

ROUGHLY EDITED COPY  
CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION  
STEPS FOR REPORTING DEBT ISSUANCE TO CDIAC: REPORT OF PROPOSED DEBT  
ISSUANCE AND REPORT OF FINAL SALE  
PART 2  
REMOTE BROADCAST CAPTIONING  
DECEMBER 10, 2014

Services provided by:

QuickCaption  
4927 Arlington Avenue  
Riverside, CA 92504  
Daytime Telephone - 951-779-0787  
After-Hours Telephone - 951-536-0850  
Fax Number - 951-779-0980  
[www.quickcaption.com](http://www.quickcaption.com)

\* \* \* \* \*

This text is being provided in a rough draft format. Communication Access Realtime Translation (CART) is provided in order to facilitate communication accessibility and **may not be totally verbatim record of the proceedings.**

\* \* \* \* \*

>> Good afternoon, everyone. And welcome back to the California Debt and Investment Advisory Commission's webinar, Steps for Reporting Debt Issuance to CDIAC: Report of Proposed Debt Issuance and Report of Final Sale. We apologize. This is an unplanned part two of this webinar. Our first session was interrupted because of technical difficulties. And so what we would like to do is essentially pick up where we left off. And both sessions, the first session and this one, will be available on our website for your review. Before we return to the program, we do want to make sure that we answer our participants' questions. So if you would like to send your questions to our education unit at [cdiac\\_education@treasurer.ca.gov](mailto:cdiac_education@treasurer.ca.gov), we will answer the questions that come through that e-mail as well as the questions from that we didn't get to answer from the prior session and put those out on our website for all to view. Given that, I think we are ready to resume our programming with the process for filing the proposed debt issuance and report of final sale.

>> All right. The link for accessing all of our reporting forms are at the bottom of this slide. So we are going to go ahead and go to the website. You are now on CDIAC's home page. You can see the link to our reporting forms are on the upper left-hand corner, and it is about the fifth selection, it is called "reporting debt issuance." So you need to click on that. You are now on the page that shows the reporting forms. You will see a link to the online reporting. We have mail-in forms available for download and also a set of instructions for each report that CDIAC collects. The pop-up that you are seeing is to remind users that in order for the report to function properly it is highly recommended you use IE 9 or higher. Some submitters have reported limited success using Safari, but it is not solely compatible. Berma will begin to enter the information. On the report of proposed, the issuer name should be the name of the agency that is issuing the debt. This is a mandatory field and must be completed. The issue name is also a mandatory field. This is the issue name that normally appears on the cover of your official statement. The project field is not a mandatory field. You can complete it or leave it blank. Data proposed sale. This is also a mandatory field. You can see it is formatted to two numbers for the month, two numbers for the day, and a full

four numbers for the year separated by forward slashes. As you can see, Berma entered the date incorrectly. She got the little invalid that popped up. Principal amount is also a mandatory field. You can put it in pure numerical without the dollar and cents or you can put the dollar and cents formatting in there. You have to tell us whether or not a validation action was pursued. You also have to tell us whether or not any portion of the debt is for refunding. Next field is issuer contact field of the report. First name and last name are mandatory fields. The middle name, you don't have to put an entry into that field. E-mail address is also a mandatory field. Issuer's title, address, city, state, ZIP code, and the county that you are located in are also mandatory fields. You only have to complete address field one. You don't have to put an entry into all four of the address fields that are listed. The issuer county is a drop-down box so you click the county that the issuer is located in. Area code and phone number are mandatory entry fields. You don't have to make an entry into the extension field. As you can see, Berma entered that information incorrectly. She has to put that dash in between the phone number. Now to our filing contact. Here you can see that borrower counsel loan that we have added as a financing role. As in the issuer contact, first name and last name are mandatory entry fields. You don't have to put an entry in the middle name. E-mail address is a required field. The name of your firm, an entry in the first address field, an entry for the city, state, and ZIP code are mandatory. Again, the area code and phone number are mandatory entry fields. No entry is required in the extension field. Send acknowledgment copy, this would be the person that you want us to send the acknowledgment letter to. This is also the person we would contact if we have questions about this form, or the data reported on this report. An e-mail address is required for the person that we are going to send our acknowledgment to. When we pull this into our database, our database generates an automatic e-mail, and that e-mail will go to whoever is listed in this portion of the report. For financing participants, please put in the name of each firm and their role into this section. If there is no participant for a particular role, please do not put "unknown" or "NA." Just leave the fields blank. You have to tell us whether or not the debt is taxable or tax-exempt under both federal and state law. As you noticed, in order to click it for federal, you have to tell us whether it is a preference item for AMT, alternative minimum

tax. You want to know if the sale is competitive or negotiated. You must make a selection between one of those. You also have to make a selection to tell us whether or not it is a private placement. For debt instrument types, you must make at least one selection and one selection only for the debt instrument type. Sources of repayment. You can choose multiple sources of repayment but you must select at least one. Purpose of financing. You can make multiple selections within each group of financing. As you can see here, Berma has made several selections in the capital improvement group but will be unable to make a selection in the other groups. She unselected something in that group and went to the health care group. She can make multiple selections there but no selections in any of the other groups. The multiple selections within group is possible for this section of the form. Now she will validate. You can see she forgot to make an entry for the preference items. Forgot to choose yes or no, so it is telling her she must select that. Going to validate again. It tells her that everything -- there is a proper entry in every required field. So you click "confirm data." Now you will have an opportunity to confirm your entry before you submit it. If everything's okay, you would click "yes." If not, and you click "no," it would take you back to the report and you would have the opportunity to make any changes you needed, validate again, and then confirm. Okay. Berma has clicked "yes." You get the little pop-up that tells you that your form has been submitted. Now you have the opportunity to print yourself a PDF copy. Please only click the print PDF button once, or it will just think forever. As you can see, we are aware that when submitters try to print this form they are getting three pages. Our IT department has come up with a solution. We will be testing it. And as soon as we confirm that their solution has worked, we will be posting that to the web, and that should solve the problem. That concludes our report of proposed. Now we will go and cover the report of final sale. You have to enter a CDIAC number and your password in order to be able to submit your report of final sale using our online reports. There is that pop-up again telling you that IE9 is the preferred browser to make your report function properly. As you can see, some fields in this form have been populated with the information that was previously submitted on the report of proposed, although they are editable and you can make changes to them. As we mentioned in the prior portion of the webinar, we are asking issuers to

tell us the issue authorization for all issues. When Berma went into that form, you can see it was completed with the first item on our list, but make sure that you select the proper issue authorization. You can make changes to the actual sale date, principal amount. The data date is a required field; you must put an entry into that field. When this was previously reported, it said that portions were refunded. You can edit the refunding amount if you need to. The issuer contact, a portion of that data has been prepopulated. Select the county again and enter our phone number. Now we are to the filing contact. As you can see, the borrower counsel loan has also been added to this portion of the report as a financing participant. Again, the first name, last name, firm, e-mail address, the first address field, city, state, and ZIP code are required fields. Area code and properly formatted phone number are required. No requirement for an extension. We will have the "send acknowledgments to..." This is the person we would contact if we needed any further information on this form. Their name and e-mail address are required. Type of sale, again, competitive or negotiated must be selected and whether or not the financing is a private placement must be selected also. Now we are at the invoice contact portion of our form. As you know, Government Code 8856 authorizes CDIAC to assess an issuance fee to the purchaser or underwriter of any public debt in the State of California. This is the name and contact information for who CDIAC will be sending our invoice to. As I said, this is an assessment on the purchaser, but we will send the invoice to whoever is named in this portion of the report. As with all the other contact fields, first name, last name, phone number, e-mail, an entry in the address field, city, state and ZIP code are required area code, phone number, required fields again. No extension is required. Here you have the opportunity to make changes to the financing participant, either edit what is there or add additional financing participants. You can see some of them have been prepopulated with what was submitted on the report of proposed. As Berma taps through, you can see you don't have to enter an office location. It is up to you whether you want to enter that or not. They aren't required. Maturity schedule. You have to tell us whether you have attached the maturity schedule or whether or not it was attached to the statement, if one was prepared. You have to give us your maturity structure, whether they are term, serial, or a combination of serial and term bonds. You must make an entry in the maturity

date, and that would be the final maturity date of your financing. You also must make an entry for the first optional call date. You have to tell us whether or not it is senior or subordinate. I'm again joined this afternoon by Berma Williams, a longtime member of the data unit staff, and by Maureen from our STO/IT division. I want to go back to the first optional call date. I said you have to make an entry in that field. It is not required. If you don't have a first optional call date, you don't have to put an entry into the field. Now we are to the interest type. As you can see, she entered the questions about whether or not the taxes were taxable or tax-exempt. And when she chose tax-exempt for federal, the question whether or not it was a preference item for AMT comes up, and you have to answer. Please enter interest type first, NIC or TIC. If you put in the interest cost first and then go over to select it, you will have to reenter the interest cost. Select the type first and then put your entry for it. You can see here that we have added that other further interest. Rate type, and this is for interests that are tied to an index or maybe a fixed rate that is not calculated as NIC or TIC. You have to tell us whether it is a capital appreciation bond, whether it is -- with the Mark Roos Local Bond Pooling Act. It defaults to zero, so if the financing does not involve rate reduction bonds you don't have to make an entry in that field. You have to tell us whether or not you prepared an official statement and whether or not the issue was insured or guaranteed. If it was, you select the type of enhancement provided. As I stated this morning before our webinar was interrupted, there is an interface between our online reports and our database. When entries are made into certain fields, the application validates whether or not the entry is correct and then it refreshes the report. So that's why you saw when Berma clicked "no," it refreshed and took her back to the beginning of the report. If you would have clicked on bond insurance or any other enhancement, you would have to provide us with a guarantor and the expiration date of the enhancement. You have to indicate whether or not the bonds were rated and if they were, you can see we have the three main rating agencies listed, and there is a slot there for other if there was another agency that's not listed that is provided for your listing. Here is the requirement to tell us whether or not the bonds were sold in a negotiated refunding. We have some of the typical reasons for doing a negotiated refunding. You have to select it and make at least one

selection -- or will it allow you to make multiple selections? Yeah. Okay. You can only make one selection in that portion of the report. Now we are at our cost and fees section. In prior additions of the report of final sale, submitters were able to make only one selection in the underwriter's spread or discount field. This portion of the report was always intended for that underwriter's spread or discount field to be a calculating field and total the three traditional criteria of underwriter expenses. We made that update to the report. Submitters can no longer just enter a total in the underwriter's field, they must make a selection under at least one of the three criteria from the underwriter's fee. Berma is entering all the other fees that we have for participants we have listed. If you have a financing participant and we do not have a listing category there for them, please enter those fees in the other expenses fields that is at the bottom of the cost and fees.

One of the recent updates on the report is now you have to add at least one document before you can verify your Report of Final Sale (RFS).

So here Berma is going to go through, she's going to choose a file. In order to do that, you click: choose file.

It's going to browse your computer.

You select the document that you want to upload.

You are going to double click on it. She is now going to select the document type from the drop down menu. In this case it is an Official Statement (OS).

Now she is going to click: "Upload Selected Document." Now you can see that document that was uploaded appears in the box. It tells you it's been uploaded, so now you can "Validate Form". We forgot to select "Not-Rated". That is why we got that error message there.

Okay, so it was "Rated" so now we are going to make an entry in the S&P (Standards and Poor's) and Moody's.

Now we are going to click "Validate (Validate Form)" again.

And now we can click "Confirm". Once you click "Confirm", it is going to go to the review screen that is going to allow her to review her entries.

If they are all okay, she will click "Yes". If they are not, then you will click "No" and it will take you back to your report and you will be able to make edits.

She is going to click "Yes". It tells her that her report has been submitted.

She will click "OK".

Now she will have the opportunity to "Print PDF". Again, please only click PDF once, or else your computer will think forever.

Here we go. This is what your PDF document looks like. This one happens to be formatted. We have that third blank page, and we are aware of that problem also. IT (Information Technology Department) has put in a fix for that, so hopefully we will get that fix posted into production shortly.

That ends our demonstration on our Reports of Proposed and Final Sale. I'd like to thank everybody for participating in the webinar. Thank you.

>> So, again, thank you, Joyce and Berma and Maureen. I would like to thank our education team, Linda, Susan and Sandra for their hard work in negotiating the wrinkles today in our webinar programming. Before we close, I would like to make sure that everyone realizes with the webinar submittal report, the first session and this one are available on the website in the media library section along with transcripts. We will have both unedited transcripts and then later edited transcripts for folks to review. Also like to remind everyone of two upcoming CDIAC education seminars. Our Municipal Debt Essentials seminar, in-person seminar is next spring in March, the 17th through the 19th. And that will be down in Riverside, California. And then another program coming this spring that is soon to be announced, the date and time, will be our Land-Secured Financing Program, Current Topics and Practices, and I think we will be announcing and posting that information here shortly. Please check our website, [www.treasurer.ca.gov/cdiac/seminars](http://www.treasurer.ca.gov/cdiac/seminars), for all information on the various seminar and webinar programs that we have upcoming. So again, we apologize for the interruption of our program because of our technical difficulties earlier this morning. But thank you to everyone participating this morning and on our recorded version here. And we look forward to your participation again in the future in our future webinars.

>> I would like to add we welcome your questions and your comments. As I said, questions and comments from our submitters and customers have led to the updates that we have made to the reports. So please feel free to e-mail us and let us know any suggestions, comments that you have. Thank you.