
Mun-Ease News

Prescient Software jrtd, Inc.

www.mun-ease.com

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Mun-Ease 2008 is Shipping

New SQL Server Version of Mun-Ease

This newsletter is accompanied by a CD containing our new SQL Server version and three volumes of documentation. It is the result of over 18 months of effort. We are shipping the CD and manuals to our current customers free-of-charge.

Documentation

You'll immediately notice that our user manuals have grown in size. They are now over 1,200 pages in length. In spite of industry trends to the contrary, we are a big believer in documentation. Thus we have worked hard to improve the quality of our manuals. Our Tutorials Guide (which is designed to work with our Examples database) contains many more exercises with step-by-step explanations. Our Report Samples volume of documentation has examples of our 200+ standard reports. New users will find a report that meets their needs quickly and easily by perusing this volume. Finally our User Guide provides background material and explanations for all the calculations performed by Mun-Ease. Our online help now contains the full text of the User Guide.

In this issue...

Information about our 2008 release, our May class in San Diego, and our future plans.

<<< Please forward this newsletter >>>

<<< to other interested individuals >>>

<<< in your organization. >>>

Updated Database & Interfaces

The SQL Server version of Mun-Ease uses a new updated database. We have added many new fields and have expanded the size of existing fields. Most importantly, bonds are now identified by 20-character string consisting of a 10-character issuer code, 4-digit dated year, and a 4-character suffix with each segment separated by hyphens. We've also added a new function to import municipal bond rate scales from the Wall Street Journal. Our 2008 release can run in a "locked-down" operating environment where users are granted only minimal rights.

Easy & Flexible Transition to SQL Server

We provide a conversion program with the 2008 release that allows you to move data back and forth between the SQL Server and BDE (Borland Database Engine) databases. Thus, you do not need to immediately convert to the SQL Server version. Instead you can make the transition over time while you become comfortable with the new version. You can also run the SQL Server version of Mun-Ease concurrently or independently with the BDE version of Mun-Ease. Because the BDE version of Mun-Ease requires considerably less resources than the SQL Server version, you might decide to run the BDE version on your laptop when you are away from your office.

Question: Should Existing Mun-Ease Users Migrate to SQL Server?

When you insert the installation CD into your computer, you will notice that we provide menu options

for the installation of both the SQL Server and the BDE versions of Mun-Ease. The BDE version is functionally equivalent to the SQL Server version. (In other words, you can perform the same calculations, tasks, and reports with either version.) Both versions have virtually the same user interface. We've also announced that we will continue to support the BDE version for the foreseeable future. So, the question arises: should you convert to SQL Server?

The answer to this question is - *yes, with a few caveats*.

Situations When We Recommend a Conversion

If your organization currently uses the SQL Server 2000 or 2005 database and your I.T. Department is willing and able to assist with the installation and support of the SQL Server version of Mun-Ease, then we recommend that you install our SQL Server version. You will find that the conversion can be accomplished in a very short period of time. Furthermore, your I.T. Department will be familiar with the operating environment and conventions adopted by Mun-Ease.

Situations When We Don't Recommend a Conversion

If your site does not currently have SQL Server installed and your computers were purchased prior to 2007, then we don't recommend that you install the SQL Server version of Mun-Ease. Why?

If SQL Server is not currently installed, you'll need to install SQL Server Express (the free version of SQL Server) from our CD. Our installation of Mun-Ease and SQL Server Express requires that you install on each computer (a) Windows XP service packs 2 and 3, and (b) the .NET 2.0 Framework, and (c) the Microsoft Jet 4.0 Engine. Finally, each PC should have at least one gigabyte of memory.

We have personally experienced a considerable amount of frustration trying to install SQL Server Express on older computers. We have found that you can easily spend several hours installing the Windows service packs and .NET Framework only to find that SQL Server Express will subsequently abort during installation for some unknown and mysterious reason. Thus, you can understand why we are

reluctant to recommend a conversion in these circumstances.

Other Situations

If the computers have been purchased recently but you do not have SQL Server installed, then you can go either way with your decision to install or not install the SQL Server version of Mun-Ease.

Almost all computers purchased since 2007 have the requisite Windows software already installed at the factory (service packs 2 and 3, .Net Frame 2.0, and the Microsoft Jet Engine). The only additional task is the installation of SQL Server Express. While the previously mentioned operational issues are not a concern, we do recommend that you have an I.T. professional help you with the installation. SQL Server is a complex database and it has many installation options that are not intuitively obvious.

May Class in San Diego

Our first class in 2008 will be held from May 19-21 at Blue Star Training facility in San Diego. We will also hold a class in Chicago in August and another class in Orlando in October. We have not yet finalized the locations for our August and October classes. However we will pick a location soon and notify everyone in our next newsletter and on our web site. Our next newsletter and interim update will be mailed in June.

Class Location & Date

San Diego, CA Class, May 19-21, 2008. (Blue Star Learning, 5703 Oberlin Drive, Suite 102, San Diego, CA 92121)

Go to www.bluestarlearning.com for maps/directions to the training facility. A list of nearby hotels can also be found at www.bluestarlearning.com/Default.aspx?tabid=77. We have also included class registration form with this newsletter.

The Classes page of the Mun-Ease site contains additional information including: (a) class syllabus, (b) directions to the class locations and suggested hotels, (c) a downloadable class registration form in PDF format, and (d) additional hotel information.

You can register for a class by mailing or faxing (949-248-5789) the attached registration form to Prescient Software. You can e-mail us at classes@mun-ease.com. The registration form can be downloaded from:

<http://www.mun-ease.com/class.html>

Proposed Arbitrage Regulations

In late September 2007, The IRS proposed new rules for calculating the arbitrage yield limit when there are premium callable bonds. At the time of this writing, the rules have not yet been finalized. If enacted though, the proposed rules will greatly simplify the arbitrage yield limit calculation.

For each maturity that has early call options, the issuer is to calculate: (a) the yield-to-maturity, and (b) a yield-to-call for call scenario. If a maturity meets the Section 1.148.4(b)-3 (i) tests and the yield-to-call is less than the yield-to-maturity, then the issuer is to value the maturity at the call date with the lowest yield-to-call.

This calculation is considerably easier to perform than the current test. In the current test, the issuer is to value a maturity at its call date only if that call date yields a lower arbitrage yield limit. The proposed rules are now very similar to the MSRB/SIA rules used to determine whether the reoffering yield is to be calculated to the call date or maturity date.

The IRS also proposed new rules for computation credits. The proposed rules increase the yearly computation credit from \$1,000 to \$1,400. The computation credits will be indexed for inflation. The issuer can begin using the \$1,400 in 2007 calculation year. It appears that the new rules will be finalized sometime during the first half of 2008.

Mun-Ease Report Generation With the SQL Server Database

With few exceptions, the reports generated by Mun-Ease do not draw their data from the primary bond database tables. Instead, every time you run

a calculation or a report, new values are placed into the *Rpthead* and *Rptdtl* database tables. Mun-Ease then executes Crystal Reports which reads these tables to generate the requested report(s). Data in these tables is indexed by the user ID and the report ID.

The *Rpthead* database table contains information that is displayed in the report header and footer. The *Rptdtl* table contains information in the body of each report (Mun-Ease creates a record for every line in the requested report).

In prior versions of Mun-Ease (BDE versions), reports were always generated from the server. However, our SQL Server version allows the user generate the reports from data stored locally. We strongly recommend this option so that the reporting process does not negatively impact server response time.

By choosing to generate the reports locally, Mun-Ease will update these two tables on the client computer instead of the server. The two tables are located in the *AccessRptDbForMun-Ease* database located in the *\Rptdb* subfolder of the user's personal directory (*C:\Documents and Settings\All Users\Application Data\Prescient Software\Mun-Ease\RptDb* for Windows XP users and *c:\Users\Public\AppData\Prescient Software\Mun-Ease\RptDb* for Windows Vista users.) These two tables are in a Microsoft Access format and are updated through the Microsoft Jet Engine.

While some database administrators have expressed a concern to us about using the Jet Engine with Access tables, we believe that our approach is fundamentally sound and prudent. The *Rpthead* table usually has less than 100 records and the *Rptdtl* table is almost always less than 3,000 records. Information in the reporting database is also temporary and can be easily recreated by rerunning the calculation or report. Given these parameters, the Jet Engine can easily handle the reporting requirements thus ensuring that the server is never burdened by the report generation process.

Other Information About the Report Generation Process

The Crystal report specifications are stored in two folders in the user's personal directory:
\CrystalAccess and \CrystalSQL.

Users can empty the report database by clicking on the *reports / empty reports db tables* menu option while in Mun-Ease. This option is useful when the user has generated one or more very large reports and his response time has slowed due to the size of the report database.

Our Development Plans in 2008

We plan to issue our first interim update of our 2008 release in June. This release will be updated for the new arbitrage regulations. We'll also include a new combined debt service report that displays monthly accruals of interest for each fiscal year requested by the user.

We are excited about our upcoming release because we will update the BDE version of Mun-Ease so that the BDE database is exactly the same as the SQL Server database. Like the SQL Server version, bonds on the BDE database will be identified by 20-character string consisting of a 10-character issuer code, 4-digit dated year, and a 4-character suffix. We'll also add new fields to the database and expand the size of existing fields. Finally, we will change the folder conventions so that the BDE version can also run in a "locked-down" environment.