

Release 14.85

(March, 2012)

We added a new Monthly Accruals report (107MoI) to the Stand-Alone Reporting and Allocations modules. This report displays a side-by-side comparison of actual debt service disbursements and monthly accruals. The report can also accrue principal as well as interest.

We added two new Issuance Costs Amortization reports (#23a that uses the straight-line method and #92a that uses the effective interest method) to the Allocations module. Previously these reports were only available in the Stand-Alone Reporting module.

We added a new report entitled List of Cusips (#118) to the Stand-Alone Reporting module. This report lists the Cusip numbers of maturities in bond issues selected by the user.

We modified the List of Maturing Bonds (#103) report. Previously the report included only maturities of fixed rate bonds that were redeemed during the specified time period. The report now includes principal payments of variable rate bonds and notes that also mature within the specified time period.

We changed our backup routines to zip the database tables without the path names. This change should prevent the backup routine from aborting due to a lack of memory. This problem occurred when the directory path to the database was extremely long.

We added a new version of the Combined Debt Service on an Accrual Basis report (#76a). This report displays yearly totals without the detail.

We updated the 8038G tax form for the changes made to it by the IRS in September, 2011. We also updated the 8038-GC tax form to include additional information for paid preparers.

We revised report #75 in the SQL Server version of Mun-Ease. The SQL Server version of this report was not sorting correctly. We corrected a bug in the Paying Agent Advance Remittance report. Previously there were instances when the remittance date was not calculated correctly.

We revised report #1F in the SQL Server version of Mun-Ease. The SQL Server version was initiating this report using the BDE calling parameters instead of the SQL Server options. We also changed report #1F in both the SQL Server and BDE versions to display the total bond years and average bond years.

We added new reporting features for bonds that pay periodic fees along with interest payments. Users can now generate individual or combined debt service reports showing debt service with or without the periodic fees. The new features are included in the Stand-Alone Reporting and Allocations modules. Background: Issuers who borrow money from loan pools often pay an administrative fee along with their debt service payments. These administrative fees vary over time because they are often based on the amount of indebtedness as of each debt service payment. **See an example at the end of this document that shows how to enter information for BAB subsidies / periodic fees.**

Release 14.60

(August, 2011)

New Flow-of-Funds Feature in the Sizing Module

We added a new “flow-of-funds” feature the Sizing module. When sizing a bond issue that includes a debt service reserve (DSR) fund and a draw schedule that is net-funded, the user can choose to apply DSR interest earnings first to the construction fund. After the last construction draw, interest earnings from the DSR fund will then be disbursed directly into the debt service fund. This option allows the user to reduce the size of the initial deposit into the construction fund. Note that if the bond issue is also sized with a net-funded capitalized interest fund, then the initial deposit to that fund will increase marginally because this DSR interest is routed to the construction fund instead of the debt service fund.

This feature is in addition to options available for the DSR fund in previous versions of Mun-Ease. Previously, the user could choose to (a) disburse interest earnings directly to the debt service fund or (b) let interest earnings accumulate in the DSR fund.

New Cash Defeasance Features

Mun-Ease now has a capability to generate individual and combined debt service schedules for bonds that have been called in a cash defeasance. *Background:* When a user requests Mun-Ease to generate an individual or combined debt service schedule, Mun-Ease displays a window to allow the user to choose how called maturities are to be handled. Mun-Ease allows the user to view debt service (a) up to the defeasance date, (b) through the defeasance date, (c) through the call date, or (d) to the original maturity date (ignoring the calls). In most cases, the user will choose option "A" (up to the defeasance date) because the escrow account in an advance refunding assumes the legal responsibility for the payment of debt service on or after the date of refunding, (i. e., the defeasance date).

However, a cash defeasance is different from an advance refunding. In a cash defeasance, the issuer calls the bonds with his own cash. Thus the user would need to view the debt service through the defeasance date. To facilitate this need, Mun-Ease now provides a new field that allows the user to designate a called maturity as a cash defeasance (*file / fixed rate bonds / call/defeasance dates* menu option). When the user chooses to generate a debt service schedule up to the defeasance date, Mun-Ease will follow that rule unless the cash defeasance flag is set to “Y.” For those maturities, debt service is displayed through the defeasance date instead of up to the defeasance date.

Newly Updated 8038 Tax Forms

Mun-Ease generates completed arbitrage tax forms (8038, 8038-G, 8038-GC, 8038-T, 8038-CP, 8038-B, and 8038-R). When generating a tax form, Mun-Ease automatically inserts the issuer contact information and the results of our calculations into the requested form. The user has the option to override this information if needed.

In June, the IRS changed the 8038, 8038-T, and 8038-R tax forms. All of these forms now contain a section where contact information is input for paid preparers. Additionally the 8038 tax form contains a “miscellaneous” section where the issuer is to provide information on GICs, hedges, and compliance

procedures. The 8038 tax form is now three pages in length. With this release, we have updated all of these forms to reflect the recent changes made by the IRS.

Other Changes in the Arbitrage Module

We updated the Arbitrage module to include the calculation of computation credits for 2011. Mun-Ease automatically computes the amount of the computation credit when you press the F11 function while in the Rebate Transaction Grid. We also provide a yearly history of allowable amounts for computation credits since they were indexed for inflation in 2007. These amounts are displayed on the summary page of the Rebate Transactions Grid.

We added an option to print the *investment portfolio* reports (#29, a,b) for a selected date range. The report is generated through the *arbitrage / investment view / edit/add/delete* menu option.

New Features in the Stand-Alone Reporting Module

We have one very important objective with regard to the reporting features within the Stand-Alone Reporting module of Mun-Ease: That goal is to provide a full set of reports that can be exported from Mun-Ease directly into an issuer's Comprehensive Annual Financial Report (CAFR) or Comprehensive Annual Debt Report (CADR) with no customizations or formatting changes.

This release contains several new reports that help us meet our goal. Before describing these reports, we'll discuss some other new features that help us generate CAFR/CADR reports.

1. We have added new lookup codes that can describe various attributes of a bond issue or note. These codes include:
 - (a) an activity code (governmental, business, conduit), (b) a fiscal dated year code, (c) a purpose code, (d) a letter-of-credit (LOC) provider code (e) a tax code (taxable, tax-exempt, AMT, non-AMT), (f) a long-term/short-term debt code.
2. We have added new features to maintain information about letters of credit - LOC providers, effective dates, expiration dates, stated amounts, and committed amounts.
3. We added new fields related to the bond rating agency - insured and underlying bond ratings, and the bond insurer (if applicable).
4. We have added new report selection options to Mun-Ease. When selecting bond issues to be included in a report, the user can select bonds using any of the standard SQL operators (EQL, NEQ, GTR, LSS, GEQ, LEQ, and/or "Starts With" operators. The "Starts With" operator allows the user to select bonds based on a subset of a code value. For example, assume a city has allocated debt service to individual libraries within the city. Each library has an allocation code of LIB001, LIB002, LIB003, etc. If a user desires to view a report of allocated debt service for all libraries, he would use the "Starts With" operator and choose the "LIB" sub-string.

These features have enabled us to add four new reports that can be included in an issuer's CAFR/CADR. They are: (a) *summary of letters of credit* (#83e), (b) *current ratings summary* (#83d), *summary of outstanding debt* (#83e,f). You can view examples of these reports by choosing the *help / what's new* menu option within Mun-Ease.

We have also made some other changes to the Stand-Alone Reporting module:

- o We have also added a new *combined debt service schedule* (#04i) to the Stand-Alone Reporting module. This version displays a separate column for BAB subsidies.
- o We added a new column to the *combined debt service* reports #4c and #4a. The new column shows principal additions. Previous versions of the report showed only the principal payments (reductions).
- o We changed the *millage impact* reports so that the user can input negative growth rates for property tax assessed values. Previous versions required the user to enter a positive growth rate.

New Features in the Allocations Module

We added new *available-to-call* reports (95c,d) to the Allocations module. These reports are similar to the reports of the same name in the Stand-Alone Reporting module.

We added new *refunding history* reports (#116,b) to the Allocations module. These reports show a comparison of allocations in the refunding issue and the refunded bond issue(s).

We added a new *data entry proof* report (#31c) to the Allocations module. This report displays allocations sorted in an order similar to that used for data entry. The report is generated along with the *variance* report (#31b). We added new summary totals to the *allocations variance* report.

We modified the *allocations variance* report (#31b) to show call information (call date, call price, defeasance date, and the refunding bond ID) if the maturity has been called.

We corrected the routines to generate a combined debt service on an accrual basis report in the Allocations module. In previous versions, the report displayed the allocation coding block in the default format rather than the format defined by the user.

We added fiscal year totals for outstanding indebtedness in the #67 reports in the allocation module.

We modified the loan pool invoicing routines so that the user can input the invoice payment cycle date.

New Features in the Base Module

We added a new feature to lock the price/yield calculations for a fixed rate bond issue. *Background:* When entering a fixed rate bond issue, the user has the choice of entering a price and computing a yield or entering a yield and computing a price. After performing the calculations, users often tab through the maturity grid and inadvertently change a calculation. This new feature allows the user to lock the calculations in the maturity grid once the data entry process has been completed to minimize the chance of accidentally changing the calculations. The grid can be unlocked at any time.

We added a new *debt service schedule* report (#24i) for fixed rate bonds to the Base module. It is similar to report #24c except that it also displays the CUSIP number whenever a principal payment is made. We also added a new *debt service schedule* report (#01r) for variable rate bonds to the Base module. It is similar to report #01e except that it also displays the CUSIP number whenever a principal payment is made.

We added a new *detailed debt service schedule* (#3e) that displays debt service by CUSIP number and coupon payment date. This report can be provided to DTC to verify the payment amounts for each coupon payment date.

We added a new version of the *periodic resets* report (#94b). Previously the report displayed the periodic resets for the calculation of one variable rate debt service payment. The new version shows all periodic resets for a variable rate bond issue.

We modified the interface for inputting variable rate transactions from a spreadsheet. The new interface adds a column for a 16-character Tranche field. The Tranche field can be used to group commercial paper rollovers and to identify periodic fees within a bond issue.

We added new features for the data entry of commercial paper rollovers. The new features will assign default values to fields after the first rollover has been entered.

We enhanced the error messages that Mun-Ease displays when a user has entered incorrect options for performing price / yield calculations in the maturity grid. The new error message provides additional information for diagnosing the problem.

We modified the routines to import SLGS rates in a comma-delimited format from the Bureau of Public Debt website. The routines were modified because URL address changed and the comma-delimited format changed for SLG certificates (SLGS maturing in 12 or few months).

Miscellaneous Change – We have added a new option to the installation script for Mun-Ease. We now provide an option for the user to install the report specifications and personal files in either the “All User”/“Public” subfolder or in the <user name> subfolder where <user name> is the Windows sign-on. The previous version of the 14.0 installation script provided only the latter option.

Examples of Reports

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Current Ratings Summary

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As Of July 18, 2011

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		FITCH	MOODYS	S&P
Metropolitan International Airport				
	(AIRPORT)			
Airport Revenue Refunding Bonds Series 1998A	(AIRPORT-1998-A)			
Insured by: Financial Guaranty Insurance	(FGIC)	Aaa	AAA	Aaa
Underlying Rating		Aa	AA	Aa
Series 2007A (AMT)	(AIRPORT-2007-A)			
Insured by: AMBAC	(AMBAC)	AA	AA	Aaa
Underlying Rating		A-	A-	Aa
City of South Jordan				
	(CSJ)			
Series 2007 (Parks and Public Safety)	(CSJ-2007-_)			
Insured by: Municipal Bond Insurers Assn	(MBIA)	Aaa	AAA	Aaa
Uninsured Maturities		Aa	AA	Aa
Series 2009 (Public Safety)	(CSJ-2009-_)			
Insured by: Capital Assurance	(CAPASSUR)	Aaa	AAA	Aa
Underlying Rating		Aa	AA	Ab

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Direct Placement Banks
As Of May 12, 2011

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Project Description	Bank	Stated Amount	Committed Amount	Effective Date	Expiration Date
Norman Y. Mineta San Jose International Airport	(AIRPORT)				
Airport Revenue Refunding Bonds Series 1998A	(AIRPORT-1998-A)				
	J. P. Morgan	500,000,000.00	450,000,000.00	02/02/2011	02/02/2015
	Bank Of America	100,000,000.00	100,000,000.00	02/05/2011	01/01/2020
Airport Revenue Bonds, Series A	(AIRPORT-2001-A)				
	Bank Of America	5,000,000.00	1,000,000.00	01/11/2011	02/01/2015
Series B (NON-AMT)	(AIRPORT-2007-B)				
	Lloyds Bank	50,000,000.00	40,000,000.00	05/11/2007	05/11/2012
	U. S. Bank	100,000,000.00	60,000,000.00	05/20/2008	05/05/2020
		755,000,000.00		651,000,000.00	

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Summary of Outstanding Debt

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As Of 12/31/2011

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City of South Jersey

		Issue Amount	Issue Date	Final Maturity	Balance @ 12/31/2011
Long-Term Debt					
Business Activities		(BUSINESS)			
Metropolitan International Airport		(AIRPORT)			
Airport Revenue Bonds, Series A	(AIRPORT-2001-A)	158,455,000.00	08/14/2001	03/01/2031	133,525,505.00
Series 2002A	(AIRPORT-2003-02A)	53,600,000.00	01/09/2003	03/01/2018	54,551,425.01
Series 2002B (AMT)	(AIRPORT-2003-02B)	37,945,000.00	01/09/2003	03/01/2012	2,419,666.67
Series 2004C (AMT)	(AIRPORT-2004-C)	75,730,000.00	06/24/2004	03/01/2026	73,968,520.84
Series 2004D (NON-AMT)	(AIRPORT-2004-D)	34,270,000.00	06/24/2004	03/01/2028	34,841,166.67
Issuer Totals		360,000,000.00			299,306,284.18
Activity Totals		360,000,000.00			299,306,284.18
Governmental Activities		(GOVT)			
Metropolitan International Airport		(AIRPORT)			
Airport Revenue Refunding Bonds Series 1998A	(AIRPORT-1998-A)	14,015,000.00	01/01/1998	03/01/2018	6,642,802.50
Series 2007A (AMT)	(AIRPORT-2007-A)	545,755,000.00	09/13/2007	03/01/2047	555,315,483.33
Series B (NON-AMT)	(AIRPORT-2007-B)	179,260,000.00	09/13/2007	03/01/2037	182,205,812.50
Issuer Totals		739,030,000.00			744,164,098.33
City of South Jordan		(CSJ)			
Series 2002 (Libraries, Parks, Public Safety)	(CSJ-2002-_)	116,090,000.00	07/01/2002	09/01/2032	82,580,148.33
Series 2004 (Libraries, Parks, Public Safety)	(CSJ-2004-_)	118,700,000.00	07/14/2004	09/01/2034	92,487,383.33
Series 2005 (Libraries and Public Safety)	(CSJ-2005-_)	46,300,000.00	06/23/2005	09/01/2035	37,578,867.93
Series 2006 (Libraries and Parks)	(CSJ-2006-_)	105,400,000.00	06/29/2006	09/01/2036	89,261,458.34
Series 2009 (Public Safety)	(CSJ-2009-_)	9,000,000.00	06/25/2009	09/01/2039	8,534,000.00
Series 2011 (Convention Center)	(CSJ-2011-_)	107,425,000.00	04/12/2011	05/01/2042	108,515,793.75
Issuer Totals		502,915,000.00			418,957,651.69
Activity Totals		1,241,945,000.00			1,163,121,750.02
Long-Term Debt Totals		1,601,945,000.00			1,462,428,034.20
Short-Term Debt					
Governmental Activities		(GOVT)			
City of South Jordan		(CSJ)			
Series 2001 (Libraries & Parks)	(CSJ-2001-_)	71,000,000.00	06/01/2001	09/01/2031	48,098,975.85
Series 2007 (Parks and Public Safety)	(CSJ-2007-_)	90,000,000.00	06/20/2007	09/01/2037	79,173,250.00
Series 2008 (Libraries & Parks Project)	(CSJ-2008-_)	33,100,000.00	06/25/2008	09/01/2038	30,233,014.17
HUD Section 108 Note (FMC)	(CSJ-2010-HUD)	22,915,000.00	06/01/2010	08/01/2024	20,803,000.00
Issuer Totals		217,015,000.00			178,308,240.03
Activity Totals		217,015,000.00			178,308,240.03
Short-Term Debt Totals		217,015,000.00			178,308,240.03
Grand Totals:		1,818,960,000.00			1,640,736,274.23

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nonpurpose investment (NP) radio button).

Investment #1 - Money market instrument

<u>Date</u>	<u>GroupID</u>	<u>Description</u>	<u>Deposits</u>	<u>Withdrawals</u>
02/01/2010	1	Money market deposit	9,674,400.00	
04/30/2010	1	Money market withdrawal		1,200,000.00
07/01/2010	1	Money market withdrawal		1,180,000.00
08/01/2010	1	Money market withdrawal		700,000.00
10/01/2010	1	Money market withdrawal		1,300,000.00
02/01/2011	1	Money market withdrawal		4,000,000.00
02/01/2011	1	Money market ending bal		1,650,000.00

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Future-Value Date: 02/01/2011

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Future-Value Date: 02/01/2011

Market-Value Date: 02/01/2011

New Features for Periodic Disbursement of Miscellaneous Fees

Choose the *File | Fixed Rate Bonds | New* menu option. At the bottom left-hand corner of the Basic Info tabbed window, you will see the following group box:

Build America Bond (BAB) (+) / Periodic Fees (-)?

Check if a BAB or if bond pays periodic fees in addition of interest?

Default BAB reimbursement rate (+) or fee pctg (-):

Description of subsidy/fee for reports

Note: Actual BAB reimbursement rates / fee pctgs are defined in the Maturity Grid. This information is used to initialize data in that grid.

Information in the group box can be used to enter interest subsidies for Build America Bonds or periodic fees that are paid with each debt service payment. The values in the above graphic are for a Build America Bond.

Shown below are values for the entry of periodic fees that are paid with debt service payments:

Build America Bond (BAB) (+) / Periodic Fees (-)?

Check if a BAB or if bond pays periodic fees in addition of interest?

Default BAB reimbursement rate (+) or fee pctg (-):

Description of subsidy/fee for reports

Note: Actual BAB reimbursement rates / fee pctgs are defined in the Maturity Grid. This information is used to initialize data in that grid.

Note that subsidies are entered as a positive number and fees are entered as negative number. Fees/subsidies are calculated based on a percentage of outstanding debt.

The description field is displayed in the fee/subsidy column in the individual debt service schedule (#24c):

<i>Interest Payment</i>	<i>NYS Admin Fee</i>
22,220.00	55.55
22,220.00	55.55

If the reimbursement rate / fee percentage is a positive number, Mun-Ease assumes that the amount is a BABs subsidy and includes that amount in the arbitrage yield limit (AYL) calculation. Conversely, if the reimbursement rate / fee percentage is a negative number, Mun-Ease assumes that the amount is a miscellaneous fee that is not to be included in the arbitrage yield limit. Thus, periodic disbursement of letter of credit (LOC) fees should not be entered through in this group box because they will not be included in the AYL calculation. Instead enter the LOC fees in the *TIC Costs / Options* tabbed window through the *File | Fixed Rate Bonds | TIC/Bids* menu option.

Credit Enhancements/Bond Surety Fees

Hint: Enter credit enhancement fees OR
zero out the amount and enter the credit enhancement rate.

Rule:

Rate:

:
:

Bond Surety Fee: