



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
10715 David Taylor Drive
Charlotte, NC 28262

Date:

11/14/2016

Person to contact / ID number:

Robin M Helton

Employee ID number: 1000860528

Contact telephone number:

704.548.4255

Contact fax number:

855.243.0740

Manager's name / ID number:

Janae Lemley

Manager's telephone number:

636.255.1202

Form:

8038-G

Issue date:

September 27, 2007

Re: Combination Tax and Revenue Certificates of Obligation, Series 2007

Dear Mr. [REDACTED]

Why you're receiving this letter

We selected your debt issuance named above (Bonds) for audit.

Why we selected this debt issuance

We routinely examine municipal debt issuances to determine compliance with federal tax requirements. There are several ways we select a municipal debt issuance for examination. We may select it as part of an initiative, project or referral, due to a questionable or unusual item on the return, or as a random selection. We use a centralized case selection and review process to enhance consistency of enforcement activities, and to focus resources on areas having the most positive impact on municipal debt issuances. Our tasks include identifying areas of noncompliance, developing corrective strategies, and assisting with those strategies.

Information document request

We are enclosing Form 4564, *Information Document Request*, listing the items I need to conduct the audit. If you have questions about this request, need more time to provide certain items, or want to suggest alternatives to certain documents or information, you can call me.

Your rights as a taxpayer

Publication 1, *Your Rights as a Taxpayer*, includes information about your rights as a taxpayer, the audit process, and procedures required for third-party contacts. Take a few minutes to read it. Some aspects of audits of tax-advantaged Bonds are different from those described in Publication 1. You can find this publication at www.irs.gov/Forms-&-Pubs.

Audit process

I'll review the information you provide and contact you with any questions I have or if I need additional information. I may need to interview someone familiar with the Bonds. If I need to tour the bond-financed facilities, I'll schedule a visit with you.

After completing my review, I'll discuss my findings with you and explain if the tax-advantaged status of your Bonds is affected. Many cases involve no proposed changes to the Bonds' status. If I find potential problems with the Bonds' qualification, I'll explain your options to resolve the problems without affecting the holders of the Bonds.

If you don't agree with my determination, I'll prepare written findings and explain the appeal procedures. You can request a conference with my manager or an IRS Appeals official because a final adverse determination may impact the holders of the Bonds.

Representation

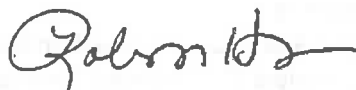
The IRS handles your tax return information, including this audit, confidentially. You can have someone represent you during any part of the audit, or you can authorize me to disclose information to another party who is not your representative. If you want someone to represent you, provide a completed Form 2848, *Power of Attorney and Declaration of Representative*, to me. If you want to authorize someone else to receive confidential information during this audit, provide a completed Form 8821, *Tax Information Authorization*, to me. Both Forms 2848 and 8821 are available at www.irs.gov/forms-&-pubs. I enclosed special instructions to assist you in completing the **Taxpayer Information** and **Tax Matters** sections of Forms 2848 and 8821 for municipal debt issuances.

Communication

You can call me to discuss any potential issues and keep me informed of unavoidable delays, and I'll do likewise. The audit will proceed faster if we address questions and concerns, and provide information to each other in a timely manner. You can also speak to my manager at any time. My manager's name and telephone number are listed at the top of this letter.

Thank you for your cooperation in this matter.

Sincerely,



Robin M Helton
Internal Revenue Agent, Tax Exempt Bonds

Enclosures:
Form 4564
Supplemental instructions for completing Form 2848 or 8821

Form 4564	Department of the Treasury Internal Revenue Service Information Document Request	Request Number 01
To: (Name of Taxpayer and Company, Division or Branch) [REDACTED]	Subject: Examination of the tax- advantaged status of the Bonds described below	
	Submitted to: J. Mark Browne	
	Dates of Previous Requests: N/A	

Description of Documents Requested:

Re: Combination Tax and Revenue Certificates of Obligation, Series 2007 (the "Bonds")

Please provide the following requested information by the date indicated below. If you have questions about the information requested or you will not be able to provide the information by the date specified, please contact the requestor identified below. Providing as many of the documents as possible on a rewritable CD or other electronic media will facilitate the examination process.

General

- (1) Please provide a description of the current status of the Bonds (i.e., outstanding, retired, refunded, defeased, etc.).
- (2) If any of the Bonds have been partially or totally refunded, please identify the CUSIP numbers for the refundings, and provide copies of the Official Statements if not available on the MSRB-EMMA website and any verification report created if the refunding transaction was an advance refunding.
- (3) Please provide a schedule of the total interest expense paid on the Bonds from the issue date to the most recent interest payment date.
- (4) Please provide a complete copy of the bond transcript.
- (5) Please provide copies of any and all amendments to the documents contained in the bond transcript (e.g., trust indenture, management contracts, etc.).

Proceeds

- (6) Please identify the proceeds (as defined in 1.148-1(b)) of the Bonds, including:
 - (a) Sale proceeds,
 - (b) Investment proceeds,

Information Due By	12/16/2016	At Next Appointment		Mail In	X
FROM	Name and Title of Requestor Robin M Helton, Internal Revenue Agent Employee Number 1000860528			Date: 11/14/2016	
	Office Location: 10715 David Taylor Drive Charlotte, NC 28262	Voice	704.548.4255	Email	robin.helton@irs.gov
		FAX	855.243.0740	Page 1	

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- (c) Transferred proceeds, and
- (d) Replacement proceeds.
- (7) Please identify the amount of proceeds of the Bonds used for a reasonably required reserve and replacement fund.
- (8) Please describe the accounting method used to account for gross proceeds, investments, and expenditures of the Bonds and how this accounting method is reflected in the issuer's books and records. (Note: If an issuer fails to maintain books and records sufficient to establish the accounting method used for an issue and the allocation of the proceeds of that issue, specific tracing method must be used.)
- (9) Have there been any bona fide deviations from the accounting method used? If so, please describe.

Arbitrage and Yield Restriction

- (10) Please provide a copy of the any rebate report prepared for the Bonds.
- (11) Please provide a copy of any spending exception report or small issuer report prepared for the Bonds which is not a part of the rebate report.
- (12) Please provide a copy of any yield restriction analysis prepared for the Bonds.
- (13) Please provide a computation of the yield on the Bonds.
- (14) Please provide a description of any qualified guarantee whose costs are treated as additional interest costs in determining the yield on the Bonds, including a copy of all agreements and associated certificates.
- (15) If any portion of the proceeds of the Bonds were used to advance refund the debt service of another issue, please provide a copy of the verification report for any escrow fund established.
- (16) Please describe any funds other than those identified in the tax certificate which have been pledged as security or otherwise made available to pay debt service on the Bonds. Such funds may include amounts received from grants, dedicated tax

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- revenues (such as ad valorem taxes), endowment funds, deposits, or other funds required to be maintained at a certain level.
- (17) Please provide copies of trust statements for all accounts established under the trust indenture or otherwise pledged to the Bonds. Include all statements for the bond year leading up to the most recent computation date.
- (18) Please provide a statement of assets, or other documentation, showing the value of each nonpurpose investment held in each account purchased with gross proceeds of the Bonds for any date the investments must be valued (e.g., a computation date).
- (19) If a rebate report has not been prepared in connection with the Bonds, please provide the following:
- (a) a description of how the issuer ensures the yield restriction and the arbitrage rebate requirements have been met;
 - (b) a description of any financial derivative products, such as swaps, options, floats, caps, collars, etc., that were integrated in the computation of the yield on the Bonds;
 - (c) a description of any financial derivative products related to the Bonds which were not integrated;
 - (d) a description of any investments of proceeds of the Bonds whose yield exceeded the yield on the Bonds, whether during any temporary period or not; and
 - (e) a description of any exception from rebate the Bonds have qualified for.
- (20) Please provide a copy of the latest Form 8038-T, if filed.

Record Retention / Post Issuance

- (21) Internal Revenue Code section 6001 requires that every person liable for any tax imposed by title 26 of the U.S. Code shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the

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Secretary may from time to time prescribe. Have adequate records necessary to substantiate compliance and support the continued exclusion from gross income of the interest paid on the Bonds been retained? If "No", please describe any deficiencies in the records retained.

- (22) Are there written procedures, other than bond documents provided at closing, which contain the following key characteristics to ensure that violations are timely identified and corrected so that the Bonds remain in compliance with federal tax requirements from the time they are issued until they are no longer outstanding?
- (a) Due diligence review at regular intervals?
 - (b) Identification and training of the officer or employee responsible for review?
 - (c) Retention of adequate records to substantiate compliance (e.g., records relating to the allocation of proceeds, etc.)?
 - (d) Procedures reasonably expected to timely identify noncompliance?
 - (e) Procedures to ensure that steps will be taken to timely correct noncompliance?

Power of Attorney

- (23) Please complete and email or fax Form 2848 if you intend to have a representative handle this examination. (See enclosure on proper completion of Form 2848 for tax exempt bond examinations.) If your representative acted as bond counsel for the issue under exam, a conflict of interest waiver as described in section 10.29(b)(3) of Circular 230 must accompany the Form 2848.

The information requested above is to assist us in determining compliance of your bond issue with the relevant tax exempt bond provisions of IRC sections 103, and 141 through 150 of the Internal Revenue Code.

Additional information may be requested at a later date if needed.

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