

State of New Jersey  
 Department of Community Affairs  
**Annual Debt Statement**

Hawthorne Borough - 2017

Date Prepared: 1/27/2018

Budget Year Ending 12/31/2017 (Month D-D) 1/27/2018 (Year)

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Hawthorne, NJ 07506 #: \_\_\_\_\_  
US

Laurie Foley, being duly sworn, deposes and says: Deponent is the Chief Financial Officer of Hawthorne Borough - County of Passaic here and in the statement hereinafter mentioned called the local unit. This Annual Debt Statement is a true statement of the debt condition of the local unit as of the date therein stated above and is computed as provided by the Local Bond Law of New Jersey.

By checking this box, I am swearing that the above statement is true. (The Email function will not work until you acknowledge the above statement as true)

|   | Gross Debt             | Deduction              | Net Debt               |
|---|------------------------|------------------------|------------------------|
| <b>Total Bonds and Notes for Local School Purposes</b>    | \$5,141,000.00         | \$5,141,000.00         | \$0.00                 |
| <b>Total Bonds and Notes for Regional School Purposes</b> | \$                     | \$                     | \$0.00                 |
| <b>Total Bonds and Notes for all Utilities</b>            | \$3,181,650.30         | \$3,181,650.30         | \$0.00                 |
| <b>Municipal/County General Obligations</b>               | \$18,082,308.86        | \$1,709,662.65         | \$16,372,646.21        |
| <b><u>Total</u></b>                                       | <u>\$26,404,959.16</u> | <u>\$10,032,312.95</u> | <u>\$16,372,646.21</u> |

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).

| <u>Year</u> |   |                    |
|-------------|---|--------------------|
| 2015        | Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property | \$2,303,103,715.00 |
| 2016        | Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property | \$2,353,030,484.00 |
| 2017        | Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property | \$2,380,903,433.00 |
|             | Equalized Valuation Basis - Average of (1), (2) and (3).....  | \$2,345,679,210.67 |
|             | Net Debt expressed as a percentage of such equalized valuation basis is: %                          | 0.698%             |

## BONDS AND NOTES FOR LOCAL SCHOOL PURPOSES

|  |                |                |
|--|----------------|----------------|
| Local School District Type (select one): | Type II        |                |
| 1. Term Bonds                            |                | \$             |
| 2. Serial Bonds                          |                |                |
| (a) Issued                               | \$5,141,000.00 |                |
| (b) Authorized but not issued            | \$0.00         |                |
| 3. Temporary Notes                       |                |                |
| (a) Issued                               | \$0.00         |                |
| (b) Authorized but not issued            | \$0.00         |                |
| 4. Total Bonds and Notes                 |                | \$5,141,000.00 |

### 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 above.

|     |   |                    |       |                     |
|-----|---|--------------------|-------|---------------------|
| 5.  | Sinking funds on hand for bonds shown as Line 1 but not in excess of such bonds.  |                    | \$    |                     |
| 6.  | Funds on hand in those cases where such funds cannot be diverted to purposes other than the payment of bonds and notes included in Line 4.                          |                    | \$    |                     |
| 7.  | 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. |                    | \$    |                     |
| 8.  | % of average of equalized valuations  | \$2,345,679,210.67 | 4.00% | \$93,827,168.43     |
|     | Use applicable per centum as follows:   |                    |       |                     |
|     | 2.50% Kindergarten or Grade 1 through Grade 6   |                    |       |                     |
|     | 3.00% Kindergarten or Grade 1 through Grade 8   |                    |       |                     |
|     | 3.50% Kindergarten or Grade 1 through Grade 9   |                    |       |                     |
|     | 4.00% Kindergarten or Grade 1 through Grade 12  |                    |       |                     |
| 9.  | Additional State School Building Aid Bonds (NJSA 18A:58-33.4(d))  |                    |       |                     |
| 10. | Total Potential Deduction   |                    |       | 93,827,168.43       |
|     | <b>Total Allowable Deduction</b>  |                    |       | <b>5,141,000.00</b> |

**BONDS AND NOTES FOR REGIONAL SCHOOL PURPOSES**

|   |  |          |
|---|--|----------|
| Regional School District                    |  |          |
| 1. TERM BONDS                               |  | _____ \$ |
| 2. SERIAL BONDS                             |  |          |
| (a) Issued                                  |  | _____ \$ |
| (b) Authorized but not issued               |  | _____ \$ |
| 3. TEMPORARY BONDS AND NOTES                |  |          |
| (a) Issued                                  |  | _____ \$ |
| (b) Authorized but not issued               |  | _____ \$ |
| 4. TOTAL OF REGIONAL SCHOOL BONDS AND NOTES |  | _____ \$ |

NJSA 40A:2-43 reads in part as follows: " Gross debt of a municipality shall also include that amount of the total of all the bonds and notes issued and authorized but not issued by any school district including the area of the municipality, which results from the application to such total of the ratio which the equalized valuation basis of the municipality bears to the sum of the equalized valuation basis of each municipality in any such school district."

**COMPUTATION OF REGIONAL AND/OR CONSOLIDATED SCHOOL DISTRICT  
DEBT**

| % OF VALUTAIONS APPORTIONED TO EACH MUNICIPALITY |                              |   | APPORTIONMENT OF DEBT – Dec. 31, |                           |                           |
|--|------------------------------|---|----------------------------------|---------------------------|---------------------------|
| Municipality                                     | Average Equalized Valuations | % | Serial Bonds Issued              | Temp. Bond – Notes Issued | Authorized But not Issued |
|  | \$                           | % | \$                               | \$                        | \$                        |
| <b>Totals</b>                                    | \$                           | % | \$                               | \$                        | \$                        |



**BONDS AND NOTES FOR UTILITY FUND**

| Water | Utility                          |                       |                       |
|-------|----------------------------------|-----------------------|-----------------------|
| 1.    | Term bonds                       |                       | <u>\$0.00</u>         |
| 2.    | Serial bonds                     |                       |                       |
|       | (a) Issued                       | \$1,234,000.00        |                       |
|       | (b) Authorized but not issued    | <u>0.00</u>           |                       |
| 3.    | Bond Anticipation Notes          |                       |                       |
|       | (a) Issued                       | \$0.00                |                       |
|       | (b) Authorized but not issued    | <u>\$1,250,250.00</u> |                       |
| 4.    | Capital Notes (N.J.S.A. 40A:2-8) |                       |                       |
|       | (a) Issued                       | \$0.00                |                       |
|       | (b) Authorized but not issued    | <u>\$0.00</u>         |                       |
| 5.    | Other                            |                       |                       |
|       | (a) Issued                       | \$697,400.30          |                       |
|       | (b) Authorized but not issued    | <u>\$0.00</u>         |                       |
| 6.    | Total                            |                       | <u>\$3,181,650.30</u> |

**DEDUCTIONS APPLICABLE TO BONDS AND NOTES  
FOR SELF-LIQUIDATING PURPOSES**  
Self-Liquidating Utility Calculation

|     |   |                       |                       |
|-----|---|-----------------------|-----------------------|
| 1.  | Total Cash Receipts from Fees, Rents or Other Charges for Year  |                       | \$4,399,701.77        |
| 2.  | Operating and Maintenance Cost  | <u>\$3,110,276.00</u> |                       |
| 3.  | Debt Service  |                       |                       |
|     | (a) Interest  | \$42,887.38           |                       |
|     | (b) Notes   | <u>\$0.00</u>         |                       |
|     | (c) Serial Bonds  | \$315,547.53          |                       |
|     | (d) Sinking Fund Requirements   | <u>\$0.00</u>         |                       |
| 4.  | Debt Service per Current Budget (N.J.S.A. 40A:2-52)   |                       |                       |
|     | (a) Interest on Refunding Bonds   | \$0.00                |                       |
|     | (b) Refunding Bonds   | <u>\$0.00</u>         |                       |
| 5.  | Anticipated Deficit in Dedicated Assessment Budget  | <u>\$0.00</u>         |                       |
| 6.  | Total Debt Service  | <u>\$358,434.91</u>   |                       |
| 7.  | Total Deductions (Line 2 plus Line 6)   |                       | <u>\$3,468,710.91</u> |
| 8.  | Excess in Revenues (Line 1 minus Line 7)  |                       | <u>\$930,990.86</u>   |
| 9.  | Deficit in Revenues (Line 7 minus Line 1)   |                       | <u>\$0.00</u>         |
| 10. | Total Debt Service (Line 6)   |                       | <u>\$358,434.91</u>   |
| 11. | Deficit (smaller of Line 9 or Line 10)<br>If Excess in Revenues (Line 8) all Utility Debt is Deductible |                       | <u>\$0.00</u>         |
| (a) | Gross Water System Debt   | \$3,181,650.30        |                       |
| (b) | Less: Deficit (Capitalized at 5%), (Line 9 or line 11)<br>\$- 0.00 times 20                             | <u>\$0.00</u>         |                       |
| (c) | Deduction   | <u>\$3,181,650.30</u> |                       |
| (d) | Plus: Cash held to Pay Bonds and Notes included in 2 (a) above  | \$                    |                       |
| (e) | Total Deduction (Deficit in revenues)   | <u>\$3,181,650.30</u> |                       |
| (f) | NonDeductible Combined GO Debt  | <u>\$</u>             |                       |
|     | Total Allowable Deduction   |                       | <u>\$3,181,650.30</u> |

## OTHER BONDS, NOTES AND LOANS

|    |  |                |                 |
|----|--|----------------|-----------------|
| 1. | <b>Term Bonds</b>  |                | \$              |
|    | <b>Total Term Bonds</b>  |                | \$              |
| 2. | <b>Serial Bonds</b> (state purposes separately)                |                |                 |
|    | <b>(a) Issued</b>  |                |                 |
|    | General Improvement Bonds of 2008                              | \$1,890,000.00 |                 |
|    | General Improvement Bonds Of 2012                              | \$3,210,000.00 |                 |
|    | General Improvement Bonds of 2016                              | \$6,710,000.00 |                 |
|    | Refunding Bonds of 2012  | \$1,475,000.00 |                 |
|    | Assessment Bonds of 2013                                       | \$300,000.00   |                 |
|    | Assessment Bonds of 2016                                       | \$609,000.00   |                 |
|    | <b>Total Serial Bonds Issued</b>                               |                | \$14,194,000.00 |
|    | <b>(b) Bonds Authorized but not Issued</b>                     |                |                 |
|    | <b>Total Serial Bonds Authorized but not Issued</b>            |                | \$              |
| 3. | <b>Total Serial Bonds Issued and Authorized but not Issued</b> |                | \$14,194,000.00 |

**OTHER BONDS, NOTES AND LOANS**  
**BOND ANTICIPATION NOTES (state purposes separately)**

4. **Bond Anticipation Notes**

**(a) Issued**

|   |    |          |
|---|----|----------|
| <hr/>                                       | \$ |          |
| <b>Total Bond Anticipation Notes Issued</b> |    | <hr/> \$ |

**(b) Authorized but not Issued**

|   |              |                      |
|---|--------------|----------------------|
| Ord 1591 Construction of Roadway- Sherman Avenue                                | \$649.84     |                      |
| Ord 1634/1663 Resurfacing of Grand Avenue                                       | \$3,844.00   |                      |
| Ord 1938 Improvement Of Van Winkle Ave  | \$933.76     |                      |
| Ord. 1949 Road Resurfacing, Curbing, Drainage                                   | \$617.74     |                      |
| Ord 1956 Drainage and Stormwater Improvements                                   | \$253,304.34 |                      |
| Ord 1817/1959 Recreation Facility at Wagaraw Road                               | \$126.48     |                      |
| Ord 1885/1970 Repairs and Renovations to Municipal Pool                         | \$4,736.29   |                      |
| Ord 1975 Road Reconstruction & Impvts- Central Ave                              | \$18,084.55  |                      |
| Ord 2044/2057 Library Roof Repairs  | \$45,588.28  |                      |
| Ord 1765 Acq. & Install- Public Safety Communication Equipment                  | \$318,046.91 |                      |
| Ord 2101- CDBG Property Buyouts- DR   | \$71.72      |                      |
| Ord 2154- Road Reconstruction- Various Streets                                  | \$50,000.00  |                      |
| Ord 2161- Road Reconstruction- Rock Rd  | \$9,149.49   |                      |
| Ord 2163- Sanitary Sewer Lining and Related Work                                | \$350.00     |                      |
| Ord 2178- 2017 Road Improvement Program   | \$760,000.00 |                      |
| Ord 2180- Construction of Public Works Garage-Supplemental                      | \$71,250.00  |                      |
| Ord 2187- Acq. of Truck with Brine System                                       | \$237,500.00 |                      |
| Ord 2190- Improvement of Arlington Ave  | \$285,000.00 |                      |
| Ord 2192- Acq. of Fire Engine Engine  | \$665,000.00 |                      |
| Ord 2197- Municipal Pool Improvements   | \$313,500.00 |                      |
| Ord 2198 Pool Improvements  | \$47,500.00  |                      |
| Local Impvt Ord 1427/1462 Mountain Ave Sanitary Sewers                          | \$4,343.00   |                      |
| Local Impvt Ord 1540 Curbs- Van Winkle Ave                                      | \$974.00     |                      |
| Local Impvt Ord 1554- Sanitary Sewers- Highview Terrace                         | \$15,870.00  |                      |
| Local Impvt Ord 1564- Curbs/Aprons/Sidewalks- Rock and Goffle Roads             | \$3,119.00   |                      |
| Local Impvt Ord 1607/1682- Curbs and Sidewalks- Lafayette Ave                   | \$3,800.00   |                      |
| Local Impvt Ord 1636/1684- Pavers on Lafayette Ave                              | \$3,450.00   |                      |
| Local Impvt Ord 1726 Curbs Aprons Sidewalks- Post Ave                           | \$4,124.00   |                      |
| Local Impvt Ord 1733 Curbs Aprons Sidewalks Bamford Ave                         | \$3,563.00   |                      |
| Local Impvt Ord 1734/1757 Sanitary Sewers- Highview/Charwalt                    | \$22,187.00  |                      |
| Local Impvt Ord 1810 Curbs Aprons Sidewalks- Hutchinson, Roosevelt & Van Winkle | \$2,410.00   |                      |
| Local Impvt Ord 2082/2094   | \$250.00     |                      |
| Local Impvt Ord 2106- Reconstruction/Repalcement of Sidewalks                   | \$6,650.00   |                      |
| Local Impvt Ord 2179  | \$133,000.00 |                      |
| Local Impvt Ord 2191 Curbs and Aprons- Arlington Ave                            | \$57,000.00  |                      |
| <b>Total Bond Anticipation Notes Authorized but not Issued</b>                  |              | <hr/> \$3,345,993.40 |

5. **Total Bond Anticipation Notes Issued and Authorized but not Issued**

\$3,345,993.40



**OTHER BONDS, NOTES AND LOANS**  
**MISCELLANEOUS BONDS, NOTES AND LOANS**

(not including Tax Anticipation Notes, Emergency Notes, Special Emergency Notes and Utility Revenue Notes)

**6. Miscellaneous Bonds, Notes and Loans**

**(a) Issued**

|  |              |                     |
|--|--------------|---------------------|
| NJ Environmental Infrastructure Loan               | \$542,315.46 |                     |
| <b>Miscellaneous Bonds, Notes and Loans Issued</b> |              | <b>\$542,315.46</b> |

**(b) Authorized but not Issued**

|  |    |               |
|--|----|---------------|
|  | \$ |               |
| <b>Miscellaneous Bonds and Notes Authorized but not Issued</b> |    | <b>\$0.00</b> |

|   |  |                        |
|---|--|------------------------|
| <b>Total Miscellaneous Bonds, Notes and Loans Issued and Authorized but not Issued</b>        |  | <b>\$542,315.46</b>    |
| <b>Total of all Miscellaneous Bonds, Notes and Loans Issued and Authorized but not Issued</b> |  | <b>\$18,082,308.86</b> |

**DEDUCTIONS APPLICABLE TO OTHER BONDS AND NOTES**

1. Amounts held or to be held for the sole purpose of paying general bonds and notes included

(a) Sinking funds on hand for term bonds

|  |    |    |
|--|----|----|
|  | \$ |    |
|  |    | \$ |

(b) Funds on 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

|                             |                |                |
|-----------------------------|----------------|----------------|
| Reserve for Payment of Debt | \$1,709,662.65 |                |
|                             |                | \$1,709,662.65 |

(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

|  |    |    |
|--|----|----|
|  | \$ |    |
|  |    | \$ |

(d) Accounts receivable from other public authorities applicable only to the payment of any part of the gross debt not otherwise deductible

|  |    |    |
|--|----|----|
|  | \$ |    |
|  |    | \$ |

|   |    |  |
|---|----|--|
| 2. Bonds authorized by another Public Body to be guaranteed by the municipality | \$ |  |
|   |    |  |

|  |  |    |
|--|--|----|
| 3. Bonds issued and bonds authorized by 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)] |  | \$ |
|  |  |    |

|  |  |    |
|--|--|----|
| 4. Bonds issued and bonds authorized but not issued - Capital projects for County Colleges (N.J.S.A. 18A:64A-22.1 to 18A:64A-22.8) |  | \$ |
|  |  |    |

|                                       |    |    |
|---------------------------------------|----|----|
| 5. Refunding Bonds (N.J.S.A 40A:2-52) | \$ |    |
|                                       |    |    |
|                                       |    | \$ |

|   |  |                              |
|---|--|------------------------------|
| <b>Total Deductions Applicable to Other Bonds and Notes</b> |  | <u><u>\$1,709,662.65</u></u> |
|---|--|------------------------------|

**BONDS AUTHORIZED/ISSUED BY ANOTHER PUBLIC BODY TO BE GUARANTEED  
BY THE MUNICIPALITY**

|  |    |             |
|--|----|-------------|
| <hr/>  | \$ |             |
| <b>Total Bonds and Notes authorized/issued by another Public Body to be<br/>guaranteed by the municipality</b> |    | \$<br><hr/> |

**SPECIAL DEBT STATEMENT BORROWING POWER  
AVAILABLE UNDER NJSA 40A:2-7(f)**

|    |  |    |        |
|----|--|----|--------|
| 1. | Balance of debt incurring capacity December 31, 2012<br>(NJSA 40:1-16(d))                      |    | \$     |
|    |  |    |        |
| 2. | Obligations heretofore authorized during 2013 in<br>excess of debt limitation and pursuant to: |    |        |
|    | (a) NJSA 40A:2-7, paragraph (d)  | \$ |        |
|    | (b) NJSA 40A:2-7, paragraph (f)  | \$ |        |
|    | (c) NJSA 40A:2-7, paragraph (g)  | \$ |        |
|    | Total  |    | \$0.00 |
| 3. | Less 2012 authorizations repealed during 2013  |    | \$     |
| 4. | Net authorizations during 2013   |    | \$     |
| 5. | Balance of debt incurring capacity December 31, 2013<br>(NJSA 40:1-16(d))                      |    | \$0.00 |

**Obligations NOT Included in Gross Debt**

|   |    |    |
|---|----|----|
| 1. Capital Leases and Other Commitments                                 | \$ |    |
| <b>Total Leases and Other Comittments</b>                               | \$ | \$ |
| <br>  |    |    |
| 2. Guarantees NOT included in Gross Debt – Public and Private           | \$ |    |
| <b>Total Guarantees NOT included in Gross Debt – Public and Private</b> | \$ | \$ |