

# 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, 2011

	Gross	Deduction	Net
1. (a) Total Bonds and Notes for School Purposes	15,589,065.42		
(b) Less Applicable Deductions	(50011-00)	15,589,065.42	
(c) Net Debt for School Purposes		(50012-00)	0.00
2. (a) Total Bonds and Notes for Self-Liquidating Purposes	0.00		
(b) Less Applicable Deductions	(50014-00)	0.00	
(c) Net Debt for Self-Liquidating Purposes		(50015-00)	0.00
3. (a) Total Other Bonds and Notes	24,371,618.12		
(b) Less Applicable Deductions	(50017-00)	0.00	
(c) Net Debt for Other Purposes		(50018-00)	24,371,618.12
Total Gross Debt	<u>39,960,683.54</u>		
Total Deductions	<u>(50020-00)</u>	<u>15,589,065.42</u>	
<b>4. TOTAL NET DEBT DECEMBER 31, 2011</b>		<u>(50021-00)</u>	<u>24,371,618.12</u>
			<u>(50019-00)</u>
			<u>(50022-00)</u>

**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) 2009 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	1,793,634,720.00
(2) 2010 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	1,750,672,913.00
(3) 2011 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	1,726,408,121.00
<b>5. EQUALIZED VALUATION BASIS - Average of (1), (2), and (3).</b>	<b>1,756,905,251.33</b>

**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 38/100 of one 1.38% per cent  
(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, 2011 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 31st day of January, 2012  
Michelle DiGiacca  
 Notary Public of New Jersey

Name: William 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, 2012 with Division of Local Government Services, P.O. 803, Trenton, NJ 08646-0803. The code numbers in brackets ( ) are for Division of Local Government Services use only.  
 A Notary Public of New Jersey  
 My Commission Expires: June 11, 2013



**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.  
(50211-00)
  
- 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.  
(50212-00)
  
- 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  
(50213-00)
  
- 4. 4.00% per centum of equalized valuations  
(50221-00)  
as stated in Line 5, Page 1.  
70,276,210.05  
(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) )  
(50220-00)
  
- 6. Total  
(50215-00) 70,276,210.05
  
- 7. School Debt as shown by  
Line 4, Page 2.  
(50216-00) 8,715,355.00
  
- 8. Deduction for School Debt included in Line 4, Page 2  
(smaller of Line 6 or 7).  
(50217-00) 8,715,355.00
  
- 9. Regional School Debt as shown by Line 7, Page 2.  
(50218-00) 6,873,710.42
  
  
  
- Page Total  
15,589,065.42  
(50219-00)

**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 \_\_\_\_\_ (503 0-00)

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)	
<b>2. Total Term Bonds</b>	
	(50509-00)

**3. SERIAL BONDS (state purposes separately)**

<b>(a) Issued</b>	
(1)	<u>General Improvement Bonds - 1999</u>
(2)	<u>General Improvement Bonds - 2007</u>
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
(12)	
(13)	
(14)	
(15)	
(16)	
(17)	
	1,741,000.00
	13,709,000.00

**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**

	15,450,000.00
	(50547-00)

**(b) Authorized but not issued**

(1)		<u>03-03/06-27 Sewer Improvement Projects</u>	123,800.00
(2)		<u>03-04/06-03/06-04 Road Water Improvements</u>	38,527.85
(3)		<u>06-26/07-24 Various Public Improvements</u>	165,215.43
(4)		<u>06-29 Skyline &amp; Johnston Sewer Improvements</u>	20,000.00
(5)		<u>08-05 Valley Road Sewer Extension</u>	228,000.00
(6)		<u>08-24 Stanie Glen &amp; Anderson Roads</u>	440,500.00
(7)		<u>09-02 Reconstr. Of Bayberry lane &amp; Johnston Dr.</u>	1,060,000.00
(8)		<u>09-13 Various Public Improvements</u>	241,775.00
(9)		<u>09-16 Purchase of Radio Equipment</u>	28,500.00
(10)		<u>09-17 Purchase of Pickup Truck</u>	47,500.00
(11)		<u>11-11 Fire Department Equipment</u>	47,144.00
(12)		<u>11-15 Engineering &amp; Design-Sewer Improvements</u>	66,500.00
(13)		<u>11-16 Mason Dump Truck w/ Attachments</u>	69,500.00

**Total Serial Bonds Authorized but not Issued**

	2,576,962.28
	(50564-00)
	18,026,962.28
	(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)		<u>03-03/06-27 Sewer Improvement Projects</u>	<u>463,000.00</u>
(2)		<u>05-10 Acquisition of Property-Open Space</u>	<u>852,000.00</u>
(3)		<u>06-29 Skyline &amp; Johnston Sewer Improvements</u>	<u>1,440,000.00</u>
(4)		<u>07-19 Various Road and Drainage Improvements</u>	<u>522,500.00</u>
(5)		<u>08-16 Road Improvement Program</u>	<u>809,000.00</u>
(6)		<u>08-24 Stanie Glen &amp; Anderson Roads</u>	<u>373,500.00</u>
(7)		_____	
(8)		_____	
(9)		_____	
(10)		_____	
(11)		_____	
(12)		_____	
(13)		_____	
(14)		_____	

Bond Anticipation Notes Issued

4,460,000.00  
(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

4,460,000.00  
(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)	<u>Infrastructure Loans</u>	(50713-00)	<u>990,236.76</u>
(4)	<u>Green Trust Loans</u>	(50714-00)	<u>870,539.89</u>
(5)	<u>EDA Loans</u>	(50715-00)	<u>23,879.19</u>
	Miscellaneous Bonds and Notes Issued		<u>1,884,655.84</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

	1,884,655.84
	(50726-00)

Total of Pages 6, 7, 8 and 9

	24,371,618.12
	(50799-00)

**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)

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 2011

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

\_\_\_\_\_  
(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 \_\_\_\_\_ (509 3-00)
- (a) Interest \_\_\_\_\_ (509 4-00)
- (b) Notes \_\_\_\_\_ (509 5-00)
- (c) Serial Bonds \_\_\_\_\_ (509 6-00)
- (d) Sinking Fund Requirement \_\_\_\_\_
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:2-7f)**

- 1. Balance of debt incurring capacity as of December 31, 2010 under N.J.S.A. 40:1-16(d) \_\_\_\_\_ (51100-00)
  
- 2. Obligations heretofore authorized during 2011 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 2011 authorizations repealed during 2011 \_\_\_\_\_ (51105-00)
  
- 4. Net authorizations during 2011 \_\_\_\_\_ (51106-00)
  
- 5. Balance of debt incurring capacity December 31, 2011 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 \_\_\_\_\_, 2012.

\_\_\_\_\_  
Director