

2011

# ANNUAL DEBT STATEMENT

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

of the	<u>Borough</u>	of	<u>Kinnelon</u>	, County of	<u>Morris</u>
		Prepared as of	<u>December 31, 2011</u>		
			<u>Gross</u>	<u>Deduction</u>	<u>Net</u>
1. (a)	Total Bonds and Notes for School Purposes	\$	<u>27,189,000.00</u> (50011-00)		
(b)	Less Applicable Deductions	\$	<u>27,189,000.00</u> (50012-00)		
(c)	Net Debt for School Purposes				\$ <u>0.00</u> (50013-00)
2. (a)	Total Bonds and Notes for Self-Liquidating Purposes	\$	<u>590,000.00</u> (50014-00)		
(b)	Less Applicable Deductions	\$	<u>0.00</u> (50015-00)		
(c)	Net Debt for Self-Liquidating Purposes				\$ <u>590,000.00</u> (50016-00)
3. (a)	Total Other Bonds, Notes and Loans	\$	<u>16,558,917.00</u> (50017-00)		
(b)	Less Applicable Deduction	\$	<u>0.00</u> (50018-00)		
(c)	Net Debt for Other Purposes				\$ <u>16,558,917.00</u> (50019-00)
	Total Gross Debt	\$	<u>44,337,917.00</u> (50020-00)		
	Total Deductions	\$	<u>27,189,000.00</u> (50021-00)		
<b>4. TOTAL NET DEBT</b>	<b>December 31, 2011</b>				\$ <u>17,148,917.00</u> (50022-00)

### 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)	2009 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	\$	<u>2,405,986,705</u>
(2)	2010 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	\$	<u>2,312,702,820</u>
(3)	2011 Equalized Valuation Real Property with Improvements plus assessed valuation of class II R.R. property	\$	<u>2,212,699,485</u>
<b>5. EQUALIZED VALUATION BASIS - Average of (1), (2), and (3).</b>		\$	<u>2,310,463,003.33</u>

### 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):


Seventy Four Hundreths per cent 0.74%  
(50039-00)

### AFFIDAVIT

The individual filing 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 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 so marked. The chief financial officer filing this document attests that the GovConnect authentication code utilized here is appropriate for this municipality.

Subscribed and sworn to before me  
this 16 day of February, 2012

  
Notary Public of New Jersey

Name:   
 Title: Treasurer  
 Address: 130 Kinnelon Road  
Kinnelon, NJ 07405  
 Phone: 973-838-5401  
 Fax: 973-838-1862

NOTE - One copy must be filed electronically not later than January 31, with Division of Local Government Services.  
The code numbers in brackets ( ) are for Division of Local Government Services use only.

**KAREN IUELE**  
NOTARY PUBLIC OF NEW JERSEY  
My commission expires July 16, 2016



**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. <u>4.0%</u> per centum of average of equalized valuations (50221-00) as stated in Line 5, Page 1.	\$ <u>92,418,520.13</u> (50214-00)

Instructions re: Line 4.

Use applicable per centum as follows:

2.5% Kindergarten or Grade 1 through Grade 6

3.0% Kindergarten or Grade 1 through Grade 8

3.5% Kindergarten or Grade 1 through Grade 9

4.0% Kindergarten or Grade 1 through Grade 12

Other:

\_\_\_\_\_  
(insert applicable description here)

%

\_\_\_\_\_  
(50222-00)

5. Additional State School Building Aid Bonds (N.J.S.A. 18A:58-33.4(d) ).	(50220-00) \$ _____
6. Total	(50215-00) \$ <u>92,418,520.13</u>
7. School Debt as shown by Line 4, Page 2.	(50216-00) \$ <u>27,189,000.00</u>
8. Deduction for School Debt included in Line 4, Page 2 (smaller of Line 6 or 7).	(50217-00) \$ <u>27,189,000.00</u>
9. Regional School Debt as shown by Line 7, Page 2.	(50218-00) \$ <u>0.00</u>

Page Total

\$ 27,189,000.00  
(50219-00)

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

1

**A. Water SYSTEM**  
(Insert Applicable Utility)

1. Term bonds	(503 01-01)	\$ _____	
2. Serial bonds			
(a) Issued	(503 02-01)	\$ _____	
(b) Authorized but not issued	(503 03-01)	\$ _____	
3. Refunding Bonds (N.J.S.A. 40A:2-52)			
(a) Issued	(503 04-01)	\$ _____	
(b) Authorized but not issued	(503 05-01)	\$ _____	
4. Bond anticipation notes			
(a) Issued	(503 06-01)	\$ <u>536,000.00</u>	
(b) Authorized but not issued	(503 07-01)	\$ <u>54,000.00</u>	
5. Capital Notes (N.J.S.A. 40A:2-8)			
(a) Issued	(503 08-01)	\$ _____	
(b) Authorized but not issued	(503 09-01)	\$ _____	
6. Total			\$ <u>590,000.00</u> (503 00-01)

**B. Sewer SYSTEM**  
(Insert Applicable Utility)

7. Term bonds	(503 01-02)	\$ <u>0.00</u>	
8. Serial bonds			
(a) Issued	(503 02-02)	\$ _____	
(b) Authorized but not issued	(503 03-02)	\$ _____	
9. Refunding Bonds (N.J.S.A. 40A:2-52)			
(a) Issued	(503 04-02)	\$ _____	
(b) Authorized but not issued	(503 05-02)	\$ _____	
10. Bond anticipation notes			
(a) Issued	(503 06-02)	\$ _____	
(b) Authorized but not issued	(503 07-02)	\$ _____	
11. Capital Notes (N.J.S.A. 40A:2-8)			
(a) Issued	(503 08-02)	\$ _____	
(b) Authorized but not issued	(503 09-02)	\$ _____	
12. Total			\$ <u>0.00</u> (503 00-02)

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

**A. Water SYSTEM**

(Insert Applicable Utility)

(a) Gross <u>Water</u> System Debt	(504 01-01)	\$ <u>590,000.00</u>
(b) Less: Deficit (Capitalized at 5%)		
(Line 9 or line 11, Page 11)		
\$ <u>63,000.00</u> times 20	(504 02-01)	\$ <u>1,260,000.00</u>
(c) Deduction	(504 03-01)	\$ <u>0.00</u>
(d) Plus: Cash held to Pay Bonds and Notes included in 2 (a) above	(504 04-01)	\$ _____
(e) Total Deduction		\$ <u>0.00</u> (504 05-01)

**B. Sewer SYSTEM**

(Insert Applicable Utility)

(a) Gross <u>Sewer</u> System Debt	(504 01-02)	\$ <u>0.00</u>
(b) Less: Deficit (Capitalized at 5%)		
(Line 20 or line 22, Page 11)		
\$ <u>0.00</u> times 20	(504 02-02)	\$ <u>0.00</u>
(c) Deduction	(504 03-02)	\$ <u>0.00</u>
(d) Plus: Cash held to Pay Bonds and Notes included in 2 (a) above	(504 04-02)	\$ _____
(e) Total Deduction		\$ <u>0.00</u> (504 05-02)

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

\$ 0.00  
(50909-00)

3. SERIAL BONDS (state purpose separately)

(a) Issued

(1) <b>Refunding Bonds of 1999</b> _____	\$ <b>5,935,000.00</b>
(2) _____	\$ _____
(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>5,935,000.00</u>
			(50547-00)

(b) Authorized but not Issued

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

3. Total Serial Bonds Issued and Authorized but not Issued	\$ <u>5,935,000.00</u>
	(50565-00)

**OTHER BONDS, NOTES AND LOANS**

3. BOND ANTICIPATION NOTES (state purposes separately)

(a) Issued

(1)	13-01	<u>Acquisition of new fire apparatus</u>	\$	<u>41,000.00</u>
(2)	8-02	<u>Acquisition of new DPW and Police Equipment</u>	\$	<u>13,000.00</u>
(3)	7-99 / 4-00	<u>Fayson lakes road</u>	\$	<u>6,200.00</u>
(4)	13-02	<u>municipal complex</u>	\$	<u>93,000.00</u>
(5)	14-03	<u>Equipment</u>	\$	<u>52,000.00</u>
(6)	13-03	<u>Roads</u>	\$	<u>45,000.00</u>
(7)	10-04	<u>Roads</u>	\$	<u>56,000.00</u>
(8)	11-04	<u>Improvements</u>	\$	<u>42,000.00</u>
(9)	20-03 / 11-04	<u>Fields</u>	\$	<u>1,127,000.00</u>
(10)	20-03 / 11-04	<u>Fields</u>	\$	<u>140,700.00</u>
(11)	9-04	<u>Salt storage facility</u>	\$	<u>194,700.00</u>
(12)	4-05	<u>Equipment</u>	\$	<u>263,000.00</u>
(13)				
(14)		<u>Bal forward</u>	\$	<u>4,451,600.00</u>

Bond Anticipation Notes Issued \$ 6,525,200.00  
(50625-00)

(b) Authorized but not issued

(1)	7-99/4-00	<u>Imp. Fayson Lake Rd.</u>	\$	<u>17,409.00</u>
(2)	01-01	<u>Imp. Kakeout Rd.</u>	\$	<u>11,750.00</u>
(3)	11-02	<u>Imp. Various Roads</u>	\$	<u>47,236.00</u>
(4)	01-03	<u>Imp. Chihowie Drive</u>	\$	<u>4,224.00</u>
(5)	06-03	<u>Acq. Of Land</u>	\$	<u>109.00</u>
(6)	10-03	<u>Const of New Bike Path</u>	\$	<u>420.00</u>
(7)	06-06	<u>Rehab Lake Rickabear Dam</u>	\$	<u>250,000.00</u>
(8)	10-09	<u>Var. Improvements 2009</u>	\$	<u>50.00</u>
(9)	11-09	<u>Imp. Kiel Ave.</u>	\$	<u>265,654.00</u>
(10)		<u>Balance Forward</u>	\$	<u>3,299,150.00</u>

Bond Anticipation Notes Authorized but not Issued \$ 3,896,002.00  
(50661-00)

6. Total Bond Anticipation Notes Issued and Authorized but not Issued \$ 10,421,202.00

(50662-00)



3. BOND ANTICIPATION NOTES (state purposes separately)

(a) Issued

(1)	11-02	Roads	\$ 8,000.00
(2)	1-03	Chilhowie Drive	\$ 23,000.00
(3)	6-03	Land	\$ 20,000.00
(4)	10-03	Bike Path	\$ 11,000.00
(5)	18-05	Recreation Fields	\$ 34,000.00
(6)	19-05	Forestdale and Eric	\$ 213,000.00
(7)	13-06	Improvements	\$ 186,000.00
(8)	14-06	Roads	\$ 96,400.00
(9)	9-08	DPW, Storm Drains and Rec. Lighting	\$ 347,200.00
(10)	10-09	Improvements	\$ 270,800.00
(11)	18-09	Fire Truck	\$ 457,000.00
(12)	19-09	Reconditioning of Fire Truck	\$ 285,000.00
(13)	3-06	Forestdale and Eric	\$ 29,500.00
(14)	4-07	Kiel Ave.	\$ 402,900.00
(15)	10-07A	Improvements	\$ 544,100.00
(16)	9-08	Improvements	\$ 498,700.00
(17)	18-05	Recreation Fields	\$ 45,000.00
(18)	1-06	Communication Equip	\$ 71,400.00
(19)	10-09	Improvements	\$ 150,000.00
(20)	11-09	Kiel Ave.	\$ 100,000.00
(21)	6-10	Brookvalley Road	\$ 252,000.00
(22)	12-10	Improvements	\$ 406,600.00

Bond Anticipation Notes Issued \$ 4,451,600.00  
(50625-00)

(b) Authorized but not issued

(1)	06-10	Imp. Brookvalley Rd.	\$ 68,750.00
(2)	09-10/15-11	Const. New Firehouse	\$ 1,190,000.00
(3)	12-10	Var. Improvements 2010	\$ 1,400.00
(4)	02-11	Imp. Cutlass Rd.	\$ 452,000.00
(5)	11-11	Various Improvements	\$ 152,000.00
(6)	16-11	Reconstruction Forge Rd.	\$ 1,330,000.00
(7)	13-11	Various Rd. Improvements	\$ 105,000.00
(8)			\$
(9)			\$
(10)			\$

Bond Anticipation Notes Authorized but not Issued \$ 3,299,150.00

## 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) Guaranteed by the Municipality	(50712-00)	\$	
(3) Green Acres Trust Loans	(50713-00)	\$	202,715.00
(4) Infrastructure Trust Loans	(50714-00)	\$	
(5)	(50715-00)	\$	

Miscellaneous Bonds, Notes and Loans Issued	\$	202,715.00
		(50716-00)

(a) Authorized but not issued

(1) Capital Notes (N.J.S.A. 40A:2-8)	(50721-00)	\$	
(2) Guaranteed by the Municipality	(50722-00)	\$	
(3) Green Acres Trust Loans	(50723-00)	\$	
(4) Infrastructure Trust Loans	(50724-00)	\$	
(5)	(50725-00)	\$	

Miscellaneous Bonds, Notes and Loans Authorized but not Issued	\$	0.00
		(50720-00)

8. Total Miscellaneous Bonds, Notes and Loans Issued and Authorized but not issued	\$	202,715.00
		(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) _____	\$ _____	
		\$ _____ 0.00
		(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) _____	\$ _____	
		\$ _____ 0.00
		(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) _____	\$ _____	
		\$ _____ 0.00
		(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) _____	\$ _____	
		\$ _____ 0.00
		(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. 55:14-4.1(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) _____	\$ _____	
		\$ _____ 0.00
		(50860-00)

Page Total

Page 10

	\$ _____ 0.00
	(50849-00)

(set forth in the following form, the figures showing whether the self-liquidating utility(s) have supported themselves during fiscal year 2011)

A. <u>Water</u> UTILITY		
(Insert Applicable Utility)		
1. Total Cash Receipts from Fees, Rents or Other Charges for Year	(509 01-01) \$	<u>428,559.00</u>
2. Operating and Maintenance Cost	(509 02-01) \$	<u>462,065.00</u>
3. Debt Service per Water Utility Accounts		
(a) Interest	(509 03-01) \$	<u>5,000.00</u>
(b) Notes/	(509 04-01) \$	<u>58,000.00</u>
(c) Serial Bonds	(509 05-01) \$	<u>                    </u>
(d) Sinking Fund Requirements	(509 06-01) \$	<u>                    </u>
4. Debt Service per Current Budget (N.J.S.A. 40A:2-52)		
(a) Interest on <u>Water</u> Refunding Bonds	(509 07-01) \$	<u>                    </u>
(b) <u>Water</u> Refunding Bonds	(509 08-01) \$	<u>                    </u>
5. Anticipated Deficit in Dedicated <u>Water</u> Assessment Budget	(509 09-01) \$	<u>                    </u>
6. Total Debt Service	(510 00-01) \$	<u>63,000.00</u>
7. Total Deductions (Line 2 plus Line 6)	(510 01-01) \$	<u>525,065.00</u>
8. Excess in Revenues (Line 1 minus Line 7)	(510 02-01) \$	<u>0.00</u>
9. Deficit in Revenues (Line 7 minus Line 1)	(510 03-01) \$	<u>96,506.00</u>
10. Total Debt Service (Line 6)	(510 04-01) \$	<u>63,000.00</u>
11. Deficit (smaller of Line 9 or Line 10) to Page 5 If Excess in Revenues (Line 8) all <u>Water</u> Utility Debt is Deductible	(510 05-01) \$	<u>63,000.00</u>

B. <u>Sewer</u> UTILITY		
(Insert Applicable Utility)		
12. Total Cash Receipts from Fees, Rents or Other Charges for Year	(509 01-02) \$	<u>625,008.00</u>
13. Operating and Maintenance Cost	(509 02-02) \$	<u>590,706.00</u>
14. Debt Service per Sewer Utility Accounts		
(a) Interest	(509 03-02) \$	<u>                    </u>
(b) Notes	(509 04-02) \$	<u>                    </u>
(c) Serial Bonds	(509 05-02) \$	<u>                    </u>
(d) Sinking Fund Requirements	(509 06-02) \$	<u>                    </u>
15. Debt Service per Current Budget (N.J.S.A. 40A:2-52)		
(a) Interest on <u>Sewer</u> Refunding Bonds	(509 07-02) \$	<u>                    </u>
(b) <u>Sewer</u> Refunding Bonds	(509 08-02) \$	<u>                    </u>
16. Anticipated Deficit in Dedicated <u>Sewer</u> Assessment Budget	(509 09-02) \$	<u>                    </u>
17. Total Debt Service	(510 00-02) \$	<u>0.00</u>
18. Total Deductions (Line 13 plus Line 17)	(510 01-02) \$	<u>590,706.00</u>
19. Excess in Revenues (Line 12 minus Line 18)	(510 02-02) \$	<u>34,302.00</u>
20. Deficit in Revenues (Line 18 minus Line 12)	(510 03-02) \$	<u>0.00</u>
21. Total Debt Service (Line 17)	(510 04-02) \$	<u>0.00</u>
22. Deficit (smaller of Line 20 or Line 21) to Page 5 If Excess in Revenues (Line 19) all <u>Sewer</u> Utility Debt is Deductible	(510 05-02) \$	<u>0.00</u>

**SPECIAL DEBT STATEMENT**  
**BORROWING POWER AVAILABLE UNDER N.J.S.A 40A:2-7(f)**

1. Balance of debt incurring capacity as of under N.J.S.A. 40:1-16(d)	December 31, 2011	\$ _____ (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		
		\$ _____ 0.00 (51106-00)
5. Balance of debt incurring capacity as of under N.J.S.A. 40:1-16(d)		
	December 31, 2011	\$ _____ 0.00 (51107-00)

I, Thomas Neff 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 \_\_\_\_\_ 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 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
 Director