



James Marta & Company
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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If your entity have issued debt either short or long term, it may be subject to certain requirements...

We Can Help You Meet the Challenges of Bond Arbitrage Reporting and Compliance

The issuance of debt is quite a challenge; however, you are faced with additional challenges after the issuance. These challenges include compliance with the IRS regulations, avoidance of penalties, and the loss of your bond's exempt rating. We have been preparing special calculations for governmental entities since 1992 and have extensive experience and training in the area of arbitrage rebate tax. As a certified public accounting firm, we are familiar with and understand the finance issues and would like to help you face the challenges of ensuring compliance with arbitrage requirements.



Complement your team with a resource that can bring you solutions

Trained & Knowledgeable ▪ A Resource to You Right Away ▪ Proven Results

Our Unique Approach to Arbitrage Calculation

Although the Internal Revenue Code Section 148 requires excess arbitrage earnings to be calculated and refunded at a minimum of every five years, we recommend this calculation be updated annually. In doing so, an annual calculation will help you monitor key issues with arbitrage including:

- Determine if a material liability has accrued
- Ensure sufficient funds are set aside for arbitrage liability
- Monitor investment earnings yield versus the debt yield
- Identify the cost of compliance against interest earnings
- Identify both positive and negative arbitrage
- Ensure compliance with IRS regulations and avoid penalties
- Provide oversight over the administration of the bond proceeds
- Provide security and assurance to bondholders of compliance
- Ensure proper transactional data is collected and maintained for the bond issue
- Identify possible additional earnings on your debt investment to cover interest costs
- Identify any excess earnings that should be set aside to refund the IRS and not spent by the project



In the course of preparing the calculation, we verify and tie-out all proceeds and help you identify and discover any additional funds.

We have extensive experience with arbitrage accounting and reporting

- Completion of the Government Finance Officers Association (GFOA) courses on capital finance and debt management for understanding and calculating arbitrage rebate
- Presentation at California Association of School Business Officials (CASBO) annual conference, “Understanding and Accounting for your Debt Issues”
- Consultant to over 20 entities



We Bring Value

- Our understanding and knowledge assures you a reliable resource to meet your needs.
- We provide quality and timely services.
- We commit a higher level of staff to your engagement.
- Since we are dedicated to serving entities like yours, our staff has the experience to serve you.
- We use the latest technology in our process to keep us efficient.
- We put all this together to bring you better value.

Knowledge + Service + Commitment + Experience + Cost = Value

Comprehensive Financial Consulting Services

- Rebate Calculation Report
- Bond Yield Calculation
- Investment Activity Summary
- Debt Accounting and Calculation
- Compliance with IRS Regulations
- Rebatable Arbitrage Determination
- Bond Defeasance Analysis and Accounting
- Multi-funded Project Analysis and Accounting

Contact us today and see how we can assist you even if you just have basic questions

James Marta CPA, ARM

E-mail us at jmarta@jpmcpa.com or call 916-993-9494. Visit our website at www.jpmcpa.com.
