

Solve Current – Accelerated Debt Service (Front Loaded Bonds)

Accelerated Debt Service – (Front Loaded Bonds)

In an Accelerated solution, each payment (the total debt service for each fiscal period) is the maximum allowable debt service amount until the bonds are repaid. No payment is higher than the maximum debt service. The payments are weighted toward the early debt service years, and the issue is paid off in the minimum amount of time. This type of bond solution is sometimes referred to as "front-loading" the bonds. If the full par amount of bonds cannot be paid off, the solution will pay as much as it can. This problem usually occurs when the maximum allowable debt service amounts are too low for the total bond size entered. Micromuni Debt uses all bond data contained on Input Screens "General Bond Information" and "Amounts, Coupons, Yields, Prices" to structure an Accelerated solution.

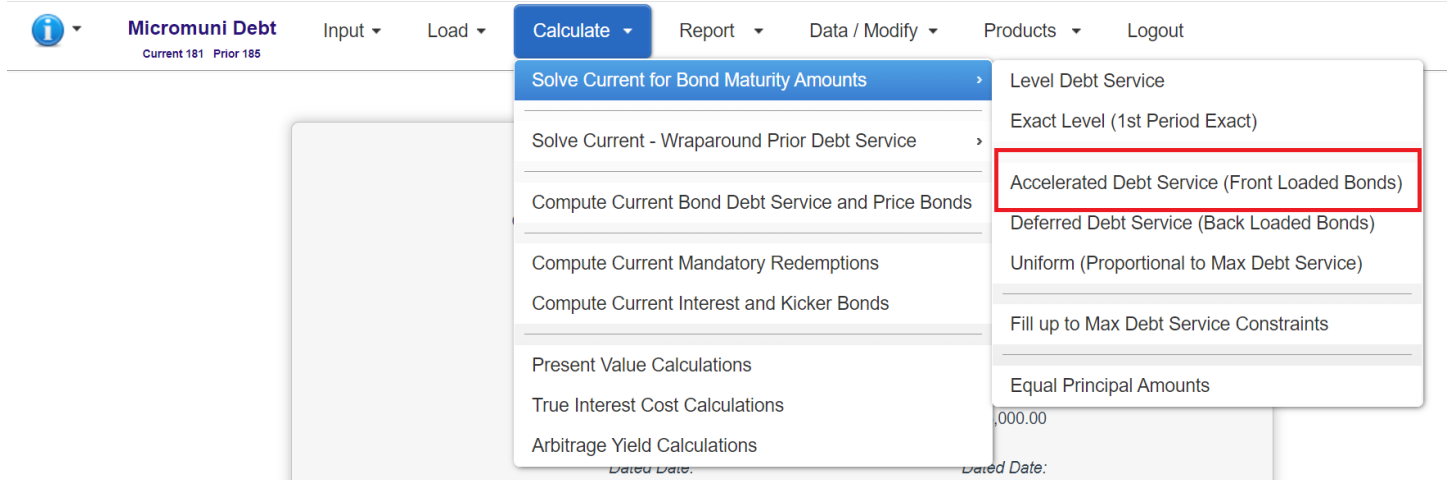
Note: Micromuni Debt will use the Max Debt Service constraint on input screen "Amount, Coupons, Yields, Prices" to ensure the solution does not exceed this maximum amount. In our example, the maximum debt service constraint was set to \$2,500,000 for each fiscal period. Different maximum debt service constraints can be entered for each maturity.

Micromuni Debt will then determine the bond maturity amounts and display the bond debt service report.

<div style="display: flex; justify-content: space-between; align-items: center;"> Change to <input type="text"/> Save Add Row Cancel Changes BOND MATURITIES </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> Increase by <input type="text"/> Value <input type="text"/> Change Selections Video(s) </div> <p style="font-size: small; text-align: center;">Note: You must press the Save Button to complete changes, inserts and deletions.</p>							
Maturity Date	Amount	Bond Type	Coupon	Yield	Price	Max Debt Service	
07/02/2021	\$0.00	Standard	0.900000	0.000000	100.000000	2,500,000.00	
07/01/2022	\$0.00	Standard	0.950000	0.000000	100.000000	2,500,000.00	
07/01/2023	\$0.00	Standard	1.000000	0.000000	100.000000	2,500,000.00	
07/01/2024	\$0.00	Standard	1.050000	0.000000	100.000000	2,500,000.00	
07/01/2025	\$0.00	Standard	1.100000	0.000000	100.000000	2,500,000.00	
07/01/2026	\$0.00	Standard	1.150000	0.000000	100.000000	2,500,000.00	
07/01/2027	\$0.00	Standard	1.200000	0.000000	100.000000	2,500,000.00	
07/01/2028	\$0.00	Standard	1.250000	0.000000	100.000000	2,500,000.00	
07/01/2029	\$0.00	Standard	1.300000	0.000000	100.000000	2,500,000.00	
07/01/2030	\$0.00	Standard	1.350000	0.000000	100.000000	2,500,000.00	
07/01/2031	\$0.00	Standard	1.400000	0.000000	100.000000	2,500,000.00	
07/01/2032	\$0.00	Standard	1.450000	0.000000	100.000000	2,500,000.00	
07/01/2033	\$0.00	Standard	1.500000	0.000000	100.000000	2,500,000.00	
07/01/2034	\$0.00	Standard	1.550000	0.000000	100.000000	2,500,000.00	
07/01/2035	\$0.00	Standard	1.600000	0.000000	100.000000	2,500,000.00	
07/01/2036	\$0.00	Standard	1.650000	0.000000	100.000000	2,500,000.00	
07/01/2037	\$0.00	Standard	1.700000	0.000000	100.000000	2,500,000.00	
07/01/2038	\$0.00	Standard	1.750000	0.000000	100.000000	2,500,000.00	
07/01/2039	\$0.00	Standard	1.800000	0.000000	100.000000	2,500,000.00	
07/01/2040	\$0.00	Standard	1.850000	0.000000	100.000000	2,500,000.00	

Once you have entered all current bond issue data on the Input Screens, you can use the “Calculate” Menu option and the “Solve Current for Bond Maturity Amounts” (a.k.a. “Solve Current”) sub-menu option to have Micromuni Debt determine the bond principal amounts for each maturity. When you select the “Solve Current” menu option, Micromuni Debt displays a sequence of sub-menus for you to select the type of solution you want.

Note: This is for the Current Issue only and does not take into consideration any prior debt service that may or may not be loaded into the prior workspace. That information is available via the “Solve Current – Wraparound Prior Debt Service” under the Calculate menu.



Micromuni Deb will solve for the bond maturity amounts based on the constraints previously mentioned.

When the solution is complete, Micromuni Debt will display the Current Issue Debt Service Report.

Note: The Debt Service payments are front loaded and do not exceed the maximum debt service constraints. Moreover, the bond issue is paid off on 7/1/2029 (9 years instead of 20 years).

The Debt Service Report is displayed below.



State and Local Governments
Municipal Financing Project

Delivery: January 15 2021

Debt Service Schedule

Date	Principal	Coupon	Yield	Interest	Period Total	Fiscal Total
7/1/2021	2,275,000.00	0.9000	0.9000	110,507.50	2,385,507.50	2,385,507.50
1/1/2022				100,270.00	100,270.00	
7/1/2022	2,295,000.00	0.9500	0.9500	100,270.00	2,395,270.00	2,495,540.00
1/1/2023				89,368.75	89,368.75	
7/1/2023	2,320,000.00	1.0000	1.0000	89,368.75	2,409,368.75	2,498,737.50
1/1/2024				77,768.75	77,768.75	
7/1/2024	2,340,000.00	1.0500	1.0500	77,768.75	2,417,768.75	2,495,537.50
1/1/2025				65,483.75	65,483.75	
7/1/2025	2,365,000.00	1.1000	1.1000	65,483.75	2,430,483.75	2,495,967.50
1/1/2026				52,476.25	52,476.25	
7/1/2026	2,395,000.00	1.1500	1.1500	52,476.25	2,447,476.25	2,499,952.50
1/1/2027				38,705.00	38,705.00	
7/1/2027	2,420,000.00	1.2000	1.2000	38,705.00	2,458,705.00	2,497,410.00
1/1/2028				24,185.00	24,185.00	
7/1/2028	2,450,000.00	1.2500	1.2500	24,185.00	2,474,185.00	2,498,370.00
1/1/2029				8,872.50	8,872.50	
7/1/2029	1,365,000.00	1.3000	1.3000	8,872.50	1,373,872.50	1,382,745.00
	20,225,000.00			1,024,767.50	21,249,767.50	
				8,595.03	8,595.03	
	20,225,000.00			1,016,172.47	21,241,172.47	

Dated: 01/1/2021 and Delivery: 01/15/2021

Bond Years	88,092.500
Average Coupon	1.16328575
Average Life	4.355624
N I C %	1.375655
T I C %	1.386107
Weighted N I C %	1.375655
Weighted Bond Years	88,092.500
Weighted Average Life	4.355624

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