
Mun-Ease News

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Coming Soon -

Mun-Ease 9.0 For Windows 95/98/NT!

A Busy Time For the Mun-Ease Project Team!

The last six months has been a busy time for us. We just finished the GFOA conference where we successfully demonstrated the new 9.0 version of Mun-Ease to attendees. This product is the result of over a year's hard work. Our new 9.0 release is an advanced version designed specifically for Windows 95/98/NT machines. (*We'll talk more about this exciting new release later in the newsletter.*)

In addition to developing this release, we've been adding new and improved features to our 8.x version. We've included a CD-ROM containing this release with this newsletter.

As for the status of our new release, we are hoping to start shipments in mid to late-August. The documentation for our new release is coming along nicely and our beta testing phase is nearly complete. Right now, we see no reason why can not meet this schedule.

'98 User Group Meeting

We recently held our 1998 user group meeting at the GFOA conference in San Francisco. Besides demonstrating the new version of Mun-Ease, we were fortunate to have Howard Stevens (Director of Special Investments for the U.S. Treasury) come speak to our group. Howard Stevens talked about upcoming improvements to the SLGS program and the internet-related initiatives that the Bureau of Public Debt is undertaking. He also asked for suggestions from our

group. Shown below are some of the suggestions that he received:

1. Provide the SLGS rates as a comma-delimited file so that they can be automatically loaded into software programs such as Mun-Ease.
2. Eliminate the 5-basis point differential between SLGS rates and current Treasury yields.
3. Provide a new type of zero-coupon SLG that could be used in the situation when the refunded maturities are predominantly composed of zero-coupon CABS.
4. Allow issuers to purchase SLGS over the internet (note: the Treasury is actively pursuing this opportunity).

About Our 8.92 Release

The 8.92 release contains several new features. They are:

1. New refunding menu options which facilitate bifurcated escrows.
2. New popup windows when you click on the "new" radio button in the sizing project maintenance window. This enhancement eliminates the need to tab through data fields.
3. Enhanced concurrency controls that are especially useful in a multi-user environment.
4. Minor formatting enhancements to several of our reports. Some of the reports where we implemented enhancements are 1a, 1b, 1c, 1d, 1e, 1f, 17a, 17b, 24, and 26.
5. We now display additional information on the Bond ID window that will assist new users in understanding the relationship between lookup codes and bond ID's.
6. **Late-breaking enhancement!** We added several new data-entry improvements. You can now double-click on a Y/N field to change its value from

yes to no (vice-versa). We've also changed the behavior of the Y/N fields so that panels and group boxes are enabled or disabled as you type a value in the Y/N field. (Previously, these actions were not initiated until you exited the Y/N field.) We've added new buttons when you enter a fixed-rate issue which can help speed-up the data-entry process.

Important! Please Note: This release is probably the last one that you will receive as an 8.x user. To encourage you to upgrade to our new 9.0 release, we are including coupons which entitle you to substantial discounts on the already low upgrade price for Mun-Ease.

CD-ROMs

You probably already noticed that the 8.92 release is on CD-ROM media. We have made a decision to issue all future releases on CD-ROMs. We have done this for practical reasons. If you include the disks for ReportSmith, Mun-Ease 9.0 requires 11 floppies! Like other software vendors, we have reached a conclusion that it is impractical to continue shipping software on diskettes. If the PC's in your organization do not have CD-ROM's, we recommend that you find a PC with a CD-ROM (usually there is one in the MIS department), and copy images off the CD-ROM to your server. Then install Mun-Ease onto each PC from the images on the server.

New Area Codes for Prescient Software

The area code for Prescient Software recently changed from 714 to 949. When you have questions about Mun-Ease you can contact the GFOA at (312)977-9700 or call Prescient Software at (949)248-5788 or fax them at (949)248-5789.

Special Prices for ReportSmith!

The GFOA has negotiated special prices on the full-featured version of ReportSmith for Mun-Ease

customers. Mention your GFOA member ID or the Mun-Ease registration number and receive ReportSmith for only \$197.50 (regularly \$399). To order ReportSmith, call Strategic Reporting Systems (SRS) at (508)359-1333 or (978)531-0905.

Tips: ReportSmith Printer Drivers

We've received a few calls from users who have encountered global protection faults (GPF's) in their printer drivers when running ReportSmith. Interestingly, the problem seems to occur only with Hewlett Packard (HP) 5 and HP 4000 printers. When these users called HP, the customer service representatives recommended that they use an HP 4 driver for the HP 5 printer and the HP 3+ driver for the HP 4000. (Our users reported that this problem went away when they followed those instructions.)

We also called Strategic Reporting Systems to ask for their advice. They stated that they have not been able to duplicate this problem. However, they recommend that users verify that the value for printer memory is correct in the Settings | Printer | Properties | Device Options tab of the Windows 95 start menu.

Tips: Bifurcated Escrows

As mentioned earlier, the 8.92 release contains new enhancements to enable bifurcated escrows. Before we explain how to use these enhancements, we'll provide some background on this subject.

In the most common case, a bifurcated escrow occurs when an issuer combines a current refunding and an advance refunding. Investments in a current refunding are not yield restricted if they mature within 90 days. Investments in an advance refunding escrow are restricted to the arbitrage yield limit. If you perform a refunding for this situation and you structure your escrow with SLGS, you may be severely penalized if you do not bifurcate your escrow structure. That's because we often blend down the SLGS escrow using securities yielding zero percent so that the combined yield is not greater than the arbitrage yield limit. The "zero-yielding" SLGS are always the shortest maturing securities. These are often the same securities that qualify for the 90-day unrestricted yield

exception. The solution to this dilemma is to create a bifurcated escrow using the following steps:

1. Perform separate refunding analyses for the unrestricted (≤ 90 days) and yield-restricted (> 90 days) maturities. Maximize the yield on the current refunding portion of the escrow. Structure the advance refunded portion so that it does not exceed the arbitrage yield limit.
2. Merge the two escrows through the Refunding | Open Market Investments | Copy/Merge command.
3. Download the cash flows for the investments to the Rebate transaction file using the Refunding | Open Market Investments | Download Cash Flows command.
4. Calculate the internal rate of return of the blended escrow through the Refunding | Escrow Cash Flows | IRR command.
5. Size a new refunding issue. Choose NOT to optimize the escrow portfolio and enter the blended IRR as the restricted escrow yield.

Mun-Ease Classes

We plan to hold one or two Mun-Ease classes in Chicago during the Fall of 1998. The first class will be held in early October.

Mun-Ease classes are challenging, hands-on, and use real-life examples. We constantly update them to ensure that they are relevant to our students. In addition to learning Mun-Ease, they are an excellent way to gain additional knowledge about public finance.

About Our New 9.0 Release

Our new 9.0 release contains many new powerful features. The ability to implement these features was made possible by writing our software as a native 32-bit application designed specifically for the Windows 95/98/NT platform.

Some of the new features included in this release are:

Arbitrage Tax Forms - Mun-Ease can now generate forms 8038, 8038G, 8038GC, and 8038T. Results from rebate calculations are automatically inserted into the forms.

Online Arbitrage Regulations - We now include the complete text of arbitrage regulations in our online help (sections 141, 148, and 149 and other portions of the Code that impact arbitrage calculations). The regulations are referenced and cross-referenced by topic to allow the user to easily refer to the Code when you have a question about an arbitrage calculation.

Transferred Proceeds Calculations - These calculations are now available to users who have purchased the refunding and arbitrage modules.

Refunding Monitor and Ranking Facility - This feature allows the user to search through his/her database of bond issues looking for/ranking refunding candidates. Candidates are ranked by present-value savings.

New "what-if" Calculator Features - This feature allows the user to determine the impact of selling a security on his arbitrage liability. After the user has assessed the impact, he/she can either go forward or reverse the transaction.

Reporting Enhancements - The stand-alone reporting module includes a new miscellaneous costs report. We've added new selection criteria which allows more flexibility in how reports are customized. Reports are now generated with the 32-bit version of ReportSmith (release 3.0). Release 3.0 has built-in e-mail capabilities.

Security Enhancements - We now provide features which allow a site's security administrator to assign access profiles to individual users.

More Flexible Allocations - Allocations can now be performed on a maturity by maturity basis or as a percentage of a bond issue's gross debt service. The allocation account coding block is 32-characters long

and can be hierarchically structured with up to four breaks.

True 32-Bit Native Processing - The 9.0 release is now a native 32-bit application designed specifically for the Windows 95/98/NT environment. Calculations are up to 200% faster. We also support long-file names and the 32-bit Windows registry. Mun-Ease can now backup and restore data from multi-volume zip files.

New Graphs - We added two new graphs to this module: a comparative yield graph and an open market securities graph.

Miscellaneous - Bonds can now be called on dates that are a non-anniversary coupon date.

Deals for our 8.0 Customers

We've included coupons that entitle our 8.0 customers to a discount from the upgrade price. Our upgrade price is about a third off the regular list price. If you are an 8.0 customer though, we'll knock another 20-30% off the price depending on when you purchased Mun-Ease. If you purchased Mun-Ease on or after February 1, 1998, you are entitled to 30% off the upgrade price. If you purchased Mun-Ease 8.0 before then, we'll discount the upgrade price by 20%. These offers are exclusive of all other discount coupons and are valid only if you purchase by February 1, 1999.