

Micromuni Debt Introduction

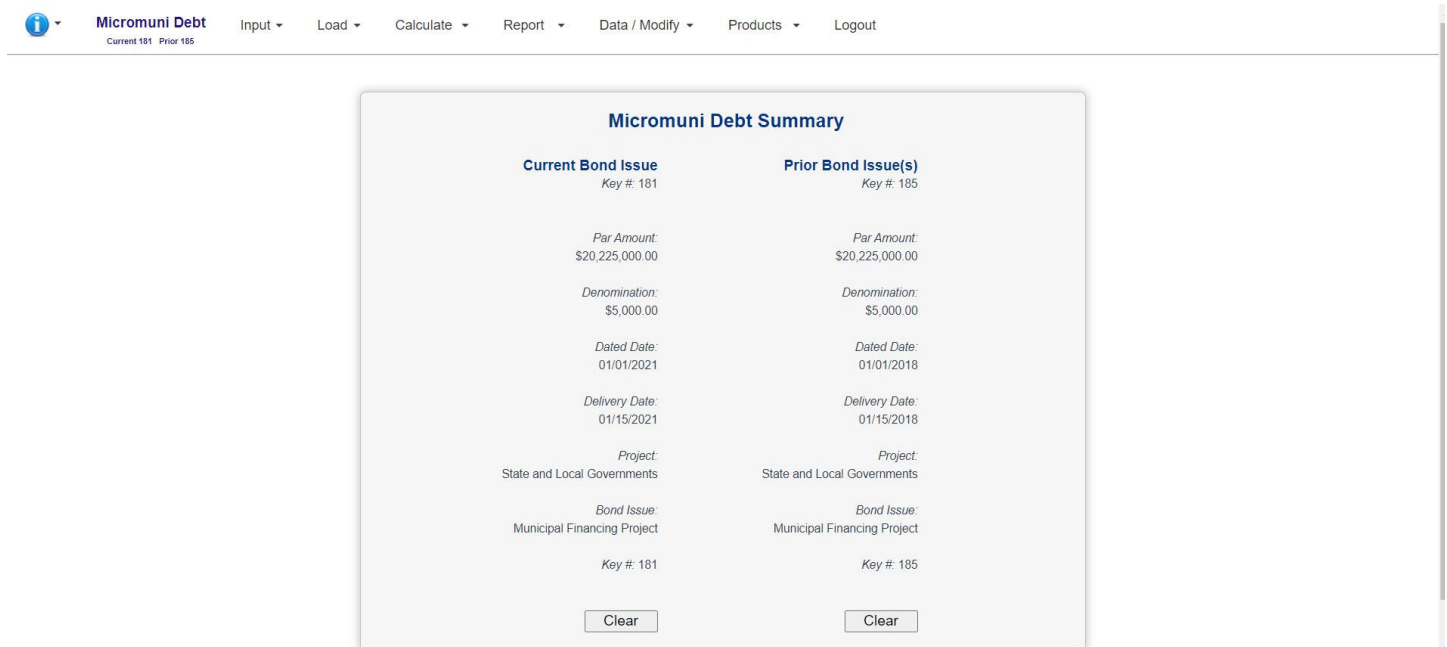
Disclaimer

The developer and licensor of Micromuni Debt (Financial Management Systems, Inc., Issaquah, Washington) makes no warranty, expressed or implied, as to the documentation, function, or performance of this program, and assumes no responsibility for the validity, accuracy, or applicability of any results obtained. The user of Micromuni DEBT is expected to make the final evaluation as to the usefulness of the results.

What Is Micromuni Debt?

Micromuni DEBT is a SaaS (Software as a Service) web-based application designed to assist state and local governments, bond underwriters, financial advisors, accounting verification firms and bond counsels in evaluating the repayment structure of tax-exempt debt obligations. Micromuni Debt is a highly flexible software tool for analyzing the cash flows associated with a potential refinancing of an existing bond issue (or issues), or for simply structuring new debt. Micromuni Debt lets you easily enter information about a bond issue and allows you to save several bond issues within one file, because each bond issue is identified by a Project name and Key name.

Micromuni Debt is a menu driven system that has the capability of handling two sets of bond issue cash flows. Each bond issue contains a complete set of information about a bond issue, such as the dated date, delivery date, first and last maturity dates, and all the cash flows that represent the debt service principal and interest repayments. The two bond issues are referred to as the "Current" and "Prior" issues.



The screenshot displays the 'Micromuni Debt Summary' interface. At the top, there is a navigation bar with a logo and menu items: 'Micromuni Debt' (with sub-items 'Current 181' and 'Prior 185'), 'Input', 'Load', 'Calculate', 'Report', 'Data / Modify', 'Products', and 'Logout'. The main content area is a table with two columns: 'Current Bond Issue' (Key #: 181) and 'Prior Bond Issue(s)' (Key #: 185). Each column lists the following details: Par Amount (\$20,225,000.00), Denomination (\$5,000.00), Dated Date (01/01/2021 for Current, 01/01/2018 for Prior), Delivery Date (01/15/2021 for Current, 01/15/2018 for Prior), Project (State and Local Governments), and Bond Issue (Municipal Financing Project). At the bottom of each column is a 'Clear' button.

| Current Bond Issue Key #: 181 | Prior Bond Issue(s) Key #: 185 |
|--|--|
| Par Amount: \$20,225,000.00 | Par Amount: \$20,225,000.00 |
| Denomination: \$5,000.00 | Denomination: \$5,000.00 |
| Dated Date: 01/01/2021 | Dated Date: 01/01/2018 |
| Delivery Date: 01/15/2021 | Delivery Date: 01/15/2018 |
| Project: State and Local Governments | Project: State and Local Governments |
| Bond Issue: Municipal Financing Project | Bond Issue: Municipal Financing Project |
| Key #: 181 | Key #: 185 |
| <input type="button" value="Clear"/> | <input type="button" value="Clear"/> |

- The "Current" issue is the work area where all bond information is entered via input screens. All this information can be entered and modified while this bond issue is stored in the program's Current issue workspace. The Current issue data can then be saved in an online database (unique to you) and can be reloaded back into the Current issue workspace or into the Prior issue workspace.

- The "Prior" issue is the work area where bond information, previously saved, can be re-loaded and used for bond issue comparisons between the Current and Prior issues. Through the "Load" Command, "Consolidate Multiple Bond Issues" sub command, (several bond issues can be consolidated into one set of cash flows, stored in your database, and loaded into the Prior issue workspace. Consolidating multiple bond issues is helpful in advanced refunding of bonds, when evaluating various combinations of prior debt service.
- If you have created and saved several sets of bond information, you can load one set as the current issue and another as the prior issue and then compare them and use them for wraparound bond solutions around existing debt. For example, you can perform an advanced refunding savings analysis with the new refunding bonds (current issue) compared to the existing bonds (prior issue). Or, you can structure a new debt (current issue) for level debt service around an existing debt (prior issue) so that the combined debt service is level.

What Does MICRO-MUNI DEBT Offer You?

Micromuni Debt offers you a high degree of flexibility in setting up your data. Input screens and data entry windows minimize your data entry, and Micromuni Debt edits your input items for validity and accuracy. With Micromuni Debt, you can:

- Micromuni Debt can handle 50-year bond issues (and up to 100 years, but not recommended).
- Bond Principal payment frequency can be Annual, Semi-Annual, Quarterly, Monthly and Irregular.
- Bond Interest payments frequency can be Annual, Semi-Annual, Quarterly and Monthly.
- Control one current bond issue and multiple prior bond issues.
- Consolidate multiple issues into a single debt service stream with the use of one command.
- Compute variable rate bond interest payments (stepped coupon bonds).
- Use Capital Appreciation Bonds (CABs)
- Have debt service principal automatically rounded to the denomination you specify.
- Price Bonds to obtain NIC, TIC, gross production, profit, and spread.
- Save multiple issues separately within your database. Access each bond issue by referring to the Project Name and Key name you assigned. Micromuni Debt assigned a unique numeric identifier for each bond issue.
- Create called bond debt service cash streams.
- Micromuni debt calculates the cash flows for the bond issue according to the selections you make.
 - You can have Micromuni debt:
 - Calculate any of the following types of bond solutions:
 - Level debt service
 - Exact level debt service
 - Accelerated repayment (front-loading)
 - Deferred repayment (back-loading)
 - Uniform repayment (level savings)
 - Fill (maximum bond size below debt service constraints)
 - Fill and carry (maximum bond size considering excess interest periods)
 - Equal principal
 - Wraparound bond solutions. Force debt service solutions to consider prior debt service and maximum allowable debt service per period.
 - NOTE _____
Debt service solutions are tied to a fiscal date and not just the principal repayment date.
 - Obtain present value calculations (discounted cash flows) for single or multiple bond issues.
 - Micromuni Debt calculates interest for irregular payment dates.
- Micromuni Debt provides several forms of output for your results. You can:
 - Select from a variety of reports to evaluate the bond issue cash flows. Reports include:
 - Current Issue Report (including Bond Balances on Professional Report)
 - Current Mandatory Redemptions Report
 - Prior Issue Report
 - Bond Production Report
 - Combined Debt Service Report
 - Savings Report of Current and Prior Issues
 - Graphs of Current Debt Service, Prior Debt Service, Combined Debt Service and Debt Service Savings
- Bond Issues can be loaded into Micromuni Sizing and imported into Micromuni Refund.