

ANNUAL DISCLOSURE STATEMENT

BOROUGH OF SPOTSWOOD

COUNTY OF MIDDLESEX

NEW JERSEY

DECEMBER 31, 2016

ANNUAL DISCLOSURE STATEMENT
BOROUGH OF SPOTSWOOD
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Borough of Spotswood

77 Summerhill Road, Spotswood, NJ 08884



TRANSMITTAL LETTER

June 15, 2017

Designated Nationally Recognized Municipal
Securities Information Repositories

RE: Annual Continuing Disclosure Information – December 31, 2016
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 2016 Annual Audit, the 2016 Annual Debt Statement and the 2017 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 2014, Series 2015 and Series 2016, 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
Business Administrator

Joseph Zanga
Chief Financial Officer

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

**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/ 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/ 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/ 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 8.18% 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 2012 through 2016.

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>
2016	\$ 738,409,500	\$ 96.44%	\$ 765,641,859	\$ None	\$ 765,641,859
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

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
2012-2016**

<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>
2016	2,539	\$ 646,585,600	95.77%	\$ 675,144,200.00	\$ 265,909.49
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

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>
2016	\$ 738,409,500	\$ 779,306,164
2015	735,957,900	773,106,424
2014	741,621,214	763,687,429
2013	743,160,216	788,651,678
2012	741,357,090	842,996,884

Source: Middlesex County - Abstract of Ratables.

**REAL PROPERTY CLASSIFICATION
AND ASSESSED VALUATIONS
2012 - 2016**

	<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>	
	<u>Assessed Valuation</u>	<u>Percentage</u>	<u>Assessed Valuation</u>	<u>Percentage</u>	<u>Assessed Valuation</u>	<u>Percentage</u>	<u>Assessed Valuation</u>	<u>Percentage</u>	<u>Assessed Valuation</u>	<u>Percentage</u>
Residential	\$ 646,585,600	87.56%	\$ 646,750,700	87.52%	\$ 647,765,200	87.57%	\$ 648,315,500	87.49%	\$ 646,649,700	87.51%
Industrial	18,689,800	2.53%	18,689,800	2.53%	18,589,800	2.51%	18,589,800	2.51%	18,454,800	2.50%
Commercial	59,315,800	8.03%	59,658,000	8.07%	59,414,300	8.03%	59,793,500	8.07%	58,983,200	7.98%
Vacant Land	6,763,000	0.92%	6,804,100	0.92%	6,862,000	0.93%	7,019,800	0.95%	7,631,300	1.03%
Apartment	<u>7,055,300</u>	<u>0.96%</u>	<u>7,055,300</u>	<u>0.96%</u>	<u>7,055,300</u>	<u>0.96%</u>	<u>7,270,500</u>	<u>0.98%</u>	<u>7,270,500</u>	<u>0.98%</u>
Totals	<u>\$ 738,409,500</u>	<u>100.00%</u>	<u>\$ 738,957,900</u>	<u>100.00%</u>	<u>\$ 739,686,600</u>	<u>100.00%</u>	<u>\$ 740,989,100</u>	<u>100.00%</u>	<u>\$ 738,989,500</u>	<u>100.00%</u>
Exempt	<u>\$ 65,790,900</u>		<u>\$ 65,790,900</u>		<u>\$ 65,536,000</u>		<u>\$ 65,322,600</u>		<u>\$ 65,436,500</u>	
Ratio of Assessed Value to True Value State of New Jersey	95.06%		95.77%		96.61%		98.22%		95.35%	
Ratio of Assessed Value to True Value as Used by County of Middlesex for County Taxes Apportioned	95.77%		96.61%		98.22%		95.35%		88.96%	

Source: Borough of Spotswood, Tax Assessor's Office.
State of New Jersey Division of Taxation, 2012-2016.
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>
2016	\$ 352,556,500	\$ 385,853,000	\$ 738,409,500	None	\$ 738,409,500
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

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>	
2016	\$ 0.903	\$ 0.034	\$ 1.748	\$ 0.382	\$ 0.032	\$ 3.099
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

Source: Borough Tax Collector Officer

TEN LARGEST TAXPAYERS AS OF DECEMBER 31, 2016

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value - 2016</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%
Spotswood Investment LLC	Real Estate	1,724,600	0.23%
		<u>\$ 56,842,300</u>	<u>7.67%</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 2012 through 2016:

<u>Year</u>	<u>Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Delinquent Taxes Collected</u>	<u>Total Collected Taxes</u>
2016	\$ 22,922,003.89	\$ 22,642,274.79	\$ 293,773.18	\$ 22,936,047.97
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

Source: Annual audit of the Borough of Spotswood 2012-2016

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>
2016	\$ 22,922,003.89	\$ 22,642,274.79	98.78%
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%

Source: Annual Audit Reports of the Borough of Spotswood, 2012-2016.

STATEMENT OF TAX TITLE LIENS AND PROPERTY ACQUIRED FOR TAXES

<u>Year</u>	<u>Tax Title Liens</u>	<u>Property Acquired for Taxes</u>
2016	\$ 154,356.07	\$ 2,533,400.00
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

Source: Annual Audit Reports of the Borough of Spotswood, 2012-2016.

STATEMENT OF WATER-SEWER UTILITY LEVIES AND COLLECTIONS

<u>Year</u>	<u>Levy</u>	<u>Cash Collections **</u>
2016	\$ 3,087,961.79	\$ 3,134,256.53
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

Source: Annual Audit Reports of the Borough of Spotswood, 2012-2016.

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 December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2016	\$ 1,550,991.05	\$ 1,295,347.44	83.52%
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%
<u>Water-Sewer Utility Operating Fund</u>			
2016	\$ 689,547.49	\$ 532,536.00	77.23%
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%

Source: Annual Audit Reports of the Borough of Spotswood, 2012-2016.

DEBT HISTORY

Default Occurrences	None
Amount of Debt Issued Over Last Five (5) Years	\$ 3,706,000.00 *
Amount of Debt Retired Over Last Five (5) Years	4,071,529.10 *
Debt Payout Over Next Five (5) Years	85.41%
Debt Payout Over Next Ten (10) Years	14.56%

* Permanently Funded Debt only

STATEMENT OF INDEBTEDNESS AS OF DECEMBER 31, 2016

	<u>Gross Debt</u>	<u>Statutory Deductions</u>	<u>Net Statutory Debt</u>
Local District School Debt Issued and Outstanding Bonds:			
Issued	\$ 7,060,000.00	\$ 7,060,000.00	\$ None
Authorized But Not Issued	None	None	None
Consolidated District School Debt Issued and Outstanding Bonds:			
Issued	\$ 6,515,873.36	\$ 6,515,873.36	\$ None
Authorized But Not Issued	None	None	None
Municipal Debt:			
Issued and Outstanding:			
General Improvement Bonds, Loans and Notes	3,538,273.18	None	3,538,273.18
Water-Sewer Utility Improvement Bonds and Notes	5,009,000.00	5,009,000.00	None
Authorized But Not Issued:			
General Improvement Bonds and Notes	1,015,800.00	None	1,015,800.00
Water-Sewer Utility Improvement Bonds and Notes	<u>34,000.00</u>	<u>34,000.00</u>	<u>None</u>
Gross Debt	\$ <u>23,172,946.54</u>		
Total Statutory Deductions		\$ <u>18,618,873.36</u>	
Statutory Net Debt			\$ <u>4,554,073.18</u>
Average of Equalized Valuation Basis of Real Property with Improvements (2014, 2015 and 2016)			\$ <u>771,340,282.00</u>
Net Debt Expressed as a Percentage of Average Equalized Valuation Basis			0.59%
Gross Debt Expressed as a Percentage of 2016 Net Valuation on Which County Taxes are Apportioned, Basis of \$779,301,164.00			2.974%
Per Capita Gross Debt Based on 2010 Population Basis of 8,257			\$ 2,806.46

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, 2016**

Bonds and Notes of the County Issued and Authorized but Not Issued (Net)	\$ 512,964,315.00
Percentage of such debt chargeable to Borough of Spotswood	0.7591%
Amount of Chargeable to the Borough	\$ <u>3,893,912.12</u>

Source: The County of Middlesex Chief Financial Officer.

**BOROUGH DEBT INCURRING CAPACITY
AS OF DECEMBER 31, 2016**

3½% of Average Equalized Valuation Basis	\$ 26,996,909.87
Net Debt Issued and Outstanding and Authorized But Not Issued	<u>4,554,073.18</u>
Additional Borrowing Power	\$ <u><u>22,442,836.69</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, 2016**

4% of Average Equalized Valuation Basis	\$ 30,853,611.28
Net Debt Issued and Outstanding and Authorized But Not Issued	<u>13,575,873.36</u>
Additional Borrowing Power	\$ <u><u>17,277,737.92</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 Year	General Capital Fund		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 895,000.00</u>	<u>\$ 32,090.00</u>	<u>\$ 927,090.00</u>

Source: Annual Audit for December 31, 2016.

**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>
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
2021	585,000.00	25,267.00	610,267.00
	<u>2,740,000.00</u>	<u>241,022.00</u>	<u>2,981,022.00</u>
2022	621,000.00	11,378.00	632,378.00
	<u>621,000.00</u>	<u>11,378.00</u>	<u>632,378.00</u>
	<u>\$ 3,361,000.00</u>	<u>\$ 252,400.00</u>	<u>\$ 3,613,400.00</u>

Source: Annual Audit for December 31, 2016.

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

Calendar Year	Total for all Funds - Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2021	585,000.00	25,267.00	610,267.00
	<u>3,635,000.00</u>	<u>273,112.00</u>	<u>3,908,112.00</u>
2022	621,000.00	11,378.00	632,378.00
	<u>621,000.00</u>	<u>11,378.00</u>	<u>632,378.00</u>
	<u>\$ 4,256,000.00</u>	<u>\$ 284,490.00</u>	<u>\$ 4,540,490.00</u>

Source: Annual Audit for December 31, 2016.

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

Calendar Year	General Capital Fund		
	Principal	Interest	Total
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>\$ 261,273.18</u>	<u>\$ 16,122.92</u>	<u>\$ 277,396.10</u>

Source: Annual Audit for December 31, 2016.

SCHEDULE OF OPERATING LEASE MATURITIES

	2014		2015		
	Principal	Interest	Principal	Interest	
2017	\$ 10,557.93	\$ 979.00	\$ 21,600.91	\$ 3,185.48	
2018	10,874.67	662.26	22,248.93	2,537.44	
2019	11,200.90	336.02	22,916.40	1,869.98	
2020			23,833.06	953.32	
2021					
	<u>\$ 32,633.50</u>	<u>\$ 1,977.28</u>	<u>\$ 90,599.30</u>	<u>\$ 8,546.22</u>	
	2016		All Leases		
	Principal	Interest	Principal	Interest	Total
2017	\$ 32,994.04	\$ 5,729.14	\$ 65,152.88	\$ 9,893.62	\$ 75,046.50
2018	33,422.10	5,301.08	66,545.70	8,500.78	75,046.48
2019	34,424.76	4,298.42	68,542.06	6,504.42	75,046.48
2020	35,801.76	2,921.42	59,634.82	3,874.74	63,509.56
2021	37,233.87	1,489.36	37,233.87	1,489.36	38,723.23
	<u>\$ 173,876.53</u>	<u>\$ 19,739.42</u>	<u>\$ 297,109.33</u>	<u>\$ 30,262.92</u>	<u>\$ 327,372.25</u>

Source: Annual Audit for December 31, 2016.

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.

<u>Year</u>	<u>Equalized Valuation Ratio to True Value</u>	<u>True Value of Real Property</u>	<u>Gross</u>			<u>Net</u>	
			<u>Gross Debt Issued and Authorized but Not Issued and</u>	<u>Percentage of Gross Debt to Estimated True Value</u>	<u>Per Capital Gross Debt (1)</u>	<u>Net Debt</u>	<u>Per Capital Net Debt (1)</u>
2016	95.06	\$ 776,782,558	\$ 23,172,947	2.98%	\$ 2,806.46	\$ 4,554,073	\$ 551.54
2015	95.77	771,596,429	25,001,324	3.24%	3,027.90	4,199,360	508.58
2014	96.61	765,941,589	19,275,311	2.52%	2,334.42	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

(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>2016</u>
Manufacturing	\$ 45.70
Retail Trade	109.20
Wholesale Trade	47.00
Natural Resources, Mining and Construction	38.50
Transportation, Warehousing and Utilities	41.40
Information	17.20
Financial Activities	41.20
Professional and Business Services	154.80
Education and Health Services	147.70
Leisure and Hospitality	84.30
Other Services	39.90
Government	122.20
	<u>\$ 889.10</u>

Source: New Jersey Department of Labor and Industry: Division of Labor, Market and Demographic Research – 2016 Annual Average.

**LARGEST EMPLOYERS IN THE BOROUGH OF SPOTSWOOD
AS OF DECEMBER 31, 2016**

<u>Employer</u>	<u>Business</u>	<u>Estimated No. of Employees</u>
Spotswood Board of Education	Public Schools	255 *
Shop Rite of Spotswood	Supermarket	227 *
Schweitzer-Mauduit	Industry (Manufacturing)	148 *
International Paper	Industry (Manufacturing)	112
Borough of Spotswood	Municipal Government	81 *

* 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	4.2%	4,711	4,512	199
County of Middlesex	4.4%	442,447	422,948	19,499
State of New Jersey	5.0%	4,448,301	4,227,541	220,760

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>
2016	586	\$ 9,784,838
2015	537	6,010,890
2014	429	5,236,015
2013	400	2,678,331
2012	355	5,551,290

Source: Borough of Spotswood, Construction Code Department.

BOROUGH OF SPOTSWOOD
SUMMARY OF 2017 ADOPTED BUDGET

<u>REVENUES</u>	<u>General Budget</u>	<u>Percentage</u>	<u>Water-Sewer Utility</u>	<u>Percentage</u>
Surplus Anticipated	\$ 1,295,347	12.24%	\$ 532,536	15.51%
Local Revenues	425,500	4.02%		
State Aid	715,651	6.76%		
Uniform Construction Code Fees	120,000	1.13%		
Public and Private Revenues	133,548	1.26%		
Interlocal Agreements	83,887	0.79%		
Additional Revenues Offset	299,000	2.83%		
Other Special Items	220,549	2.08%		
Delinquent Taxes	230,000	2.17%		
Water-Sewer Rents			2,900,000	84.49%
Amount to be Raised by Taxes- Library	258,928	2.45%		
Amount to be Raised by Taxes- Municipal	<u>6,800,398</u>	<u>64.26%</u>		
 Total Anticipated Revenues	 <u>\$ 10,582,808</u>	 <u>100.00%</u>	 <u>\$ 3,432,536</u>	 <u>100.00%</u>
 <u>APPROPRIATIONS</u>				
Operations within CAPS:				
Salaries and Wages	\$ 4,215,200	39.83%		
Other Expenses	3,220,445	30.43%		
Deferred and Statutory Expenditures	1,001,250	9.46%		
Operations excluded from CAPS:				
Salaries and Wages	69,887	0.66%	\$ 465,000	13.55%
Other Expenses	377,140	3.56%	2,044,878	59.57%
Library	258,928	2.45%		
Capital	50,000	0.47%	50,000	1.46%
Debt Service	829,958	7.84%	807,658	23.53%
Deferred and Statutory Expenditures			65,000	1.89%
Reserve for Uncollected Taxes	<u>560,000</u>	<u>5.29%</u>		
 Total Appropriations	 <u>\$ 10,582,808</u>	 <u>100.00%</u>	 <u>\$ 3,432,536</u>	 <u>100.00%</u>

Source: Borough of Spotswood 2017 Adopted Municipal Budget.

2017 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 2017-2019 Capital Budget as amended:

<u>Project Title</u>	<u>Total</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Improvements to Various Roads	\$ 1,650,000	\$ 550,000	\$ 550,000	\$ 550,000
Improvements to Devoe and Main Traffic Signs	-		100,000	
Acquisition of OEM Vehicles & Equipment	7,800	7,800		
Lawn Mower with Bagger System	15,000	15,000		
Trailer Mounted Vacuum Excavator	70,000	70,000		
Acquisition of Sanitary Sewer Jet VAC	85,000	85,000		
Acquisition of New Sanitation Truck	270,000	270,000		
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>\$ 10,866,800</u>	<u>\$ 1,147,800</u>	<u>\$ 9,169,000</u>	<u>\$ 550,000</u>

2017 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	\$ 1,650,000	\$ 45,000		\$ 750,000	\$ 855,000
Improvements to Devoe and Main Traffic Signs	-	5,000			95,000
Acquisition of OEM Vehicles & Equip.	7,800		\$ 7,800		
Lawn Mower with Bagger System	15,000				15,000
Trailer Mounted Vacuum Excavator	70,000				70,000
Acquisition of Sanitary Sewer Jet VAC	85,000				85,000
Acquisition of New Sanitation Truck	270,000				270,000
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>\$ 10,866,800</u>	<u>\$ 219,000</u>	<u>\$ 107,800</u>	<u>\$ 750,000</u>	<u>\$ 2,430,000</u>

Source: Borough of Spotswood 2017 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.