

ECKERT S E A M A N S

STIFEL

M&T Bank

Top Ten in Finance for 2025

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LIVE FROM GETTYSBURG

IT'S THE LATE NIGHT SHOW WITH YOUR HOSTS.....

You late night hosts:



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A BRIEF INTERRUPTION

TOP TEN THINGS THAT CHANGED IN 2024

Top Ten Things In Finance That May Surprise You



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10. “ACCOUNT STRUCTURE” DOES NOT MEAN YOU HAVE 25 INDIVIDUAL ACCOUNTS FOR EACH FUND AND PAY EVERYONE IN CASH

- ❑ DCED account guidelines – the rules changed in the 90s
- ❑ Account structures that protect government entities from fraud, reduce cost and increase return
- ❑ The future: speeding up payments and online payment.

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9. LGUDA IS A LAW AND NOT A DISEASE

Need more time?

- for interim financing loan before permanent financing (PennVest/USDA/Bonds) or
- to extend original draw period to complete capital project

Significant modification

- “reissuance” under Internal Revenue Code

Compliance with Local Government Unit Debt Act

- within prior DCED approval?

Banking underwriting process to do so

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8. WHAT ARE UNEXPENDED PROCEEDS?

- ❑ Amend original Ordinance under the Local Government Unit Debt Act to change project scope
 - (Pre/Post) Advertise Amending Ordinance
 - Provide Notice filing to DCED

- ❑ Arbitrage
 - Does an exception apply?
 - Is rebate owed to IRS?

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7. LEASING AND NOTES AND BEARS ...OH MY

- Does it constitute “debt” under the Local Government Unit Debt Act?
- Does it count against \$10,000,000 “bank-qualified” limitation?
- Does it constitute a “financial obligation” under SEC Rule 15c2-12?
- Equipment finance best practices and current trends
- Bears are just scary – leases and traditional financing should not be

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6. POLICIES AND PROCEDURES ARE NOT JUST FOR CORPORATIONS

Adopt to establish and set parameters/procedures for:

- Post-issuance compliance
- Continuing Disclosure
- Investments – Act 10
- Debt Policy
- Fund Balance Policy
- Banking Policy – Act 72 Policy

Rating agencies look favorably on these policies.

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5.

NOT ALL DISCLOSURES COME WITH SMALL PRINT

- CONTINUING DISCLOSURE

☐ Securities and Exchange Commission Rule 15c2-12

- Providing on-going annual financial information and notice of material events to the public bond market/investors
 - Audits (auditor shortage/delays)
 - Operating Data
 - List of Material Events in Rule
- Don't forget: Two additional events were added to the Rule in 2019
 - “financial obligations”

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4. FRAUDSTERS ARE REALLY GOOD... YOU JUST HAVE TO BE BETTER AT *CYBERSECURITY*

- ❑ Disclosure in bond offering documents

- ❑ Bank and IT internal controls -fight against *impersonation*
 - An oldie but a goodie.... The phone call
 - Account Verification Tools

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3. BE PREPARED FOR ANYTHING

- ❑ Michigan Township case
 - Wire instruction safeguards for bond and bank closings
 - Examples of wire diversion

- ❑ Check Fraud – Check Washing; Printing
 - The Fix: Payee Positive Pay

- ❑ ACH Fraud
 - The Fix: ACH Monitor / UPIC

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2. WE WISH THIS WAS AN APRIL FOOLS JOKE ...TAX-EXEMPT ISSUANCE TO BE DISCONTINUED?

Proposed Bill

How likely is it?

What impact would it have?

What to do?

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1. IT'S THE ECONOMY – PREDICTION?

- Volatility/Uncertainty:
 - Tariffs
 - Federal Reserve Discussions
 - Banks Response
 - 10 Year T Note
 - Return Rates

**Thank you for
your attention.**

Any Questions?



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