

ANNUAL DISCLOSURE STATEMENT

BOROUGH OF SPOTSWOOD

COUNTY OF MIDDLESEX

NEW JERSEY

DECEMBER 31, 2015

Borough of Spotswood

77 Summerhill Road, Spotswood, NJ 08884



TRANSMITTAL LETTER

June 13, 2016

Designated Nationally Recognized Municipal
Securities Information Repositories

RE: Annual Continuing Disclosure Information – December 31, 2015
Borough of Spotswood, County of Middlesex, New Jersey

To Whom It May Concern:

Please find enclosed the Annual Continuing Disclosure Information and copy of the 2015 Annual Audit, the 2015 Annual Debt Statement and the 2016 Adopted Municipal Budget for the Borough of Spotswood. This information is being filed in accordance with the Borough's obligation to provide continuing disclosure information as required in conjunction with the Middlesex County (New Jersey) Improvement Authority, County Guaranteed Capital Equipment Lease Revenue Bonds, Series 2006, Series 2014 and Series 2015, Capital Equipment and Improvement Revenue Bonds Series 2008 and 2009, and Borough of Spotswood General Obligation Bond Sales, Series 2010 and 2012.

Very truly yours,

Borough of Spotswood

Dawn McDonald

Dawn McDonald
Business Administrator

Joseph Zanga

Joseph Zanga
Chief Financial Officer

Distribution List: Municipal Securities Rulemaking Board (MSRB) <http://emma.msrb.org>

ANNUAL DISCLOSURE STATEMENT
BOROUGH OF SPOTSWOOD
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**Borough of Spotswood
County of Middlesex, New Jersey
Bond Outstanding and Related CUSIP Number**

**General Obligation Refunding Bonds, Series 2010
(Not Insured)**

General Improvement Bonds and Water-Sewer Utility Refunding Bonds

<u>Maturities</u>	<u>Refunding Bonds</u>			<u>Interest Rates</u>	<u>CUSIP #</u>
	<u>Combined Maturity</u>	<u>General Improvement</u>	<u>Water-Sewer Utility</u>		
10/1/ 2016	\$ 45,000	\$ 25,000	\$ 20,000	2.250 %	849220 KE7
10/1/ 2016	250,000	170,000	80,000	3.500	849220 KG2
10/1/ 2017	35,000	20,000	15,000	2.500	849220 KH0
10/1/ 2017	250,000	170,000	80,000	3.600	849220 KJ6
10/1/ 2018	60,000	40,000	20,000	2.625	849220 KK3
10/1/ 2018	200,000	130,000	70,000	3.700	849220 KL1

CUSIP = Committee on Uniformed Security Identification Procedures

**Borough of Spotswood
County of Middlesex, New Jersey
Bond Outstanding and Related CUSIP Number**

**General Obligation Water-Sewer Utility Refunding Bonds, Series 2012
(Not Insured)**

General Improvement Bonds and Water-Sewer Utility Refunding Bonds

<u>Maturities</u>	<u>Denominations</u>	<u>Interest Rates</u>	<u>CUSIP#</u>
12/1/ 2016	\$ 235,000	2.00 %	849220 KT4
12/1/ 2017	240,000	2.00	849220 KU1
12/1/ 2018	245,000	2.00	849220 KV9
12/1/ 2019	260,000	2.00	849220 KW7
12/1/ 2020	275,000	2.00	849220 KX5
12/1/ 2021	285,000	2.00	849220 KY3
12/1/ 2022	275,000	2.25	849220 KZ0

**General Obligation Bonds Series 2012
(Not Insured)**

General Obligation Bonds, Series 2012

<u>Maturities</u>	<u>Refunding Bonds</u>			<u>Interest Rates</u>	<u>CUSIP#</u>
	<u>Combined Maturity</u>	<u>General Improvement</u>	<u>Water-Sewer Utility</u>		
6/15/ 2016	\$ 425,000	\$ 225,000	\$ 200,000	2.00 %	849220 LD8
6/15/ 2017	425,000	225,000	200,000	2.00	849220 LE6
6/15/ 2018	425,000	200,000	225,000	2.00	849220 LF3
6/15/ 2019	335,000	110,000	225,000	2.00	849220 LG1
6/15/ 2020	300,000		300,000	2.00	849220 LH9
6/15/ 2021	300,000		300,000	2.00	849220 LJ5
6/15/ 2022	346,000		346,000	3.00	849220 LK2

CUSIP = Committee on Uniformed Security Identification Procedures

GENERAL INFORMATION

The Borough of Spotswood (the "Borough"), which is located in south-central Middlesex County, has an area of approximately 2.5 square miles and has a population of approximately 8,257 (based upon the 2010 report from the U.S. Bureau of the Census, Population Division).

PROPERTY VALUATION

The real property located in the Borough (of which approximately 8.13% of such real property is exempt from taxes) was last revalued in 2005. The following tables set forth the assessed valuation, approximate market value and equalization rate of the Borough's real property for the years 2011 through 2015.

ASSESSED VALUATION AND EQUALIZED VALUATION FOR REAL PROPERTY AND PERSONAL PROPERTY

<u>Year</u>	<u>Assessed Valuation Real Property</u>	<u>Ratio Assessed to True Value</u>	<u>Equalized Valuation Real Property</u>	<u>Assessed Valuation Personal Property</u>	<u>Total Equalized Valuation</u>
2015	\$ 738,957,900	\$ 95.77%	\$ 771,596,429	\$ None	\$ 771,596,429
2014	739,686,600	96.61%	765,641,859	1,934,614	767,576,473
2013	740,989,100	98.22%	754,417,736	2,171,116	756,588,852
2012	738,989,500	95.35%	775,028,317	2,367,950	777,396,267
2011	741,209,700	88.96%	833,194,357	2,255,813	835,450,170

Source: State of New Jersey, Department of the Treasury, Division of Taxation, Certificate of the Table of Equalized Valuations and the County of Middlesex Abstract of Ratables.

**TABULATION OF RESIDENTIAL UNITS
BASED ON NUMBER OF UNITS ASSESSED TO ADJUSTED TRUE VALUE
2011-2015**

<u>Year</u>	<u>Number of Units</u>	<u>Residential Class Assessed Valuation</u>	<u>County Equalization Valuation Ratio to True Value</u>	<u>Estimated True Value</u>	<u>Average Unit Estimated True Value</u>
2015	2,539	\$ 646,750,700	96.61%	\$ 669,444,881.00	\$ 263,664.78
2014	2,540	647,765,200	98.22%	659,504,377.00	259,647.39
2013	2,541	648,315,500	95.35%	679,932,354.48	267,584.56
2012	2,537	646,649,700	88.96%	726,899,392.99	286,519.27
2011	2,534	646,210,100	84.10%	768,382,996.43	303,229.28

Source: Borough of Spotswood, Tax Collector's Office and the County of Middlesex Abstract of Ratables and the County of Middlesex Abstract of Ratables.

NET VALUATIONS TAXABLE

<u>Year</u>	<u>Real and Personal Property Net Valuation Taxable</u>	<u>Net Valuation on Which County Taxes Are Apportioned</u>
2015	\$ 738,957,900	\$ 771,596,429
2014	741,621,214	763,687,429
2013	743,160,216	788,651,678
2012	741,357,090	842,996,884
2011	743,465,513	894,373,672

Source: Middlesex County - Abstract of Ratables.

**REAL PROPERTY CLASSIFICATION
AND ASSESSED VALUATIONS
2011 - 2015**

	2015		2014		2013		2012		2011	
	Assessed Valuation	Percentage	Assessed Valuation	Percentage	Assessed Valuation	Percentage	Assessed Valuation	Percentage	Assessed Valuation	Percentage
Residential	\$ 646,750,700	87.52%	\$ 647,765,200	87.57%	\$ 648,315,500	87.49%	\$ 646,649,700	87.51%	\$ 646,210,100	87.18%
Industrial	18,689,800	2.53%	18,589,800	2.51%	18,589,800	2.51%	18,454,800	2.50%	18,454,800	2.49%
Commercial	59,658,000	8.07%	59,414,300	8.03%	59,793,500	8.07%	58,983,200	7.98%	61,223,000	8.26%
Vacant Land	6,804,100	0.92%	6,862,000	0.93%	7,019,800	0.95%	7,631,300	1.03%	8,051,300	1.09%
Apartment	7,055,300	0.96%	7,055,300	0.96%	7,270,500	0.98%	7,270,500	0.98%	7,270,500	0.98%
Totals	\$ 738,957,900	100.00%	\$ 739,686,600	100.00%	\$ 740,989,100	100.00%	\$ 738,989,500	100.00%	\$ 741,209,700	100.00%
Exempt	\$ 65,790,900		\$ 65,536,000		\$ 65,322,600		\$ 65,436,500		\$ 65,436,500	
Ratio of Assessed Value to True Value State of New Jersey	95.77%		96.61%		98.22%		95.35%		88.96%	
Ratio of Assessed Value to True Value as Used by County of Middlesex for County Taxes Apportioned	96.61%		98.22%		95.35%		88.96%		84.10%	

Source: Borough of Spotswood, Tax Assessor's Office.
State of New Jersey Division of Taxation, 2011-2015.
Middlesex County Board of Taxation.

FIVE-YEAR COMPARISON OF ANNUAL ASSESSED VALUATION

<u>Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Land and Improvements</u>	<u>Personal Property</u>	<u>Total Valuations</u>
2015	\$ 353,497,700	\$ 385,460,200	\$ 738,957,900	None	\$ 738,957,900
2014	354,026,900	385,659,700	739,686,600	1,934,614	741,621,214
2013	354,174,500	386,814,600	740,989,100	2,171,116	743,160,216
2012	354,170,600	384,818,900	738,989,500	2,367,590	741,357,090
2011	357,582,600	383,627,100	741,209,700	2,255,813	743,465,513

Source: Middlesex County Board of Taxation.

**FIVE-YEAR COMPARISON OF ANNUAL GENERAL TAX RATES
PER \$100.00 OF ASSESSED VALUATION**

<u>Year</u>	<u>Municipal</u>		<u>Local School</u>	<u>County</u>		<u>Total</u>
	<u>Local</u>	<u>Library</u>		<u>Regular</u>	<u>Open Space</u>	
2015	\$ 0.878	\$ 0.034	\$ 1.629	\$ 0.385	\$ 0.032	\$ 2.958
2014	0.858	0.034	1.630	0.379	0.031	2.932
2013	0.840	0.034	1.586	0.374	0.032	2.866
2012	0.828	0.037	1.573	0.371	0.035	2.844
2011	0.827	0.039	1.562	0.369	0.037	2.834

Source: Borough Tax Collector Officer.

TEN LARGEST TAXPAYERS AS OF DECEMBER 31, 2015

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value - 2014</u>	<u>Percent of Total Assessed Valuation</u>
Spotswood Shopping Center	Shopping Center	\$ 9,800,000	1.32%
Clearwater Village LLC	Mobile Home Park	9,533,700	1.29%
Schweitzer - Mauduit	Manufacturing	8,228,800	1.11%
Inland Container	Manufacturing	6,500,000	0.88%
Gillette Enterprises	Shopping Center	5,479,900	0.74%
Renaissance Properties	Strip Mall	5,300,000	0.72%
Robert Maglies	Apartments	4,471,300	0.60%
Kila Properties	Manufacturing	2,943,500	0.40%
Summerhill Corners Assoc.	Strip Mall	2,860,500	0.39%
Bell Atlantic	Manufacturing	2,715,314	0.37%
		<u>\$ 57,833,014</u>	<u>7.80%</u>

Source: Borough of Spotswood, Tax Assessor's Office.

TAX COLLECTION HISTORY

The following table sets forth the history of the Borough with respect to tax collection for the years 2011 through 2015:

<u>Year</u>	<u>Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Delinquent Taxes Collected</u>	<u>Total Collected Taxes</u>
2015	\$ 21,882,097.18	\$ 21,525,846.25	\$ 255,468.89	\$ 21,781,315.14
2014	21,759,604.59	21,455,973.61	310,451.35	21,766,424.96
2013	21,322,401.65	20,962,380.07	353,197.73	21,315,577.80
2012	21,124,081.92	20,755,689.91	265,270.73	21,020,960.64
2011	21,098,577.04	20,773,663.31	267,712.62	21,041,375.93

Source: Annual audit of the Borough of Spotswood 2011-2015.

STATEMENT OF TAX LEVIES AND COLLECTIONS

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections During Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>
2015	\$ 21,882,097.18	\$ 21,525,846.25	98.37%
2014	21,759,604.59	21,455,973.61	98.60%
2013	21,322,401.65	20,962,380.07	98.31%
2012	21,124,081.92	20,755,689.91	98.26%
2011	21,098,577.04	20,773,663.31	98.46%

Source: Annual Audit Reports of the Borough of Spotswood, 2011-2015.

STATEMENT OF TAX TITLE LIENS AND PROPERTY ACQUIRED FOR TAXES

<u>Year</u>	<u>Tax Title Liens</u>	<u>Property Acquired for Taxes</u>
2015	\$ 132,589.22	\$ 2,533,400.00
2014	112,342.40	2,533,400.00
2013	100,611.58	2,533,400.00
2012	107,031.87	2,533,400.00
2011	92,206.58	2,533,400.00

Source: Annual Audit Reports of the Borough of Spotswood, 2011-2015.

STATEMENT OF WATER-SEWER UTILITY LEVIES AND COLLECTIONS

<u>Year</u>	<u>Levy</u>	<u>Cash Collections **</u>
2015 *	\$ 3,081,806.35	\$ 3,030,051.74
2014	2,665,697.27	3,001,089.02
2013	2,754,414.84	2,420,404.30
2012 *	2,714,289.78	2,654,229.86
2011	2,369,475.25	2,349,847.28

Source: Annual Audit Reports of the Borough of Spotswood, 2011-2015.

Note: * Rate increase in 2012 and 2015.

** Cash Collections may include amounts which were levied in prior years.

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized</u> <u>in Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
<u>Current Fund</u>			
2015	\$ 1,682,224.37	\$ 1,321,200.00	78.54%
2014	1,575,500.56	1,103,323.00	70.03%
2013	1,425,233.07	1,100,000.00	77.18%
2012	1,355,092.21	1,056,810.00	77.99%
2011	1,646,699.85	1,180,000.00	71.66%
<u>Water-Sewer Utility Operating Fund</u>			
2015	\$ 619,369.88	\$ 442,030.00	71.37%
2014	254,814.38	185,000.00	72.60%
2013	60,701.23	None	None
2012	256,701.23	196,000.00	76.35%
2011	156,222.41	85,100.00	54.47%

Source: Annual Audit Reports of the Borough of Spotswood, 2011-2015.

DEBT HISTORY

Default Occurrences		None
Amount of Debt Issued Over Last Five (5) Years	\$	4,828,761.30 *
Amount of Debt Retired Over Last Five (5) Years	\$	1,219,000.00 *
Debt Payout Over Next Five (5) Years		73.71%
Debt Payout Over Next Ten (10) Years		100.00%

* Permanently Funded Debt only

STATEMENT OF INDEBTEDNESS AS OF DECEMBER 31, 2015

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Debt</u>
Local District School Debt Issued and Outstanding Bonds:			
Issued	\$ 7,745,000.00	\$ 7,745,000.00	\$ None
Authorized But Not Issued	None	None	None
Consolidated District School Debt Issued and Outstanding Bonds:			
Issued	\$ 7,401,464.31	\$ 7,401,464.31	\$ None
Authorized But Not Issued	None	None	None
Municipal Debt:			
Issued and Outstanding:			
General Improvement Bonds, Loans and Notes	3,335,810.10	None	3,335,810.10
Water-Sewer Utility Improvement Bonds and Notes	5,106,500.00	5,106,500.00	None
Authorized But Not Issued:			
General Improvement Bonds and Notes	863,550.00	None	863,550.00
Water-Sewer Utility Improvement Bonds and Notes	<u>549,000.00</u>	<u>549,000.00</u>	<u>None</u>
Gross Debt	<u>\$ 25,001,324.41</u>		
Total Statutory Deductions		<u>\$ 20,801,964.31</u>	
Statutory Net Debt			<u>\$ 4,199,360.10</u>
Average of Equalized Valuation Basis of Real Property with Improvements (2013, 2014 and 2015)			<u>\$ 763,885,341.33</u>
Net Debt Expressed as a Percentage of Average Equalized Valuation Basis			0.55%
Gross Debt Expressed as a Percentage of 2015 Net Valuation on Which County Taxes are Apportioned, Basis of \$763,885,341.33			3.273%
Per Capita Gross Debt Based on 2010 Population Basis of 8,257			\$ 3,027.89
Per Capita Net Debt Based on 2010 Population Basis of 8,257			\$ 508.58

Source: The foregoing financial information has been compiled by the Borough Auditor from Borough source documents.

**OVERLAPPING DEBT
COUNTY OF MIDDLESEX, NEW JERSEY
DECEMBER 31, 2015**

Bonds and Notes of the County Issued and Authorized but Not Issued (Net)	\$ 530,689,237.00
Percentage of such debt chargeable to Borough of Spotswood	0.7591%
Amount of Chargeable to the Borough	\$ <u>4,028,462.00</u>

Source: The County of Middlesex Chief Financial Officer.

**BOROUGH DEBT INCURRING CAPACITY
AS OF DECEMBER 31, 2015**

3½% of Average Equalized Valuation Basis	\$ 26,735,986.95
Net Debt Issued and Outstanding and Authorized But Not Issued	<u>4,199,360.10</u>
Additional Borrowing Power	\$ <u><u>22,536,626.85</u></u>

Source: The foregoing financial information has been compiled by the Borough Auditor from various source documents.

**LOCAL SCHOOL DISTRICT DEBT INCURRING CAPACITY
AS OF DECEMBER 31, 2015**

4% of Average Equalized Valuation Basis	\$ 30,555,413.64
Net Debt Issued and Outstanding and Authorized But Not Issued	<u>15,146,464.31</u>
Additional Borrowing Power	\$ <u><u>15,408,949.33</u></u>

Source: The foregoing financial information has been compiled by the Borough Auditor from various source documents.

**SCHEDULE OF BOROUGH DEBT MATURITIES
MUNICIPAL DEBT – GENERAL OBLIGATION BONDS**

GENERAL CAPITAL FUND

Calendar <u>Year</u>	General Capital Fund		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 420,000.00	\$ 31,943.00	\$ 451,943.00
2017	415,000.00	20,930.00	435,930.00
2018	370,000.00	10,060.00	380,060.00
2019	110,000.00	1,100.00	111,100.00
	<u>\$ 1,315,000.00</u>	<u>\$ 64,033.00</u>	<u>\$ 1,379,033.00</u>

Source: Annual Audit for December 31, 2015.

**SCHEDULE OF BOROUGH DEBT MATURITIES
MUNICIPAL DEBT – GENERAL OBLIGATION BONDS**

WATER-SEWER UTILITY FUND

Calendar Year	Water-Sewer Utility Capital Fund		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 535,000.00	\$ 83,987.00	\$ 618,987.00
2017	535,000.00	72,038.00	607,038.00
2018	560,000.00	59,732.00	619,732.00
2019	485,000.00	47,218.00	532,218.00
2020	575,000.00	36,767.00	611,767.00
	<u>2,690,000.00</u>	<u>299,742.00</u>	<u>2,989,742.00</u>
2021	585,000.00	25,267.00	610,267.00
2022	621,000.00	11,378.00	632,378.00
	<u>1,206,000.00</u>	<u>36,645.00</u>	<u>1,242,645.00</u>
	<u>\$ 3,896,000.00</u>	<u>\$ 336,387.00</u>	<u>\$ 4,232,387.00</u>

Source: Annual Audit for December 31, 2015.

**SCHEDULE OF BOROUGH DEBT MATURITIES
MUNICIPAL DEBT
GENERAL OBLIGATION BONDS – TOTAL**

Calendar Year	Total for all Funds - Bonds		
	Principal	Interest	Total
2016	\$ 955,000.00	\$ 115,930.00	\$ 1,070,930.00
2017	950,000.00	92,968.00	1,042,968.00
2018	930,000.00	69,792.00	999,792.00
2019	595,000.00	48,318.00	643,318.00
2020	575,000.00	36,767.00	611,767.00
	<u>4,005,000.00</u>	<u>363,775.00</u>	<u>4,368,775.00</u>
2021	585,000.00	25,267.00	610,267.00
2022	621,000.00	11,378.00	632,378.00
	<u>1,206,000.00</u>	<u>36,645.00</u>	<u>1,242,645.00</u>
	<u>\$ 5,211,000.00</u>	<u>\$ 400,420.00</u>	<u>\$ 5,611,420.00</u>

Source: Annual Audit for December 31, 2015.

**SCHEDULE OF BOROUGH DEBT MATURITIES
MUNICIPAL DEBT – MCIA LOANS
CAPITAL EQUIPMENT AND IMPROVEMENT FINANCING PROGRAM**

Calendar Year	General Capital Fund		
	Principal	Interest	Total
2016	\$ 108,036.92	\$ 13,445.70	\$ 121,482.62
2017	111,746.52	9,627.30	121,373.82
2018	115,584.33	5,477.36	121,061.69
2019	33,942.33	1,018.26	34,960.59
	<u>\$ 369,310.10</u>	<u>\$ 29,568.62</u>	<u>\$ 398,878.72</u>

Source: Annual Audit for December 31, 2015.

SCHEDULE OF OPERATING LEASE MATURITIES

	2014		2015		Total
	Principal	Interest	Principal	Interest	
2016	\$ 10,350.91	\$ 1,186.02	\$ 21,425.64	\$ 3,360.74	\$ 36,323.31
2017	10,557.93	979.00	21,600.91	3,185.48	36,323.32
2018	10,874.67	662.26	22,248.93	2,537.44	36,323.30
2019	11,200.90	336.02	22,916.40	1,869.98	36,323.30
2020			23,833.06	953.32	24,786.38
	<u>\$ 42,984.41</u>	<u>\$ 3,163.30</u>	<u>\$ 112,024.94</u>	<u>\$ 11,906.96</u>	<u>\$ 170,079.61</u>

Source: Annual Audit for December 31, 2015.

HISTORICAL DATA OF BOROUGH DEBT

The following table sets forth the gross debt issued and authorized but not issued by the Borough in relation to the estimated true value of real estate as calculated by the State, Department of the Treasury, Division of Taxation, and per capita gross debt of the Borough.

Year	Equalized Valuation Ratio to True Value	True Value of Real Property	Gross			Net	
			Gross Debt Issued and Authorized but Not Issued and	Percentage of Gross Debt to Estimated True Value	Per Capital Gross Debt (1)	Net Debt	Per Capital Net Debt (1)
2015	95.77	\$ 771,596,429	\$ 25,001,324	3.24%	\$ 3,027.89	\$ 4,199,360	\$ 508.58
2014	96.61	765,641,589	19,275,311	2.52%	2,334.43	4,539,811	549.81
2013	98.22	754,417,736	19,251,339	2.55%	2,331.52	9,524,088	1,153.46
2012	95.35	775,028,317	20,688,522	2.67%	2,505.57	8,698,418	1,053.46
2011	88.96	833,194,357	16,623,406	2.00%	2,013.25	4,149,821	502.58

(1) Calculated on 2010 population data of 8,257.

Source: Borough of Spotswood, Report of Audit: State of New Jersey, Division of Taxation.

MIDDLESEX-MONMOUTH-OCEAN COUNTIES (EDISON METRO DIVISION) NON-AGRICULTURAL EMPLOYMENT BY MAJOR CATEGORY (IN THOUSANDS)

	<u>2015</u>
Manufacturing	\$ 44.20
Retail Trade	109.90
Wholesale Trade	46.90
Natural Resources, Mining and Construction	37.40
Transportation, Warehousing and Utilities	37.60
Information	17.30
Financial Activities	41.30
Professional and Business Services	149.80
Education and Health Services	142.80
Leisure and Hospitality	81.60
Other Services	38.70
Government	121.90
	<u>\$ 869.40</u>

Source: New Jersey Department of Labor and Industry: Division of Labor, Market and Demographic Research – 2015 Annual Average.

**LARGEST EMPLOYERS IN THE BOROUGH OF SPOTSWOOD
AS OF DECEMBER 31, 2015**

<u>Employer</u>	<u>Business</u>	<u>Estimated No. of Employees</u>
Spotswood Board of Education	Public Schools	285 *
Shop Rite of Spotswood	Supermarket	240 *
Schweitzer-Mauduit	Industry (Manufacturing)	157 *
International Paper	Industry (Manufacturing)	111
Borough of Spotswood	Municipal Government	84 *

* Full-time Equivalent

Source: Borough of Spotswood, Business Administrator.

EMPLOYMENT AND UNEMPLOYMENT COMPARISONS

Employment-related data for the Borough of Spotswood and the State of New Jersey is as follows:

	<u>Unemployment Rate</u>	<u>Total Labor Force</u>	<u>Total Employed</u>	<u>Total Unemployed</u>
Borough of Spotswood	5.0%	4,707	4,471	236
County of Middlesex	5.0%	440,343	418,408	21,935
State of New Jersey	5.6%	4,543,800	4,288,800	255,000

Source: New Jersey Department of Labor and Industry: Division of Labor, Market and Demographic Research.

BUILDING PERMITS ISSUED

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Estimated Value of Construction</u>
2015	537	\$ 6,010,890
2014	429	5,236,015
2013	400	2,678,331
2012	355	5,551,290
2011	312	3,424,841

Source: Borough of Spotswood, Construction Code Department.

BOROUGH OF SPOTSWOOD
SUMMARY OF 2016 ADOPTED BUDGET

<u>REVENUES</u>	<u>General Budget</u>	<u>Percentage</u>	<u>Water-Sewer Utility</u>	<u>Percentage</u>
Surplus Anticipated	\$ 1,321,200	12.71%	\$ 442,030	13.85%
Local Revenues	370,500	3.56%		
State Aid	715,651	6.88%		
Uniform Construction Code Fees	90,000	0.87%		
Public and Private Revenues	113,199	1.09%		
Interlocal Agreements	70,029	0.67%		
Additional Revenues Offset	300,000	2.89%		
Other Special Items	200,677	1.93%		
Delinquent Taxes	290,000	2.79%		
Water-Sewer Rents			2,750,000	86.15%
Amount to be Raised by Taxes- Library	257,199	2.47%		
Amount to be Raised by Taxes- Municipal	<u>6,669,898</u>	<u>64.14%</u>		
 Total Anticipated Revenues	 <u>\$ 10,398,353</u>	 <u>100.00%</u>	 <u>\$ 3,192,030</u>	 <u>100.00%</u>
 <u>APPROPRIATIONS</u>				
Operations within CAPS:				
Salaries and Wages	\$ 4,031,300	38.77%		
Other Expenses	3,153,115	30.32%		
Deferred and Statutory Expenditures	957,250	9.21%		
Operations excluded from CAPS:				
Salaries and Wages	194,029	1.87%	\$ 475,000	14.88%
Other Expenses	359,580	3.46%	1,767,143	55.36%
Library	257,199	2.47%		
Capital	50,000	0.48%	75,000	2.35%
Debt Service	835,880	8.04%	809,887	25.37%
Deferred and Statutory Expenditures			65,000	2.04%
Reserve for Uncollected Taxes	<u>560,000</u>	<u>5.39%</u>		
 Total Appropriations	 <u>\$ 10,398,353</u>	 <u>100.00%</u>	 <u>\$ 3,192,030</u>	 <u>100.00%</u>

Source: Borough of Spotswood 2016 Adopted Municipal Budget.

2016 CAPITAL BUDGET

In accordance with the Local Budget Law a municipality with a population of less than 10,000 must adopt a three (3) year capital budget program which is part of the annual budget. The capital budget, when adopted does not constitute the approval or appropriation of funds but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next three (3) years. The following amounts for various improvements were included in the 2016-2018 Capital Budget:

<u>Project Title</u>	<u>Total</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Improvements to Various Roads	\$ 2,600,000	\$ 500,000	\$ 500,000	\$ 1,600,000
Acquisition of Equipment	215,000	215,000		
Building and Grounds Improvements	120,000	120,000		
Acquisition of Police SUV	130,000	130,000		
Improvements to Recreation Facilities	20,000			20,000
Improvements to Borough Parks	3,000	3,000		
Acquisition of EMS Vehicles & Equipment	235,000	10,000	25,000	200,000
Acquisition of OEM Vehicles & Equipment	100,500	7,500	18,000	75,000
Improvements to Building (HVAC)	100,000	100,000		
Improvement to Firehouse	170,000	120,000		50,000
Acquisition of Fire Vehicles	860,000	60,000		800,000
Acquisition of New Sanitation Truck	200,000			200,000
Sewer System Improvements	50,000	50,000		
Water Hydrant and Valve Replacement	330,000	165,000		165,000
Construction of New Water Tower	5,150,000	50,000	5,100,000	
Improvements to Red Bank and Woodland Infrastructure	<u>3,519,000</u>	<u>100,000</u>	<u>3,419,000</u>	
Total	<u><u>\$ 13,802,500</u></u>	<u><u>\$ 1,630,500</u></u>	<u><u>\$ 9,062,000</u></u>	<u><u>\$ 3,110,000</u></u>

2016 CAPITAL BUDGET

Summary of Funding Sources and Amounts

<u>Project Title</u>	<u>Total</u>	<u>Capital Improvement Fund</u>	<u>Current Year Appropriation Capital Surplus</u>	<u>Grants-in-Aid and Other Funds</u>	<u>Bonds and Notes General</u>
Improvements to Various Roads	\$ 2,600,000	\$ 92,500		\$ 750,000	\$ 1,757,500
Acquisition of Equipment	215,000	11,000			204,000
Building and Grounds Improvements	120,000	6,000			114,000
Acquisition of Police Vehicles	130,000				130,000
Improvements to Recreation Facilities	20,000	2,000			18,000
Improvements to Borough Parks	3,000		\$ 3,000		
Acquisition of EMS Vehicles & Equip.	235,000	11,250	10,000		213,750
Acquisition of OEM Vehicles & Equip.	100,500	21,750	7,500		71,250
Improvements to Building (HVAC)	100,000	5,000			95,000
Improvement to Firehouse	170,000	8,500			161,500
Acquisition of Fire Vehicles	860,000				860,000
Acquisition of New Sanitation Truck	200,000				200,000
Sewer System Improvements	50,000				
Water Hydrant and Valve Replacement	330,000				
Construction of New Water Tower	5,150,000		50,000		
Improvements to Red Bank and Woodland Infrastructure	<u>3,519,000</u>	<u>169,000</u>	<u>50,000</u>		<u>1,040,000</u>
Total	<u>\$ 13,802,500</u>	<u>\$ 327,000</u>	<u>\$ 120,500</u>	<u>\$ 750,000</u>	<u>\$ 4,865,000</u>

Source: Borough of Spotswood 2016 Adopted Municipal Budget.

LITIGATION

There is no litigation pending or, to the knowledge of the Borough, threatened, in any court wherein an adverse decision would have a material adverse impact on the financial position of the Borough or its ability to pay, or to provide for payment under, the Lease Agreement or Bond Purchase Agreement.