

2010

ANNUAL DEBT STATEMENT

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

of the Borough of Kinnelon, County of Morris
Prepared as of December 31, 2010

	Gross	Deduction	Net
1. (a) Total Bonds and Notes for School Purposes	\$ 27,534,000.00		\$ 27,534,000.00
(b) Less Applicable Deductions	(50011-00)	\$ 27,534,000.00	(50012-00)
(c) Net Debt for School Purposes			\$ NONE
2. (a) Total Bonds and Notes for Self-Liquidating Purposes	\$ 648,000.00		\$ 648,000.00
(b) Less Applicable Deductions	(30014-00)	\$ NONE	(50013-00)
(c) Net Debt for Self-Liquidating Purposes			\$ 648,000.00
3. (a) Total Other Bonds, Notes and Loans	\$ 15,252,260.97		\$ 15,252,260.97
(b) Less Applicable Deductions	(50017-00)	\$ (50018-00)	(50019-00)
(c) Net Debt for Other Purposes			\$ 15,252,260.97
Total Gross Debt-	\$ 43,434,260.97		\$ 43,434,260.97
Total Deductions	(50020-00)	\$ 27,534,000.00	(50021-00)
4. TOTAL NET DEBT DECEMBER 31, 2010			\$ 15,900,260.97

EQUALIZED VALUATION BASIS

Equalized valuation basis (the average of the equalized valuations 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) 2008 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property \$ 2,459,374,815.00
- (2) 2009 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property \$ 2,405,986,705.00
- (3) 2010 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property \$ 2,312,702,820.00

5. EQUALIZED VALUATIONS BASIS - Average of (1), (2), and (3). \$ 2,392,688,113.33

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):
66/100 of One percent (0.66%)

AFFIDAVIT

STATE OF NEW JERSEY }
County of Morris } ss.
Norman M. Beckstein, being duly sworn, deposes and says:

Deponent is the chief financial officer of the Borough of Kinnelon County of Morris 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, 2010 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 16th day of February, 2011
Elizabeth M. Sebrowski
Notary Public of New Jersey

Name: [Signature]
Title: Chief Financial Officer
Address: 130 Kinnelon Road
Kinnelon, New Jersey 07405
Phone: 973-838-5401
Fax: 973-838-1862

NOTE- One copy must be filed no later than January 31, 2011 with Division of Local Government Services, P.O. Box 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. WATER SYSTEM
(Insert Applicable Utility)

1.	Term 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) \$ <u>594,000.00</u>
	(b) Authorized but not issued		(503 7-00) \$ <u>54,000.00</u>
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		\$ <u>648,000.00</u> (503 0-00)

B. SEWER SYSTEM
(Insert Applicable Utility)

7.	Term 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			\$ <u>648,000.00</u> (50409-00)

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

1.	WATER _____	SYSTEM	
	<i>(Insert Applicable Utility)</i>		
(a)	Gross _____ Water _____	System Debt	(504 1-00) \$ 648,000.00
(b)	Less: Deficit (Capitalized at 5%)		
			(Line 9 or Line 11, Page 11)
			\$ 39,853 times 20
(c)	Deduction		(504 2-00) \$ 797,069.60
			(504 3-00) \$ (149,069.60)
(d)	Plus: Cash held to Pay Bonds and Notes included in 1 (a) above		
(e)	Total Deduction		(504 4-00) \$ _____
			\$ _____ (504 5-00)

2.	SEWER _____	SYSTEM	
	<i>(Insert Applicable Utility)</i>		
(a)	Gross _____ Sewer _____	System Debt	(504 1-00) \$ _____
(b)	Less: Deficit (Capitalized at 5%)		
			(Line 20 or Line 22, Page 11)
			\$ _____ times 20
(c)	Deduction		(504 2-00) \$ _____
			(504 3-00) \$ _____
(d)	Plus: Cash held to Pay Bonds and Notes included in 2 (a) above		
(e)	Total Deduction		(504 4-00) \$ _____
			\$ _____ (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, NOTES AND LOANS

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 Improvements of 2002</u>	\$ _____	365,000.00
(2) <u>Refunding Bonds of 2009</u>	\$ _____	5,965,000.00
(3) _____	\$ _____	
(4) _____	\$ _____	
(5) _____	\$ _____	
(6) _____	\$ _____	
(7) _____	\$ _____	
(8) _____	\$ _____	
(9) _____	\$ _____	
(10) _____	\$ _____	
(11) _____	\$ _____	
(12) _____	\$ _____	
(13) _____	\$ _____	
(14) _____	\$ _____	
(15) _____	\$ _____	
(16) _____	\$ _____	
(17) _____	\$ _____	

OTHER BONDS, NOTES AND LOANS

3. SERIAL BONDS (Continued)

(a) Issued

(18)	_____	\$	_____
(19)	_____	\$	_____
(20)	_____	\$	_____
(21)	_____	\$	_____
(22)	_____	\$	_____
(23)	_____	\$	_____
(24)	_____	\$	_____
(25)	_____	\$	_____
(26)	_____	\$	_____
(27)	_____	\$	_____
(28)	_____	\$	_____
(29)	_____	\$	_____
(30)	_____	\$	_____
(31)	_____	\$	_____
(32)	_____	\$	_____
(33)	_____	\$	_____
(34)	_____	\$	_____
(35)	_____	\$	_____
(36)	_____	\$	_____
Total Serial Bonds Issued			\$ <u>6,330,000.00</u>
			(50547-00)

NY

(b) Authorized but not Issued

(1)	_____	\$	_____
(2)	_____	\$	_____
(3)	_____	\$	_____
(4)	_____	\$	_____
(5)	_____	\$	_____
(6)	_____	\$	_____
(7)	_____	\$	_____
(8)	_____	\$	_____
(9)	_____	\$	_____
(10)	_____	\$	_____
(11)	_____	\$	_____
(12)	_____	\$	_____
(13)	_____	\$	_____
Total Serial Bonds Authorized but not Issued			\$ <u>0.00</u>
			(50564-00)

4. Total Serial Bonds Issued and Authorized but not Issued

	\$ <u>6,330,000.00</u>
	(50565-00)

OTHER BONDS, NOTES AND LOANS

5. BOND ANTICIPATION NOTES (state purposes separately)

(a) Issued	\$
(1) Acquisition of New Fire Apparatus	82,000.00
(2) Acquisition of New DPW & Police Equipment	42,500.00
(3) Improvement of Fayson Lakes Road	11,091.19
(4) Improvement of Municipal Complex - HVAC	140,000.00
(5) Acquisition of New & Additional Equipment	70,000.00
(6) Various Road Improvements	60,000.00
(7) Various Road Improvements	75,000.00
(8) Various Improvements of 2004	56,000.00
(9) Construction Of Recreation Fields	1,327,700.00
(10) Construction of a Salt Storage Facility	204,700.00
(11) Acquisition of Various Equipment	318,000.00
(12) Improvements of Various Roads - 2002	11,827.43
(13) Improvement of Chilhowie Drive	31,500.00
(14) Acquisition of Land	26,000.00
(15) Construction of a New Bike Path	14,500.00
(16) Construction of Recreation Fields	43,500.00
(17) Imp. Of Forestdale Road & Eric Drive	249,500.00
(18) Various Improvements of 2006	217,000.00
(19) Improvements of Various Roads - 2006	114,000.00
(20) Imp. Of Forestdale Road & Eric Drive	31,300.00
(21) Improvement of Kiel Avenue	426,000.00
(22) Various Improvements of 2007	578,800.00
(23) Public Works, Storm Drainage, and Fields	509,700.00
(24) Construction of Recreation Fields	45,000.00
(25) Acquisition of Communication Equipment	71,400.00
(26) Various Improvements of 2009	420,800.00
(27) Improvement of Kiel Avenue(Supplemental)	100,000.00
(28) Various Improvements of 2008	347,200.00
(29) Acquisition of Fire Apparatus	457,000.00
(30) Reconditioning of Fire Rescue Truck	285,000.00
(31) Improvement of Brookvalley Road	252,000.00
(32) Various Improvements of 2010	406,600.00
Bond Anticipation Notes Issued	
	\$ 7,025,618.62
	<u>(50625-00)</u>

(b) Authorized but not Issued	\$
(1) Improvement of Kakeout Road	11,750.00
(2) Improvement of Fayson Lakes Road	17,408.81
(3) Improvements of Various Roads	47,235.82
(4) Improvement of Chilhowie Drive	4,223.57
(5) Acquisition of Land	108.93
(6) Construction of a New Bike Path	420.54
(7) Rehabilitation of Lake Rickabear Dam	250,000.00
(8) Various Improvements of 2009	50.00
(9) Improvement of Kiel Avenue(Supplemental)	265,653.95
(10) Improvement of Brookvalley Road	68,750.00
(11) Construction of a New Firehouse	857,000.00
(12) Various Improvements of 2010	106,400.00
Total Bond Anticipation Notes Authorized but not Issued	
	\$ 1,629,001.62
	<u>(50661-00)</u>

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

	\$ 8,654,620.24
	<u>(50662-00)</u>

OTHER BONDS, NOTES AND LOANS

7. MISCELLANEOUS BONDS, NOTES AND LOANS (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)	\$	267,640.73 ✓
(3) _____	(50713-00)	\$	
(4) _____	(50714-00)	\$	
(5) _____	(50715-00)	\$	

Miscellaneous Bonds, Notes and Loans Issued \$ 267,640.73 ✓
(50716-00)

(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, Notes and Loans Authorized but not Issued \$ _____

8. Total Miscellaneous Bonds, Notes and Loans Issued and Authorized but not Issued \$ 267,640.73
(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) _____ \$ _____
 (2) _____ \$ _____
 (3) _____ \$ _____

\$ _____
 (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)

Page Total

\$ _____
 (50849-00)

**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, 2009 under N.J.S.A. 40:1-16(d)	\$	<u>(51100-00)</u>
2. Obligations heretofore authorized during 2010 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 2010 authorizations repealed during 2010	(51105-00) \$	_____
4. Net authorizations during 2010	\$	<u>(51106-00)</u>
5. Balance of debt incurring capacity December 31, 2010 under N.J.S.A. 40:1-16(d)	\$	<u>(51107-00)</u>

I, the 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 municipality 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 2-18-11 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 the Division of Local Government Services of the Department of Community Affairs of the State of New Jersey this 18th day of February, 2011
 (day) (month) (Year)

Thomas A. Hoff

 , Director