

**SOUTHEAST MORRIS COUNTY MUA
SUMMARY OF REFUNDING RESULTS
(UNENHANCED); (BANK QUALIFIED); (NON-CALLABLE)
INTRINSIC MOODY'S "Aa2"**

REFUNDING OF 2001 CALLABLE BONDS

Refunding Par Amount	4,785,000
Bond Arbitrage Yield	1.365179%
Escrow Yield	0.131223%
Refunded Bonds Par Amount	6,375,000
Average Coupon of Refunded Bonds	5.000000%

Net PV Savings	581,723.86
Percentage of PV Savings	9.125080%

Aggregate Budgetary Savings	2,127,298.89
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Annual Budgetary Savings (DEC 31)

Fiscal Year 2011	180,873.89
Fiscal Year 2012	388,425.00
Fiscal Year 2013	390,925.00
Fiscal Year 2014	386,275.00
Fiscal Year 2015	390,050.00
Fiscal Year 2016	390,750.00

ROOSEVELT & CROSS

SOURCES AND USES OF FUNDS

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

Dated Date 10/05/2010
Delivery Date 10/05/2010

Sources:

Bond Proceeds:	
Par Amount	4,785,000.00
Premium	<u>381,079.05</u>
	5,166,079.05
Other Sources of Funds:	
DSRF Contribution	1,463,500.00
	<u>6,629,579.05</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	20.61
SLGS Purchases	<u>6,532,327.00</u>
	6,532,347.61
Delivery Date Expenses:	
Cost of Issuance	65,000.00
Underwriter's Discount	<u>28,710.00</u>
	93,710.00
Other Uses of Funds:	
Additional Proceeds	3,521.44
	<u>6,629,579.05</u>

SUMMARY OF REFUNDING RESULTS

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

Dated Date	10/05/2010
Delivery Date	10/05/2010
Arbitrage yield	1.365179%
Escrow yield	0.131223%
Bond Par Amount	4,785,000.00
True Interest Cost	1.543309%
Net Interest Cost	1.619710%
All-In TIC	1.951689%
Average Coupon	3.847344%
Average Life	3.306
Par amount of refunded bonds	6,375,000.00
Average coupon of refunded bonds	5.000000%
Average life of refunded bonds	3.334
PV of prior debt to 10/05/2010 @ 1.365179%	7,207,781.47
Net PV Savings	581,723.86
Percentage savings of refunded bonds	9.125080%
Percentage savings of refunding bonds	12.157238%

SAVINGS

Southeast Morris County MUA, NJ
 Refunding Bonds
 (REFUNDS CALLABLE 2001 BONDS)
 (UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
 (INTRINSIC MOODY'S Aa2)

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 10/05/2010 @ 1.3651788%
01/01/2011	159,375.00	47,976.11	111,398.89		111,037.41
07/01/2011	159,375.00	89,900.00	69,475.00		68,780.07
12/31/2011				180,873.89	
01/01/2012	1,314,375.00	979,900.00	334,475.00		328,884.48
07/01/2012	130,500.00	76,550.00	53,950.00		52,688.62
12/31/2012				388,425.00	
01/01/2013	1,345,500.00	996,550.00	348,950.00		338,480.90
07/01/2013	100,125.00	58,150.00	41,975.00		40,439.64
12/31/2013				390,925.00	
01/01/2014	1,375,125.00	1,018,150.00	356,975.00		341,585.96
07/01/2014	68,250.00	38,950.00	29,300.00		27,846.81
12/31/2014				386,275.00	
01/01/2015	1,398,250.00	1,023,950.00	374,300.00		353,324.12
07/01/2015	35,000.00	19,250.00	15,750.00		14,766.57
12/31/2015				390,050.00	
01/01/2016	1,435,000.00	1,044,250.00	390,750.00		363,867.85
12/31/2016				390,750.00	
	7,520,875.00	5,393,576.11	2,127,298.89	2,127,298.89	2,041,702.42

Savings Summary

PV of savings from cash flow	2,041,702.42
Less: Prior funds on hand	-1,463,500.00
Plus: Refunding funds on hand	3,521.44
Net PV Savings	581,723.86

BOND PRICING

Southeast Morris County MUA, NJ
 Refunding Bonds
 (REFUNDS CALLABLE 2001 BONDS)
 (UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
 (INTRINSIC MOODY'S Aa2)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	01/01/2011	5,000	2.000%	0.750%	100.297
	01/01/2012	890,000	3.000%	0.800%	102.705
	01/01/2013	920,000	4.000%	0.950%	106.739
	01/01/2014	960,000	4.000%	1.150%	109.034
	01/01/2015	985,000	4.000%	1.420%	110.575
	01/01/2016	250,000	3.000%	1.720%	106.384
	01/01/2016	775,000	4.000%	1.720%	111.373
		4,785,000			

Dated Date	10/05/2010	
Delivery Date	10/05/2010	
First Coupon	01/01/2011	
Par Amount	4,785,000.00	
Premium	381,079.05	
Production	5,166,079.05	107.964034%
Underwriter's Discount	-28,710.00	-0.600000%
Purchase Price	5,137,369.05	107.364034%
Accrued Interest		
Net Proceeds	5,137,369.05	

BOND DEBT SERVICE

Southeast Morris County MUA, NJ
 Refunding Bonds
 (REFUNDS CALLABLE 2001 BONDS)
 (UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
 (INTRINSIC MOODY'S Aa2)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2011	5,000	2.000%	42,976.11	47,976.11	
07/01/2011			89,900.00	89,900.00	
12/31/2011					137,876.11
01/01/2012	890,000	3.000%	89,900.00	979,900.00	
07/01/2012			76,550.00	76,550.00	
12/31/2012					1,056,450.00
01/01/2013	920,000	4.000%	76,550.00	996,550.00	
07/01/2013			58,150.00	58,150.00	
12/31/2013					1,054,700.00
01/01/2014	960,000	4.000%	58,150.00	1,018,150.00	
07/01/2014			38,950.00	38,950.00	
12/31/2014					1,057,100.00
01/01/2015	985,000	4.000%	38,950.00	1,023,950.00	
07/01/2015			19,250.00	19,250.00	
12/31/2015					1,043,200.00
01/01/2016	1,025,000	**	19,250.00	1,044,250.00	
12/31/2016					1,044,250.00
	4,785,000		608,576.11	5,393,576.11	5,393,576.11

PRIOR BOND DEBT SERVICE

Southeast Morris County MUA, NJ
 Refunding Bonds
 (REFUNDS CALLABLE 2001 BONDS)
 (UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
 (INTRINSIC MOODY'S Aa2)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2011			159,375	159,375	
07/01/2011			159,375	159,375	
12/31/2011					318,750
01/01/2012	1,155,000	5.000%	159,375	1,314,375	
07/01/2012			130,500	130,500	
12/31/2012					1,444,875
01/01/2013	1,215,000	5.000%	130,500	1,345,500	
07/01/2013			100,125	100,125	
12/31/2013					1,445,625
01/01/2014	1,275,000	5.000%	100,125	1,375,125	
07/01/2014			68,250	68,250	
12/31/2014					1,443,375
01/01/2015	1,330,000	5.000%	68,250	1,398,250	
07/01/2015			35,000	35,000	
12/31/2015					1,433,250
01/01/2016	1,400,000	5.000%	35,000	1,435,000	
12/31/2016					1,435,000
	6,375,000		1,145,875	7,520,875	7,520,875

SUMMARY OF BONDS REFUNDED

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Water Revenue Refunding Bonds, Series 2001, 2001:					
SERIAL	01/01/2012	5.000%	1,155,000.00	01/01/2011	100.000
	01/01/2013	5.000%	1,215,000.00	01/01/2011	100.000
	01/01/2014	5.000%	1,275,000.00	01/01/2011	100.000
	01/01/2015	5.000%	1,330,000.00	01/01/2011	100.000
	01/01/2016	5.000%	1,400,000.00	01/01/2011	100.000
			6,375,000.00		

ESCROW DESCRIPTIONS

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Oct 5, 2010:						
SLGS	Certificate	01/01/2011	01/01/2011	6,532,327	0.130%	0.130%
				6,532,327		

SLGS Summary

SLGS Rates File	22SEP10
Total Certificates of Indebtedness	6,532,327.00

ESCROW STATISTICS

Southeast Morris County MUA, NJ
 Refunding Bonds
 (REFUNDS CALLABLE 2001 BONDS)
 (UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
 (INTRINSIC MOODY'S Aa2)

Escrow	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
DSR	1,463,500.00	0.239	0.131223%	0.131223%	1,459,208.28	4,291.65	0.07
BP	5,068,847.61	0.239	0.131223%	0.131223%	5,053,983.23	14,864.38	
	6,532,347.61				6,513,191.51	19,156.03	0.07

Delivery date 10/05/2010
 Arbitrage yield 1.365179%

ESCROW REQUIREMENTS

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

Period Ending	Interest	Principal Redeemed	Total
01/01/2011	159,375.00	6,375,000.00	6,534,375.00
	159,375.00	6,375,000.00	6,534,375.00

ESCROW CASH FLOW

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

Date	Principal	Interest	Net Escrow Receipts
01/01/2011	6,532,327.00	2,047.39	6,534,374.39
	6,532,327.00	2,047.39	6,534,374.39

Escrow Cost Summary

Purchase date	10/05/2010
Purchase cost of securities	6,532,327.00

ESCROW SUFFICIENCY

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
10/05/2010		20.61	20.61	20.61
01/01/2011	6,534,375.00	6,534,374.39	-0.61	20.00
	6,534,375.00	6,534,395.00	20.00	

ESCROW COST

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	01/01/2011	6,532,327	0.130%	6,532,327.00
		6,532,327		6,532,327.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
10/05/2010	6,532,327	20.61	6,532,347.61
	6,532,327	20.61	6,532,347.61

PROOF OF COMPOSITE ESCROW YIELD

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

All restricted escrows funded by bond proceeds

Date	Security Receipts	Present Value to 10/05/2010 @ 0.1312233%
01/01/2011	5,070,436.31	5,068,847.61
	5,070,436.31	5,068,847.61

Escrow Cost Summary

Purchase date	10/05/2010
Purchase cost of securities	5,068,847.61
Target for yield calculation	5,068,847.61

PROOF OF ARBITRAGE YIELD

Southeast Morris County MUA, NJ
Refunding Bonds
(REFUNDS CALLABLE 2001 BONDS)
(UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
(INTRINSIC MOODY'S Aa2)

Date	Debt Service	Present Value to 10/05/2010 @ 1.3651788%
01/01/2011	47,976.11	47,820.43
07/01/2011	89,900.00	89,000.77
01/01/2012	979,900.00	963,521.63
07/01/2012	76,550.00	74,760.21
01/01/2013	996,550.00	966,651.78
07/01/2013	58,150.00	56,022.99
01/01/2014	1,018,150.00	974,257.98
07/01/2014	38,950.00	37,018.20
01/01/2015	1,023,950.00	966,567.54
07/01/2015	19,250.00	18,048.03
01/01/2016	1,044,250.00	972,409.48
	5,393,576.11	5,166,079.05

Proceeds Summary

Delivery date	10/05/2010
Par Value	4,785,000.00
Premium (Discount)	381,079.05
Target for yield calculation	5,166,079.05

BOND SUMMARY STATISTICS

Southeast Morris County MUA, NJ
 Refunding Bonds
 (REFUNDS CALLABLE 2001 BONDS)
 (UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
 (INTRINSIC MOODY'S Aa2)

Dated Date	10/05/2010
Delivery Date	10/05/2010
Last Maturity	01/01/2016
Arbitrage Yield	1.365179%
True Interest Cost (TIC)	1.543309%
Net Interest Cost (NIC)	1.619710%
All-In TIC	1.951689%
Average Coupon	3.847344%
Average Life (years)	3.306
Duration of Issue (years)	3.149
Par Amount	4,785,000.00
Bond Proceeds	5,166,079.05
Total Interest	608,576.11
Net Interest	256,207.06
Total Debt Service	5,393,576.11
Maximum Annual Debt Service	1,057,100.00
Average Annual Debt Service	1,029,526.72
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	107.364034

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	4,785,000.00	107.964	3.847%	3.306
	4,785,000.00			3.306

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,785,000.00	4,785,000.00	4,785,000.00
+ Accrued Interest			
+ Premium (Discount)	381,079.05	381,079.05	381,079.05
- Underwriter's Discount	-28,710.00	-28,710.00	
- Cost of Issuance Expense		-65,000.00	
- Other Amounts			
Target Value	5,137,369.05	5,072,369.05	5,166,079.05
Target Date	10/05/2010	10/05/2010	10/05/2010
Yield	1.543309%	1.951689%	1.365179%

FORM 8038 STATISTICS

Southeast Morris County MUA, NJ
 Refunding Bonds
 (REFUNDS CALLABLE 2001 BONDS)
 (UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
 (INTRINSIC MOODY'S Aa2)

Dated Date 10/05/2010
 Delivery Date 10/05/2010

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	01/01/2011	5,000.00	2.000%	100.297	5,014.85	5,000.00
	01/01/2012	890,000.00	3.000%	102.705	914,074.50	890,000.00
	01/01/2013	920,000.00	4.000%	106.739	981,998.80	920,000.00
	01/01/2014	960,000.00	4.000%	109.034	1,046,726.40	960,000.00
	01/01/2015	985,000.00	4.000%	110.575	1,089,163.75	985,000.00
	01/01/2016	250,000.00	3.000%	106.384	265,960.00	250,000.00
	01/01/2016	775,000.00	4.000%	111.373	863,140.75	775,000.00
		4,785,000.00			5,166,079.05	4,785,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	01/01/2016	3.764%	1,129,100.75	1,025,000.00		
Entire Issue			5,166,079.05	4,785,000.00	3.3400	1.3652%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	93,710.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	5,068,847.61
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	3.3201
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

FORM 8038 STATISTICS

Southeast Morris County MUA, NJ
 Refunding Bonds
 (REFUNDS CALLABLE 2001 BONDS)
 (UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
 (INTRINSIC MOODY'S Aa2)

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
Water Revenue Refunding Bonds, Series 2001:					
SERIAL	01/01/2012	1,155,000.00	5.000%	103.805	1,198,947.75
SERIAL	01/01/2013	1,215,000.00	5.000%	102.953	1,250,878.95
SERIAL	01/01/2014	1,275,000.00	5.000%	102.185	1,302,858.75
SERIAL	01/01/2015	1,330,000.00	5.000%	101.423	1,348,925.90
SERIAL	01/01/2016	1,400,000.00	5.000%	101.045	1,414,630.00
		6,375,000.00			6,516,241.35

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Water Revenue Refunding Bonds, Series 2001	01/01/2011	07/25/2001	3.3201
All Refunded Issues	01/01/2011		3.3201

AGGREGATE DEBT SERVICE

Southeast Morris County MUA, NJ
 Refunding Bonds
 (REFUNDS CALLABLE 2001 BONDS)
 (UNENHANCED); (BANK-QUALIFIED); (NON-CALLABLE)
 (INTRINSIC MOODY'S Aa2)

Date	Refunding Bonds Principal	Refunding Bonds Interest	Unrefunded Bonds Principal	Unrefunded Bonds Interest	Aggregate Principal	Aggregate Interest	Aggregate Debt Service
01/01/2011	5,000	42,976.11	1,105,000	23,481.25	1,110,000	66,457.36	1,176,457.36
07/01/2011		89,900.00				89,900.00	89,900.00
01/01/2012	890,000	89,900.00			890,000	89,900.00	979,900.00
07/01/2012		76,550.00				76,550.00	76,550.00
01/01/2013	920,000	76,550.00			920,000	76,550.00	996,550.00
07/01/2013		58,150.00				58,150.00	58,150.00
01/01/2014	960,000	58,150.00			960,000	58,150.00	1,018,150.00
07/01/2014		38,950.00				38,950.00	38,950.00
01/01/2015	985,000	38,950.00			985,000	38,950.00	1,023,950.00
07/01/2015		19,250.00				19,250.00	19,250.00
01/01/2016	1,025,000	19,250.00			1,025,000	19,250.00	1,044,250.00
	4,785,000	608,576.11	1,105,000	23,481.25	5,890,000	632,057.36	6,522,057.36