

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, 2009

	Gross	Deduction	Net
1. (a) Total Bonds and Notes for School Purposes	19,016,267.44 (50011-00)		
(b) Less Applicable Deductions		19,016,267.44 (50012-00)	0.00 (50013-00)
(c) Net Debt for School Purposes			
2. (a) Total Bonds and Notes for Self-Liquidating Purposes	0.00 (50014-00)		
(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	29,041,209.27 (50017-00)		
(b) Less Applicable Deductions		0.00 (50018-00)	
(c) Net Debt for Other Purposes			29,041,209.27 (50019-00)

Total Gross Debt	48,057,476.71 (50020-00)		
Total Deductions		19,016,267.44 (50021-00)	29,041,209.27 (50022-00)
4. TOTAL NET DEBT DECEMBER 31, 2009			

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) 2007 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	1,934,601,405.00
(2) 2008 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	1,964,456,771.00
(3) 2009 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	1,912,929,426.00
5. EQUALIZED VALUATION BASIS - Average of (1), (2), and (3).	1,937,329,200.67

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 49/100 of one per cent 1.49%
(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, 2009 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 _____ day of _____, 2010
Notary Public of New Jersey

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

NOTE- One copy must be filed not later than January 31, 2010 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.

DEDUCTIONS APPLICABLE TO BONDS AND NOTES

FOR SCHOOL PURPOSES

Amounts held or to be held for the sole purpose of paying bonds and notes included on the opposite page (Items 1,2,3,5,6)

1. Sinking funds in hand for bonds shown as Line 1, Page 2 of this statement but not in excess of such bonds.	<u>(50211-00)</u>
2. Funds in hand in those cases where such funds cannot be diverted to purposes other than the payment of bonds and notes included in Line 4, Page 2.	<u>(50212-00)</u>
3. 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 in Line 4, Page 2	<u>(50213-00)</u>
4. <u>4.00%</u> per centum of equalized valuations (50221-00) as stated in Line 5, Page 1.	<u>77,493,168.03</u> (50214-00)

Instructions re: Line 4:

Use applicable per centum as follows:

- 2 1/2% Kindergarten or Grade 1 through Grade 6
- 3% Kindergarten or Grade 1 through Grade 8
- 3 1/2 % Kindergarten or Grade 1 through Grade 9
- 4% Kindergarten or Grade 1 through Grade 12

Other (insert applicable description)

_____ % _____
(50222-00)

5. Additional State School Building Aid Bonds (N.J.S.A. 18A:58-33.4(d))	<u>(50220-00)</u>
6. Total	<u>(50215-00) 77,493,168.03</u>
7. School Debt as shown by Line 4, Page 2.	<u>(50216-00) 11,638,000.00</u>
8. Deduction for School Debt included in Line 4, Page 2 (smaller of Line 6 or 7).	<u>(50217-00) 11,638,000.00</u>
9. Regional School Debt as shown by Line 7, Page 2.	<u>(50218-00) 7,378,267.44</u>
Page Total	<u>19,016,267.44</u> (50219-00)

BONDS AND NOTES FOR SELF-LIQUIDATING PURPOSES

A. _____ SYSTEM

(insert Applicable Utility)

- 1. Terms Bonds (503 1-00) _____
- 2. Serial bonds (503 2-00) _____
 - (a) Issued
 - (b) Authorized but not issued (503 3-00) _____
- 3. Refunding Bonds (N.J.S.A. 40A:2-52) (503 4-00) _____
 - (a) Issued (503 5-00) _____
 - (b) Authorized but not issued (503 6-00) _____
- 4. Bond anticipation notes (503 6-00) _____
 - (a) Issued (503 7-00) _____
 - (b) Authorized but not issued (503 8-00) _____
- 5. Capital Notes (N.J.S.A. 40A:2-8) (503 8-00) _____
 - (a) Issued (503 9-00) _____
 - (b) Authorized but not issued
- 6. Total _____ (503 0-00)
- B. _____ SYSTEM
(insert Applicable Utility)
- 7. Terms Bonds (503 1-00) _____
- 8. Serial bonds (503 2-00) _____
 - (a) Issued
 - (b) Authorized but not issued (503 3-00) _____
- 9. Refunding Bonds (N.J.S.A. 40A:2-52) (503 4-00) _____
 - (a) Issued (503 5-00) _____
 - (b) Authorized but not issued (503 6-00) _____
- 10. Bond anticipation notes (503 6-00) _____
 - (a) Issued (503 7-00) _____
 - (b) Authorized but not issued
- 11. Capital Notes (N.J.S.A. 40A:2-8) (503 8-00) _____
 - (a) Issued (503 9-00) _____
 - (b) Authorized but not issued
- 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)	<u>General Improvement Bonds - 1995</u>	114,000.00
(2)	<u>General Improvement Bonds - 1999</u>	2,941,000.00
(3)	<u>General Improvement Bonds - 2007</u>	14,659,000.00
(4)	_____	_____
(5)	_____	_____
(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)	_____

Total Serial Bonds Issued

17,714,000.00
(50547-00)

(b) Authorized but not issued

(1)	<u>99-12/04-02/04-22 Sewer and Water Connections</u>	<u>39,706.01</u>
(2)	<u>99-14/02-05/04-06 Sewer and Water Connections</u>	<u>29,540.90</u>
(3)	<u>03-03/06-27 Sewer Improvement Projects</u>	<u>673,859.12</u>
(4)	<u>03-04/06-03/06-04 Road Water Improvements</u>	<u>667,565.00</u>
(5)	<u>06-29 Skyline & Johnston Sewer Improvements</u>	<u>20,000.00</u>
(6)	<u>07-19 Road & Drainage Projects</u>	<u>522,500.00</u>
(7)	<u>08-05 Valley Road Sewer Extension</u>	<u>228,000.00</u>
(8)	<u>08-16 Road Improvement Program</u>	<u>809,000.00</u>
(9)	<u>08-24 Stanie Glen & Anderson Roads</u>	<u>814,000.00</u>
(10)	<u>09-02 Reconstr. Of Bayberry lane & Johnston Dr.</u>	<u>1,060,000.00</u>
(11)	<u>09-13 Various Public Improvements</u>	<u>241,775.00</u>
(12)	<u>09-16 Purchase of Radio Equipment</u>	<u>28,500.00</u>
(13)	<u>09-17 Purchase of Pickup Truck</u>	<u>47,500.00</u>

Total Serial Bonds Authorized but not Issued

5,181,946.03
(50564-00)
22,895,946.03
(50565-00)

4. Total Serial Bonds Issued and Authorized but not Issued

OTHER BONDS AND NOTES

5. BOND ANTICIPATION NOTES (state purposes separately)

(a) Issued		
(1)	03-03/06-27 Sewer Improvement Projects	500,000.00
(2)	05-10 Acquisition of Property-Open Space	895,000.00
(3)	06-26/07-24 Various Public Improvements	1,000,000.00
(4)	06-29 Skyline & Johnston Sewer Improvements	1,500,000.00
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____
(11)	_____	_____
(12)	_____	_____
(13)	_____	_____
(14)	_____	_____

Bond Anticipation Notes Issued

3,895,000.00
(50625-00)

(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

3,895,000.00
(50662-00)

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)	1,215,525.99	
(4)	Green Trust Loans	(50714-00)	236,978.82	
(5)	EDA Loans	(50715-00)	797,758.43	
	Miscellaneous Bonds and Notes Issued			2,250,263.24
(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				
				2,250,263.24
				(50726-00)

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)

_____ (50849-00)

Page Total

(Set forth in the following form, the figures showing whether the self-liquidating utility(s) have supported themselves during fiscal year 2009

_____	Utility	_____
(Insert Applicable 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)	_____
6. Total Debt Service	(510 0-00)	_____
7. Total Deductions(Line 2 plus Line 6)	(510 1-00)	_____
8. Excess in Revenues(Line 1 minus Line 7)	(510 2-00)	_____
9. Deficit in Revenues (Line 7 minus Line 1)	(510 3-00)	_____
10. Total Debt Service (Line 6)	(510 4-00)	_____
11. Deficit(smaller of Line 9 or Line 10) to Page 5	(510 5-00)	_____
If Excess in Revenues (Line 8)all _____		Utility Debt is Deductible _____

_____	Utility	_____
(Insert Applicable 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)	_____
17. Total Debt Service	(510 0-00)	_____
18. Total Deductions(Line 13 plus Line 17)	(510 1-00)	_____
19. Excess in Revenues(Line 12 minus Line 18)	(510 2-00)	_____
20. Deficit in Revenues (Line 18 minus Line 12)	(510 3-00)	_____
21. Total Debt Service (Line 17)	(510 4-00)	_____
22. Deficit(smaller of Line 20 or Line 21) to Page 5	(510 5-00)	_____
If Excess in Revenues (Line 19)all _____		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:2-7)

1. Balance of debt incurring capacity as of December 31, 2009 under N.J.S.A. 40:1-16(d) _____ (51100-00)
2. Obligations heretofore authorized during 2009 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 2009 authorizations repealed during 2009 _____ (51105-00)
4. Net authorizations during 2009 _____ (51106-00)
5. Balance of debt incurring capacity December 31, 2009 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 _____, 2010

Director