

Mun-Ease News

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About Our New 2018 Release

Welcome! This newsletter describes enhancements included in the 2018 release. You can download our 2018 release by going to the Downloads section of the Mun-Ease Website.

New Reports for Year-End CAFR

We have created new reports that can be inserted in an issuer's year-end Comprehensive Annual Financial Report (CAFR). These reports are contained in the Stand-Alone Reporting and Allocations modules. They include reports 04L and 67N.

New Windows 10 User Interface

Microsoft refers to the features and appearance of its Windows 10 operating system as the Metropolis Interface. Our 2018 release is developed with the Delphi 10.1 Berlin compiler that allows us to incorporate many features of the Metropolis interface into our software including the use of "themes."

A theme is a color scheme for the application. We evaluated almost all of the themes that Microsoft offers to developers. In our opinion, many of the themes are not appropriate for an application like Mun-Ease. While some of the color schemes are interesting, they are not particularly readable. Given these concerns, we chose the "Sky" theme for our 2018 version because it is easy-to-

read and does not distract from the purpose of the application.

We plan to continue the implementation of various Metropolis features as they become available.

New Video Tutorials

We have included five new video tutorials with this release. The user can initiate these tutorials by clicking on the Videos menu option of the Mun-Ease main menu. These tutorials are titled:

1. Introduction to Mun-Ease,
2. Reading and analyzing an official statement,
3. Entering a fixed-rate bond issue from an official statement,
4. Calculating the TIC for a fixed-rate bond issue,
5. Calculating the Arbitrage Yield for a fixed-rate bond issue.

We will release a complete set of video tutorials later this year.

New Commercial Paper (CP) Features

Commercial paper (CP) loans are short-term, unsecured, promissory notes with a duration less than 270 days. CP notes do not have a period longer than 270 days because they would then need to be registered with the Securities and Exchange Commission. In practice though, CP loans usually have a duration that is much shorter than 270 days. The duration of the loan is determined by the needs of the borrower and market conditions.

An issuer usually institutes a commercial paper program as an interim short-term financing measure for one or more capital

projects while those projects are in the construction phase. Once the project(s) are complete, the issuer usually swaps out the commercial paper borrowings for long-term debt. Note that issuers often maintain several ongoing commercial paper programs at the same time.

- New Mun-Ease Database Architecture for CP Rollovers

Mun-Ease maintains all rollovers in a commercial paper program within a single bond issue. Each CP rollover consists of two transactions (the amount issued and the amount redeemed). These two transactions are identified and linked to other rollovers by a CUSIP number. Each rollover can finance multiple projects and the projects associated with each rollover are defined in the Allocations module.

Our Mun-Ease 2018 release includes the following new features for CP Rollovers:

- Ability to link parent and child CP rollovers

A rollover can have more than one parent and can have more than one child. As mentioned earlier, all rollovers for a CP program are contained within a single bond issue. Each rollover within the bond issue is identified by the Bond ID and a CUSIP number. Note that the linkages between the current and past CUSIPs allow the user to create an audit trail of the rollovers within a CP program.

- Ability to allocate debt service of rollovers to projects

Allocations are linked to a specific rollover through the Bond ID and a CUSIP number in the DsvAlloc4 database table. When requested, Mun-Ease will display a window with a dual view of rollovers and associated allocations. This window displays the individual rollovers in a top grid and the related allocations for the rollovers in the bottom grid. As you scroll through the rollovers in the top grid, Mun-Ease will update view of the associated allocations in the bottom grid.

- Import Capabilities

Mun-Ease can import CP rollovers from a spreadsheet saved as a comma-delimited (.csv) file.

Updated Tutorials Guide

We have updated many of the examples in the Tutorials Guide. In the first chapter of our Tutorials Guide, we have included a new example that shows how to enter a fixed-rate bond issue from an official statement. Many of the sizing and refunding examples are new.

Note: Although recent legislation prohibits issuers from performing advance and crossover refundings, we do not believe that this legislation will be permanent. Most likely, these restrictions will be lifted after the 2020 election.

New Import Features

Mun-Ease can import spreadsheet data into its database after the input data is saved to a comma-delimited (.csv) file. The comma-delimited file must be in a format that we prescribe. If the comma-delimited file contains errors, Mun-Ease will write the erroneous transactions to an error file saved in a text (.txt) format. Mun-Ease appends an error message to each erroneous transaction in the error file.

The 2018 release of Mun-Ease also contains a new feature to help with importing data. When you choose to import data from a comma-delimited file, Mun-Ease allows you view the comma-delimited file and error file (if it exists) prior to initiating the importation of data.

New Features for Maturity-by-Maturity Allocations

The maturity-by-maturity method of allocations allows the user to apportion a share of the principal and interest of each

maturity in a bond issue to the various projects that are funded by the bond. This method of allocating debt service provides enormous flexibility to the user.

While this method is flexible, it is also easy for the Report and Allocations database tables to become quite large. For example, assume that an organization has 50 bond issues, each with an average of 30 maturities. Also, assume that debt service is allocated to 10 projects per maturity over a period of 30 years. How many allocations would reside on the Report database?

50 * 30 * 10 * 30 = 450,000 records.

Although Mun-Ease can easily handle the above scenario, we have some users who routinely create Allocation reports that are several hundred pages long. Report data in these cases is often over a million records. In these situations, the reports can take several hours to create.

We have thought long and hard about ways to improve the performance of Mun-Ease in these situations. After much deliberation, we have decided to add some new features to help users who are in this predicament. They are:

- We now have the ability to back up the allocations stored in the Report database table as of a certain date and time. We also have created custom Crystal Report specifications that allow you to generate reports directly from these database backups without initiating Mun-Ease.
- For example, if you need to rerun an allocations report with different selection criteria than was used originally, you can restore a backup of the report database and open a custom Crystal Report "spec." The custom report spec allows you to input new selection criteria. Thus you can create a new report without having to rerun Mun-Ease – allowing you to save a significant amount of time.