the following:

- Review of pertinent documentation including the Arbitrage Certificate, Official Statement, Verification Report, if any, Investment Agreements, if any, and IRS Form 8038,
- Determination of the actual yield on the applicable issue of Notes,
- Analysis of transaction reports for each fund and account to allocate deposits, transfers, interest earnings, and cash disbursements between purpose and non-purpose investments,
- Analysis of any commingled funds or debt service residual funds,

Mrs. Staszewski  
Newhall School  
District June 9, 2020

- Review of the particular circumstances to determine which, if any, of the statutory arbitrage rebate exemptions apply (such as the bona fide debt service fund exemption, small issuer exemption, six-month expenditure exemption and two-year spend-down exemption),
- Review of the particular circumstances to determine if any transferred proceeds calculations are required,
- Coordination with bond counsel on issues, if any, requiring a legal opinion or interpretation,
- Calculation of the required arbitrage rebate liabilities for the various computation periods set forth in the Tax Certificates or as otherwise selected by District.
- Prepare IRS Form 8038-T, if necessary.

We do not take responsibility for interpreting the regulations with respect to the excludability from rebate consideration of certain funds or transactions. When an interpretation is required, we rely on bond counsel's opinion.

### **INFORMATION REQUIRED FROM DISTRICT**

For each issue of Certificates, we will require the following documents and information:

- ♦ Arbitrage Certificate
- ♦ Investment Agreements, if any
- ♦ Verification Report, if any
- ♦ IRS Form 8038
- ♦ Copies of the monthly or annual bank transaction summary reports for all funds from the date of issuance of the applicable issue of Notes through and including the most recently completed calendar month

### **TIMING AND FEES**

We are prepared to start our engagement upon receipt of written approval of this proposal, and anticipate that each engagement will be completed in a timely manner after receipt of the necessary information.

For this engagement our fee allocable to each of the various bonds will be a function of the scope of work required to complete each engagement. Our estimated fee schedule will be as follows:

- For the Notes, we estimate our fee will be between \$1,500.00 to \$2,000.00.

Mrs. Staszewski  
Newhall School District  
June 9, 2020

To the extent our actual fees differ from this estimate, we will discuss the reasons for such divergence with the District and negotiate the appropriate revision to our fees (for example if a transferred proceeds analysis, multipurpose allocation analysis, or an allocation of comingled fund analysis is required).

The fees quoted above represent the maximum expected fee for each specific situation. Typically we are able to complete our analysis in less time than budgeted. If this is the case for this engagement, we will bill the District only for the time we have invested.

The fees quoted above do not include the fees for any services or opinions' required from Bond Counsel. While we do not anticipate requiring any services or opinions from Bond Counsel, to the extent that such services or opinions are required, District will be responsible for the related legal fees; however, we will obtain your approval of Bond Counsel and related fees prior to authorizing such work. It is our practice to submit our invoice at the completion of each computation, with payment due thirty (30) days from the invoice date.


Our fees for services which are not included in this proposal, including assistance in the event of an IRS audit, will be based on our hourly billing rates which range from \$40 to \$400 per hour.

We greatly appreciate the opportunity to submit this proposal to you. If you have any questions regarding this proposal, please call me. If you consent to the terms and conditions of this proposal, please sign below and return one copy to me. Upon receipt by us of an executed copy of this proposal, this proposal will become a binding contract between District and Causey.

Very truly yours,

CAUSEY DEMGEN & MOORE P.C.

APPROVED BY:

By:   
\_\_\_\_\_  
Amy L. Yowell  
Engagement Manager  
Causey Demgen & Moore P.C.

\_\_\_\_\_  
Sheri Staszewski  
Asst. Superintendent Business Services  
Newhall School District