

2004

ANNUAL DEBT STATEMENT

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

of the	BOROUGH	of	WATCHUNG	County of	SOMERSET
<u>Prepared as of December 31, 2004</u>					
			Gross	Deduction	Net
1. (a) Total Bonds and Notes for School Purposes			26,128,791.11 (50011-00)	26,128,791.11 (50012-00)	0.00 (50013-00)
(b) Less Applicable Deductions					
(c) Net Debt for School Purposes					
2. (a) Total Bonds and Notes for Self-Liquidating Purposes			0.00 (50014-00)	0.00 (50015-00)	0.00 (50016-00)
(b) Less Applicable Deductions					
(c) Net Debt for Self-Liquidating Purposes					
3. (a) Total Other Bonds and Notes			15,905,326.44 (50017-00)	134,500.00 (50018-00)	15,770,826.44 (50019-00)
(b) Less Applicable Deductions					
(c) Net Debt for Other Purposes					
Total Gross Debt			<u>42,034,117.55</u> (50020-00)	<u>26,263,291.11</u> (50021-00)	<u>15,770,826.44</u> (50022-00)
Total Deductions					

4. TOTAL NET DEBT DECEMBER 31, 2004

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) 2002 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property 1,275,000,435.00
- (2) 2003 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property 1,526,119,643.00
- (3) 2004 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property 1,665,764,200.00

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 05/100 of One Percent per cent 1.05%
(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, 2004 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 <u>4th</u> day of <u>February</u> , 2005
<u>Michelle DeRocco</u> 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, 2005 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.

A Notary Public of New Jersey

My Commission Expires: June 11, 2008

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>59,558,457.04</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>59,558,457.04</u> (50215-00)
7. School Debt as shown by Line 4, Page 2.	<u>16,518,000.00</u> (50216-00)
8. Deduction for School Debt included in Line 4, Page 2 (smaller of Line 6 or 7).	<u>(50217-00) \$16,518,000.00</u>
9. Regional School Debt as shown by Line 7, Page 2.	<u>(50218-00) 9,610,791.11</u>
Page Total	<u>26,128,791.11</u> (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 _____

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 - 91</u>	<u>182,000.00</u>
(2)	<u>General Improvement Bonds - 95</u>	<u>689,000.00</u>
(3)	<u>General Improvement Bonds - 99</u>	<u>5,941,000.00</u>
(4)	<u>Special Assessment Bonds - 95</u>	<u>65,000.00</u>
(5)	<u>Special Assessment Bonds - 99</u>	<u>679,000.00</u>
(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)		
(32)		
(33)		

Total Serial Bonds Issued

7,556,000.00
(50547-00)

(b) Authorized but not issued

(1)	<u>Various Capital Improvements - 01-10</u>	<u>2,086,000.00</u>
(2)	<u>General Road Resurfacing - 01-19</u>	<u>285,000.00</u>
(3)	<u>Purchase of Front End Loader 03-01</u>	<u>57,500.00</u>
(4)	<u>Various Sanitary Sewer Improvements 03-03</u>	<u>1,202,000.00</u>
(5)	<u>Various Road Water Improvement Projects</u>	<u>572,565.00</u>
(6)	<u>Improvement of Anderson Road</u>	<u>138,000.00</u>
(7)	<u>Purchase of Dump Truck 04-05</u>	<u>104,500.00</u>
(8)	<u>Various Public Improvement 04-10</u>	<u>706,325.00</u>
(9)	<u>Road Resurfacing and Rehabilitation 04-14</u>	<u>100,000.00</u>
(10)	<u>Police Facility Remediation Project 04-15</u>	<u>598,500.00</u>
(11)	<u>Various Sewer and Water Improvements 04-24</u>	<u>144,400.00</u>
(12)		

Total Serial Bonds Authorized but not Issued

3,623,790.00
(50564-00)
11,179,790.00
(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>Various Public Improvements 00-06</u>	<u>499,500.00</u>
(2)	<u>Various Capital Improvements 01-10</u>	<u>1,250,500.00</u>
(3)	_____	
(4)	_____	
(5)	_____	
(6)	_____	
(7)	_____	
(8)	_____	
(9)	_____	
(10)	_____	
(11)	_____	
(12)	_____	
(13)	_____	
(14)	_____	

Bond Anticipation Notes Issued

1,750,000.00
(50625-00)

(b) Authorized but not issued

(1)	<u>Rehabilitation of Dwellings - 98-23</u>	<u>85,500.00</u>
(2)	<u>Installation of Sanitary Sewer - 99-12</u>	<u>56,696.00</u>
(3)	<u>Installation of Sanitary Sewer - 99-14</u>	<u>69,805.00</u>
(4)	<u>Purchase of Equipment - 01-09</u>	<u>130,000.00</u>
(5)	_____	
(6)	_____	
(7)	_____	
(8)	_____	
(9)	_____	
(10)	_____	

Bond Anticipation Notes Authorized but not Issued

342,001.00
(50661-00)

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

2,092,001.00
(50662-00)

(Set forth in the following form, the figures showing whether the self-liquidating utility(s) have supported themselves during fiscal year 2004)

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 _____ (509 7-00)
 - (b) _____ Refunding Bonds (509 8-00)
 - _____ Refunding Bonds
- 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 _____ (509 7-00)
 - (b) _____ Refunding Bonds (509 8-00)
 - _____ Refunding Bonds
- 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(f)

- 1. Balance of debt incurring capacity as of December 31, 2004 under N.J.S.A. 40:1-16(d) _____
(51100-00)

- 2. Obligations heretofore authorized during 2004 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 2004 authorizations repealed during 2004 _____ (51105-00)

- 4. Net authorizations during 2004 _____ (51106-00)

- 5. Balance of debt incurring capacity December 31, 2004 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 _____, 2005.

Director