

Indiana Bond Bank
2015 Advance Funding Program - Principal and Interest Schedule (Series A)

Entity: City of Beech Grove

FUND	PRINCIPAL 6/30/2015	INTEREST(1) 6/30/2015	PRINCIPAL 12/31/2015	INTEREST (2) 12/31/2015	DISTRIBUTED 1/2/2015		AMOUNT (4) DISTRIBUTED 1/29/2015
					INTERIM 1/29/2015	INTERIM INTEREST(3)	
Fire Pension	\$ 0.00	\$0.00	\$ 670.00	\$ 5.25	\$ 603.00	\$ 0.30	\$ 66.70
General	666,082.00	\$2,374.77	1,129,812.00	8,856.47	1,616,304.00	806.13	178,783.87

(1) Interest for June Warrants - 0.85% x 151 / 360 (flexible warrants only if there is a delay in June tax distribution due to reassessment.)

(2) Interest for December Warrants -0.85% x 332 / 360

(3) Interim Interest -0.67% x 27/360 -- Interim amount plus interest was withheld from your 1/29/2015 distribution.

(4) [June Principal] + [December Principal] - [Interim] - [Interim Interest]

Please retain this schedule for your records.

Kelly M. Mitchell
Chairman, Indiana Bond Bank
Treasurer of State

Ronald L. Mangus
Acting Executive Director

Patrick F. Carr
Vice-Chairman



Board of Directors:

Philip C. Belt
David O. Mann
Cynthia B. Walsh
Marjorie H. O'Laughlin
Kendra W. York

MEMORANDUM

DATE: January 29, 2015
TO: 2015 Advance Funding Program Participants
FROM: Ron Mangus, Acting Executive Director
RE: Closing Memo – 2015 Advance Funding

SETTLEMENT AND INTEREST CALCULATIONS

I have enclosed the attached schedule that shows the principal and interest due for your 2015 tax anticipation warrants purchased by the Bond Bank on January 29, 2015. Please retain this schedule for your records. The calculations were based on the following:

- Interim Warrants (January 29, 2015 Maturity): Warrant Amount x 0.665% x 27/360
- Short Warrants - June 30, 2015 Maturities: Warrant Amount x 0.85% x 151/360 (see note below)**
- Long Warrants - December 31, 2015 Maturities: Warrant Amount 0.85% x 332/360

This information is being provided at this time to allow you the opportunity to review the projected interest expense and verify that the necessary appropriations will be available on the maturity date(s).

**** Entities that have a Short Warrant must make the full payment on June 30, 2015 unless the Bond Bank is notified in writing that you expect a delay in receipt of your June settlement due to property tax distribution delays. Entities must contact the Bond Bank prior to receipt of your spring settlement (if you anticipate a delay). Repayment of your Short (flexible) Warrants will be due within 4 business days upon receipt of your spring settlement but no later than December 31, 2015.** The Bond Bank will provide an invoice with wiring instructions when notified of the June distribution.

TRUSTEE

Please note that the Advance Funding Program trustee is **Huntington National Bank**. This is a new trustee for the Advance Funding program. The Bond Bank will send wiring instructions with the invoice one month in advance for your June 30th & December 31st payments.

INTERIM BORROWERS

If you participated in the interim borrowing program, you will find listed on your settlement schedule additional columns that state the principal and interest associated with the interim borrowing. **The interest associated with the interim borrowing was withheld from the funds that were deposited into your account on January 29, 2015.**

The withholding of the interim interest was required so that the Bond Bank could repay the provider of these short-term funds on January 29, 2015. ***Be sure that you take the necessary steps to properly record the warrant proceeds and interest expense associated with this borrowing.***

MID-YEAR WARRANT PROGRAM

The Bond Bank will be issuing another series of tax warrants for those participants who might require additional cash flow assistance for the second half of the year. Those participants who are eligible to issue additional warrants (based on the initial 2015 cash flow projections) will receive the information pertaining to the mid-year program in late March. The Bond Bank currently anticipates making the mid-year program funds available in June or earlier if necessary.

ARBITRAGE COMPLIANCE

Those participants deemed as “Large Borrowers” (defined by Federal tax law) will receive under separate cover, paperwork concerning arbitrage rebate compliance. In this instance, a Large Borrower is defined as a borrower that issues or plans to issue, in excess of \$5 million in tax-exempt obligations during 2015. The \$5 million includes the tax warrants issued through the Advance Funding Program. Please note that school corporations may be able to issue up to \$15 million in tax exempt obligations and be considered a small issuer.

It is important to note that while the Bond Bank is willing to assist participants with insuring compliance with the federal arbitrage regulations, **each participant is responsible for any rebate owed or penalties assessed as a result of non-compliance.**

Those borrowers that are planning to issue under \$5 million in tax-exempt debt in 2015 (small issuers) need to do nothing at this time. *If you are anticipating issuing in excess of \$5 million in tax-exempt debt and **do not** receive the paperwork by February 14th, please contact me, as soon as possible.*

CONTINUING DISCLOSURE

Please find attached an excerpt from your Warrant Purchase Agreement (WPA) with the Bond Bank. Please carefully review Section 5.11 of the WPA including Attachment E. The WPA including Section 5.11 will be included with your transcript provided by Bingham Greenebaum Doll. Please complete and send Attachment E to the Bond Bank only if one of these events occur within ten (10) days of the event.

SUMMARY

The Bond Bank appreciates the opportunity to provide a program that makes the process of issuing tax anticipation warrants more efficient and effective. As always, if you should have any questions or need additional information, please do not hesitate to call.

Attachments