

# ANNUAL DEBT STATEMENT

AS REQUIRED BY N.J.S.A. 40A:2-40

of the BOROUGH of WATCHUNG County of SOMERSET  
 Prepared as of December 31, 2008

	Gross	Deduction	Net
1. (a) Total Bonds and Notes for School Purposes	20,483,604.45 (50011-00)	20,483,604.45 (50012-00)	0.00 (50013-00)
(b) Less Applicable Deductions			
(c) Net Debt for School Purposes	0.00 (50014-00)		0.00 (50013-00)
2. (a) Total Bonds and Notes for Self-Liquidating Purposes			
(b) Less Applicable Deductions		0.00 (50015-00)	
(c) Net Debt for Self-Liquidating Purposes			0.00 (50016-00)
3. (a) Total Other Bonds and Notes	28,663,481.31 (50017-00)		
(b) Less Applicable Deductions		0.00 (50018-00)	
(c) Net Debt for Other Purposes			28,663,481.31 (50019-00)
Total Gross Debt	49,147,085.76 (50020-00)		
Total Deductions		20,483,604.45 (50021-00)	
<b>4. TOTAL NET DEBT DECEMBER 31, 2008</b>			<b>28,663,481.31 (50022-00)</b>

**EQUALIZED VALUATION BASIS**

Equalized valuation basis (the average of the equalized valuation of real estate, including improvements, and the assessed valuation of class II railroad property of the local unit for the last 3 preceding years).

(1) 2006 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	2,018,695,608.00
(2) 2007 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	1,934,601,405.00
(3) 2008 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	1,886,332,814.00
	1,946,543,275.67

**5. EQUALIZED VALUATION BASIS - Average of (1), (2), and (3).**

**6. PERCENTAGE OF NET DEBT OF EQUALIZED VALUATION BASIS**

The percentage that the net debt (Line 4 above) bears to the equalized valuation basis (Line 5 above):  
one and 47/100 per cent 1.47%  
 (50039-00)

**AFFIDAVIT**

STATE OF NEW JERSEY )  
 County of SOMERSET ) ss. WILLIAM HANCE, being duly sworn, deposes and says:

Deponent is the chief financial officer of the BOROUGH OF WATCHUNG, COUNTY OF SOMERSET here and in the statement hereinafter mentioned called "the municipality" or "the county". The Annual Debt Statement annexed hereto and hereby made a part hereof is a true statement of the debt condition of the municipality or county as of December 31, 2008 and is computed as provided by the Local Bond Law of New Jersey (N.J.S.A. 40A:2-1 et seq.). The amounts of such items as are indefinite or unascertainable are estimated and are so marked.

Subscribed and sworn to before me  
 this 22nd day of January, 2009  
Michelle DeLoe  
 Notary Public of New Jersey  
 MICHELLE DeROCCO  
 A Notary Public of New Jersey

William Hance  
 Name: Chief Financial Officer  
 Title: Municipal Building  
 Address: 15 Mountain Blvd.  
 Watchung, N.J. 07069  
 Phone: 908-756-0080  
 Fax: 908-757-7027

My Commission Expires: June 11, 2013  
 NOTE: One copy must be filed not later than January 31, 2009 with Division of Local Government Services, P.O. 803, Trenton, N.J. 08625-0803. The code numbers in brackets ( ) are for Division of Local Government Services use only.





**BONDS AND NOTES FOR SELF- LIQUIDATING PURPOSES**

A. \_\_\_\_\_ SYSTEM

(insert Applicable Utility)

1. Terms Bonds (503 1-00) \_\_\_\_\_

2. Serial bonds (a) Issued (503 2-00) \_\_\_\_\_

(b) Authorized but not issued (503 3-00) \_\_\_\_\_

3. Refunding Bonds (N.J.S.A. 40A:2-52) (a) Issued (503 4-00) \_\_\_\_\_

(b) Authorized but not issued (503 5-00) \_\_\_\_\_

4. Bond anticipation notes (a) Issued (503 6-00) \_\_\_\_\_

(b) Authorized but not issued (503 7-00) \_\_\_\_\_

5. Capital Notes (N.J.S.A. 40A:2-8) (a) Issued (503 8-00) \_\_\_\_\_

(b) Authorized but not issued (503 9-00) \_\_\_\_\_

6. Total \_\_\_\_\_ (503 0-00)

B. \_\_\_\_\_ SYSTEM

(insert Applicable Utility)

7. Terms Bonds (503 1-00) \_\_\_\_\_

8. Serial bonds (a) Issued (503 2-00) \_\_\_\_\_

(b) Authorized but not issued (503 3-00) \_\_\_\_\_

9. Refunding Bonds (N.J.S.A. 40A:2-52) (a) Issued (503 4-00) \_\_\_\_\_

(b) Authorized but not issued (503 5-00) \_\_\_\_\_

10. Bond anticipation notes (a) Issued (503 6-00) \_\_\_\_\_

(b) Authorized but not issued (503 7-00) \_\_\_\_\_

11. Capital Notes (N.J.S.A. 40A:2-8) (a) Issued (503 8-00) \_\_\_\_\_

(b) Authorized but not issued (503 9-00) \_\_\_\_\_

12. Total \_\_\_\_\_ (503 0-00)

**C. OTHER SELF-LIQUIDATING PURPOSES FROM WHICH MUNICIPALITY DERIVES REVENUE**

(state on a separate sheet in the manner stated above)

Total \_\_\_\_\_

Page Total

\_\_\_\_\_ (50409-00)

**DEDUCTIONS APPLICABLE TO BONDS AND NOTES  
FOR SELF-LIQUIDATING PURPOSES**

1. \_\_\_\_\_ SYSTEM  
(Insert Applicable Utility)

(a) Gross \_\_\_\_\_ System Debt (504 1-00) \_\_\_\_\_

(b) Less: Deficit (Capitalized at 5%)  
(Line 9 Or Line 11, Page 11) \_\_\_\_\_  
\$ \_\_\_\_\_ times 20 (504 2-00) \_\_\_\_\_

(c) Deduction (504 3-00) \_\_\_\_\_

(d) Plus: Cash held to Pay Bonds and Notes  
included in 2(a) above (504 4-00) \_\_\_\_\_

(e) Total Deduction \_\_\_\_\_ (504 5-00)

2. \_\_\_\_\_ SYSTEM  
(Insert Applicable Utility)

(a) Gross \_\_\_\_\_ System Debt (504 1-00) \_\_\_\_\_

(b) Less: Deficit (Capitalized at 5%)  
(Line 20 Or Line 22, Page 11) \_\_\_\_\_  
\$ \_\_\_\_\_ times 20 (504 2-00) \_\_\_\_\_

(c) Deduction (504 3-00) \_\_\_\_\_

(d) Plus: Cash held to Pay Bonds and Notes  
included in 2(a) above (504 4-00) \_\_\_\_\_

(e) Total Deduction \_\_\_\_\_ (504 5-00)

**3. OTHER SELF-LIQUIDATING PURPOSES FROM  
WHICH MUNICIPALITY DERIVES REVENUE**  
(State separately as above)

NOTE-the deficit in revenues may be capitalized by either dividing  
such deficit by .05 or by multiplying such deficit by 20 as  
indicated above.

OTHER BONDS AND NOTES

1. TERM BONDS (state purposes separately)

(1)	_____
(2)	_____
(3)	_____
(4)	_____
(5)	_____
(6)	_____
(7)	_____
(8)	_____
2. Total Term Bonds	_____
	(50509-00)

3. SERIAL BONDS (state purposes separately)

(a) Issued

(1)	General Improvement Bonds - 1995	_____	_____
(2)	General Improvement Bonds - 1999	_____	229,000.00
(3)	Special Assessment Bonds - 1999	_____	3,541,000.00
(4)	General Improvement Bonds - 2007	_____	135,000.00
(5)	_____	_____	15,134,000.00
(6)	_____	_____	_____
(7)	_____	_____	_____
(8)	_____	_____	_____
(9)	_____	_____	_____
(10)	_____	_____	_____
(11)	_____	_____	_____
(12)	_____	_____	_____
(13)	_____	_____	_____
(14)	_____	_____	_____
(15)	_____	_____	_____
(16)	_____	_____	_____
(17)	_____	_____	_____

**OTHER BONDS AND NOTES**

**3. SERIAL BONDS (Continued)**

(a) Issued		
(18)	_____	_____
(19)	_____	_____
(20)	_____	_____
(21)	_____	_____
(22)	_____	_____
(23)	_____	_____
(24)	_____	_____
(25)	_____	_____
(26)	_____	_____
(27)	_____	_____
(28)	_____	_____
(29)	_____	_____
(30)	_____	_____
(31)	_____	_____

Total Serial Bonds Issued	19,039,000.00
	(50547-00)

(b) Authorized but not issued

(1)	<u>99-12/04-02/04-22 Sewer and Water Connections</u>	39,706.01
(2)	<u>99-14/02-05/04-06 Sewer and Water Connections</u>	29,540.90
(3)	<u>03-03/06-27 Sewer Improvement Projects</u>	673,859.12
(4)	<u>03-04/06-03/06-04 Road Water Improvements</u>	667,565.00
(5)	<u>06-26/07-24 Various Public Improvements</u>	97,426.00
(6)	<u>06-29 Skyline &amp; Johnston Sewer Improvements</u>	20,000.00
(7)	<u>07-19 Road &amp; Drainage Projects</u>	522,500.00
(8)	<u>08-02 Belgian Block Curbing-Beechwood</u>	32,300.00
(9)	<u>08-05 Valley Road Sewer Extension</u>	228,000.00
(10)	<u>08-16 Road Improvement Program</u>	809,000.00
(11)	<u>08-19 Public Works Equipment</u>	33,250.00
(12)	<u>08-24 Stanie Glen &amp; Anderson Roads</u>	814,000.00

Total Serial Bonds Authorized but not Issued	3,967,147.03
	(50564-00)
4. Total Serial Bonds Issued and Authorized but not Issued	23,006,147.03
	(50565-00)

**OTHER BONDS AND NOTES**

**5. BOND ANTICIPATION NOTES (state purposes separately)**

(a) Issued	(1)	<u>03-03/06-27 Sewer Improvement Projects</u>	<u>500,000.00</u>
	(2)	<u>05-10 Acquisition of Property-Open Space</u>	<u>1,000,000.00</u>
	(3)	<u>06-26/07-24 Various Public Improvements</u>	<u>1,000,000.00</u>
	(4)	<u>06-29 Skyline &amp; Johnston Sewer Improvements</u>	<u>1,500,000.00</u>
	(5)	_____	
	(6)	_____	
	(7)	_____	
	(8)	_____	
	(9)	_____	
	(10)	_____	
	(11)	_____	
	(12)	_____	
	(13)	_____	
	(14)	_____	

Bond Anticipation Notes Issued	<u>4,000,000.00</u>
	<u>(50625-00)</u>

(b) Authorized but not issued

(1)	_____
(2)	_____
(3)	_____
(4)	_____
(5)	_____
(6)	_____
(7)	_____
(8)	_____
(9)	_____
(10)	_____

Bond Anticipation Notes Authorized but not Issued

(50661-00)

**6. Total Bond Anticipation Notes Issued and Authorized but not Issued**

	<u>4,000,000.00</u>
	<u>(50662-00)</u>



**OTHER BONDS AND NOTES**

**7. MISCELLANEOUS BONDS AND NOTES** (not including Tax Anticipation Notes, Emergency Notes, Special Emergency Notes and Utility Revenue Notes)

(a) Issued

(1)	Capital Notes (N.J.S.A. 40A:2-8)	(50711-00) _____
(2)	Bonds issued by another Public Body Guaranteed by the Municipality (50712-00)	_____
(3)	Infrastructure Loans (50713-00)	<u>1,322,492.05</u>
(4)	Green Trust Loans (50714-00)	<u>262,314.18</u>
(5)	EDA Loans (50715-00)	<u>72,528.05</u>
	Miscellaneous Bonds and Notes Issued	<u>1,657,334.28</u>

(b) Authorized but not issued

(1)	Capital Notes (N.J.S.A. 40A:2-8)	(50721-00) _____
(2)	Bonds authorized by another Public Body Guaranteed by the Municipality (50722-00)	_____
(3)	_____ (50723-00)	_____
(4)	_____ (50724-00)	_____
(5)	_____ (50725-00)	_____

Miscellaneous Bonds and Notes Authorized but not issued

8. Total Miscellaneous Bonds and Notes Issued and Authorized but not Issued

	1,657,334.28
	<u>(50726-00)</u>

Total of Pages 6, 7, 8 and 9

	28,663,481.31
	<u>(50799-00)</u>

**DEDUCTIONS APPLICABLE TO OTHER BONDS AND NOTES**

1. Amounts held or to be held for the sole purpose of paying bonds and notes included on Pages 6, 7, 8 and 9.

(a) Sinking funds in hand for term bonds shown on Line 2 on Page 6

(1)

\_\_\_\_\_  
(50814-00)

(b) Funds in hand(including proceeds of bonds and notes held to pay other bonds and notes), in those cases where such funds cannot be diverted to purposes other than the payment of bonds and notes included on Pages 6, 7, 8 and 9

(1)

(2)

(3)

\_\_\_\_\_  
(50824-00)

(c) Estimated proceeds of bonds and notes authorized but not issued where such proceeds will be used for the sole purpose of paying bonds and notes included on Pages 6, 7, 8 and 9

(1)

(2)

(3)

\_\_\_\_\_  
(50834-00)

(d) Accounts receivable from other public authorities applicable only to the payment of any part of the gross debt not otherwise deductible

(1)

(2)

\_\_\_\_\_  
(50843-00)

2. Bonds authorized by another Public Body to be guaranteed by the municipality

\_\_\_\_\_  
(50844-00)

3. Bonds issued and bonds authorized but not issued to meet cash grants-in-aid for housing authority, redevelopment agency or municipality acting as its local public agency[N.J.S.A. 55:14B-4.1(d)]

\_\_\_\_\_  
(50848-00)

4. Bonds issued and bonds authorized but not issued - Capital projects for county colleges(N.J.S.A. 18A:64A-22.1 to N.J.S.A. 18A:64A-22.8)

\_\_\_\_\_  
(50851-00)

5. Refunding Bonds (N.J.S.A. 40A:2-52)

(1)

(2)

\_\_\_\_\_  
(50860-00)

Page Total

\_\_\_\_\_  
(50849-00)

(Set forth in the following form, the figures showing whether the self-liquidating utility(s) have supported themselves during fiscal year 2008

\_\_\_\_\_  
 (Insert Applicable Utility) Utility

1. Total Cash Receipts from Fees, \_\_\_\_\_  
 Rents or other Charges for Year (509 1-00)

2. Operating and Maintenance Cost \_\_\_\_\_  
 (509 2-00)

3. Debt Service per Water Accounts \_\_\_\_\_  
 (a) Interest (509 3-00)  
 (b) Notes (509 4-00)  
 (c) Serial Bonds (509 5-00)  
 (d) Sinking Fund Requirement (509 6-00)

4. Debt Service per Current Budget \_\_\_\_\_  
 (N.J.S.A. 40A:2-52)  
 (a) Interest on \_\_\_\_\_  
 (b) Refunding Bonds (509 7-00)  
 Refunding Bonds (509 8-00)

5. Anticipated Deficit in Dedicated \_\_\_\_\_  
 Assessment Budget (509 9-00)  
 (510 0-00)

6. Total Debt Service \_\_\_\_\_  
 (510 1-00)

7. Total Deductions(Line 2 plus Line 6) \_\_\_\_\_  
 (510 2-00)

8. Excess in Revenues(Line 1 minus Line 7) \_\_\_\_\_  
 (510 3-00)

9. Deficit in Revenues (Line 7 minus Line 1) \_\_\_\_\_  
 (510 4-00)

10. Total Debt Service (Line 6) \_\_\_\_\_  
 (510 5-00)

11. Deficit(smaller of Line 9 or Line 10) to Page 5 \_\_\_\_\_  
 If Excess in Revenues (Line 8)all \_\_\_\_\_ Utility Debt is Deductible

\_\_\_\_\_  
 (Insert Applicable Utility) Utility

12. Total Cash Receipts from Fees, \_\_\_\_\_  
 Rents or other Charges for Year (509 1-00)

13. Operating and Maintenance Cost \_\_\_\_\_  
 (509 2-00)

14. Debt Service \_\_\_\_\_  
 (a) Interest (509 3-00)  
 (b) Notes (509 4-00)  
 (c) Serial Bonds (509 5-00)  
 (d) Sinking Fund Requirement (509 6-00)

15. Debt Service per Current Budget \_\_\_\_\_  
 (N.J.S.A. 40A:2-52)  
 (a) Interest on \_\_\_\_\_  
 (b) Refunding Bonds (509 7-00)  
 Refunding Bonds (509 8-00)

16. Anticipated Deficit in Dedicated \_\_\_\_\_  
 Assessment Budget (509 9-00)  
 (510 0-00)

17. Total Debt Service \_\_\_\_\_  
 (510 1-00)

18. Total Deductions(Line 13 plus Line 17) \_\_\_\_\_  
 (510 2-00)

19. Excess in Revenues(Line 12 minus Line 18) \_\_\_\_\_  
 (510 3-00)

20. Deficit in Revenues (Line 18 minus Line 12) \_\_\_\_\_  
 (510 4-00)

21. Total Debt Service (Line 17) \_\_\_\_\_  
 (510 5-00)

22. Deficit(smaller of Line 20 or Line 21) to Page 5 \_\_\_\_\_  
 If Excess in Revenues (Line 19)all \_\_\_\_\_ Sewer Utility Debt is Deductible

(If Municipality has other utilities or enterprises, additional pages are to be added to this statement.)

SPECIAL DEBT STATEMENT

BORROWING POWER AVAILABLE UNDER N.J.S.A. 40A:2-7f)

1. Balance of debt incurring capacity as of December 31, 2008 under N.J.S.A. 40:1-16(d) \_\_\_\_\_ (51100-00)
2. Obligations heretofore authorized during 2008 in excess of debt limitation and pursuant to
- (a) N.J.S.A. 40A:2-7, paragraph (d) \_\_\_\_\_ (51101-00)
  - (b) N.J.S.A. 40A:2-7, paragraph (f) \_\_\_\_\_ (51102-00)
  - (c) N.J.S.A. 40A:2-7, paragraph (g) \_\_\_\_\_ (51103-00)
- Total \_\_\_\_\_ (51104-00)
3. Less 2008 authorizations repealed during 2008 \_\_\_\_\_ (51105-00)
4. Net authorizations during 2008 \_\_\_\_\_ (51106-00)
5. Balance of debt incurring capacity December 31, 2008 under N.J.S.A. 40:1-16(d) \_\_\_\_\_ (51107-00)

I, \_\_\_\_\_ Director of the Division of Local Government Services of the Department of Community Affairs of the State of New Jersey, do hereby certify that I have compared this copy of an Annual Debt Statement of the above municipalities or county with the original Annual Debt Statement filed in the Division of Local Government Services of the Department of Community Affairs of the State of New Jersey on \_\_\_\_\_ and that this is a true copy of said statement and of the whole thereof.

In witness whereof, I have hereunto set my hand as Director of Local Government Services of the Department of Community Affairs of the State of New Jersey this \_\_\_\_\_ day of \_\_\_\_\_, 2009

\_\_\_\_\_  
Director