# TOWNSHIP OF JACKSON

## AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2012

**TOWNSHIP OF JACKSON**
**COUNTY OF OCEAN**

## CONTENTS

## PART 1



(continued)

(continued)

**PART II**



(continued)

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TOWNSHIP OF JACKSON
COUNTY OF OCEAN

PART I

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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# INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Jackson
County of Ocean
Jackson, New Jersey 08527

## Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Jackson, State of New Jersey as of December 31, 2012 and 2011 the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related comparative statement of revenues--regulatory basis, statement of expenditures--regulatory basis and comparative statement of general fixed assets group of accounts and the related notes to the financial statements for the year ended December 31, 2012.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

## Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As discussed in Note 1 to the financial statements, the Township prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the effects of the matters, as discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Jackson, County of Ocean, State of New Jersey, as of December 31, 2012, or the results of its operations or its cash flows for the year then ended.

**Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

As Discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP financial activities are included in the Township's Trust Fund, and represent .58% and .58% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2012 and 2011.

**Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements, we do not express an opinion of the LOSAP financial statements.

**Opinion on Regulatory Basis of Accounting**

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Jackson, County of Ocean, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--regulatory basis, expenditures--regulatory basis of the various funds and general fixed assets, for the year ended December 31, 2012 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

**Other Matters**

**Report on Supplementary Information**

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2013, on our consideration of the Township of Jackson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Jackson's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P. C.**

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR 498

Medford, New Jersey
April 30, 2013

## BASIC FINANCIAL STATEMENTS

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS**
**DECEMBER 31, 2012 AND 2011**

| ASSETS | REFERENCE | 2012 | 2011 |
|---|---|---|---|
| Regular Fund: | | | |
| Cash -Treasurer | A-4 | $ 9,574,771 | $ 17,876,813 |
| Cash - Change Fund | A | 675 | 675 |
| Due from State of New Jersey: | | | |
| Senior Citizen & Veteran Deductions | A-5 | 11,413 | 16,565 |
| Total Regular Fund | | 9,586,859 | 17,894,053 |
| Receivables & Other Assets With Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-6 | 2,028,373 | 1,998,331 |
| Tax Title Liens Receivable | A-7 | 1,854,048 | 1,613,503 |
| Property Acquired for Taxes at Assessed Valuation | A-8 | 6,318,700 | 6,438,900 |
| Revenue Accounts Receivable | A-9 | 43,676 | 30,652 |
| Interfunds Receivable | A-28 | 31,701 | 1,349 |
| Total Receivables & Other Assets With Full Reserves | | 10,276,498 | 10,082,735 |
| Deferred Charges: | | | |
| Special Emergency 40A:4-55 | A-29 | 1,921,104 | 70,130 |
| Total Deferred Charges | | 1,921,104 | 70,130 |
| Total Regular Fund, Receivables & Other Assets With Full Reserves | | 21,784,461 | 28,046,918 |
| State & Federal Grants: | | | |
| Grants Receivable | A-31 | 297,935 | 533,251 |
| Due from Current Fund | A-30 | 267,415 | 335,458 |
| Total State & Federal Grants | | 565,350 | 868,709 |
| Total Assets | | $ 22,349,811 | $ 28,915,627 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT A
(Page 2 of 2)

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**
**AND FUND BALANCE - REGULATORY BASIS**
**DECEMBER 31, 2012 AND 2011**

| LIABILITIES RESERVES & FUND BALANCE | REFERENCE | 2012 | 2011 |
|---|---|---|---|
| Regular Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3,A-10 | $ 1,551,422 | $ 1,474,705 |
| Reserves for Encumbrances | A-12 | 1,018,195 | 942,987 |
| Accounts Payable | A-11 | 294,938 | 222,730 |
| Tax Anticipation Note Payable | | | 11,100,000 |
| Special Emergency Note Payable | A | 1,905,000 | |
| Prepaid Taxes | A-13 | 640,208 | 819,594 |
| Tax Overpayments | A-14 | 90,991 | 71,979 |
| County Taxes Payable | A-15 | 113,221 | 99,287 |
| Due State of New Jersey - Construction Fees | A-18 | 7,894 | 16,144 |
| Due State of New Jersey - Marriage License Fees | A-19 | 1,350 | 1,225 |
| Reserve for Revaluation Program | A-20 | 5,743 | 5,743 |
| Reserve for Master Plan | A-23 | 27,973 | 30,521 |
| Reserve for Garden State Trust Fund | A | 56,291 | 56,291 |
| Reserve for Codification of Ordinances | | | 14,091 |
| Reserve for State Board of Taxation Appeals | A-22 | 421,223 | 421,223 |
| Reserve for Skate Park | A-23 | 2,118 | 2,118 |
| Reserve for COAH State Plan | A-25 | 915,250 | |
| Reserve for FEMA Reimbursements | A-26 | 9,662 | |
| Reserve for Hurricane Sandy | A-27 | 1,629,158 | |
| Interfund Payable | A-28 | 267,415 | 335,458 |
| Total Liabilities | | 8,958,052 | 15,614,096 |
| Reserve for Receivables & Other Assets | A | 10,276,498 | 10,082,735 |
| Fund Balance | A-1 | 2,549,911 | 2,350,087 |
| Total Regular Funds | | 21,784,461 | 28,046,918 |
| Federal & State Grants: | | | |
| Reserves for Encumbrances | A-34 | 161,498 | 57,991 |
| Appropriated Reserves | A-32 | 339,861 | 743,741 |
| Unappropriated Reserves | A-33 | 63,991 | 66,977 |
| Total State & Federal Grants | | 565,350 | 868,709 |
| Total Liabilities, Reserves & Fund Balance | | $ 22,349,811 | $ 28,915,627 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT A-1

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

| | Ref. | 2012 | 2011 |
|---|---|---|---|
| Revenue & Other Income Realized: | | | |
| Fund Balance Utilized | | $ 1,900,000 | $ 2,400,000 |
| Miscellaneous Revenue Anticipated | | 6,517,646 | 6,382,387 |
| Receipts From Delinquent Taxes | | 1,501,020 | 1,262,234 |
| Receipts From Current Taxes | | 135,345,779 | 134,754,435 |
| Nonbudget Revenue | | 489,929 | 821,041 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | | 1,336,505 | 897,318 |
| Cancelled Accounts Payable | | 71,880 | 353,695 |
| Prior Year Interfunds Liquidated | | | 1,912 |
| Total Revenue & Other Income Realized | | 147,162,759 | 146,873,022 |
| Expenditures: | | | |
| Operations Within "CAPS": | | | |
| Salaries and Wages | | 16,230,483 | 15,682,658 |
| Other Expenses | | 12,648,516 | 11,345,582 |
| Deferred Charges & Statutory Expenditures Within "CAPS" | | 4,290,560 | 4,614,374 |
| Operations Excluded from "CAPS": | | | |
| Salaries and Wages | | 150,958 | 166,135 |
| Other Expenses | | 345,883 | 468,312 |
| Capital Improvements - Excluded from "CAPS": | | 50,000 | |
| Municipal Debt Service Excluded From "CAPS" | | 3,785,305 | 3,876,052 |
| Deferred Charges - Municipal - Excluded From "CAPS" | | 54,026 | 50,000 |
| Judgements | | 106,500 | |
| Local District School Taxes | | 78,091,655 | 78,661,566 |
| Fire District Taxes | | 5,368,215 | 5,106,091 |
| County Taxes | | 24,355,837 | 23,482,779 |
| Amount Due County for Added & Omitted Taxes | | 113,221 | 99,287 |
| Municipal Open Space Taxes | | 1,348,484 | 1,355,061 |
| Prior Year Senior Citizen Deductions Disallowed | | 26,287 | 5,252 |
| Refund of Prior Year Revenue | | | 203 |
| Cancellation of Grant Receivable | | 193 | |
| Interfunds Created | | 1,812 | |
| Total Expenditures | | 146,967,935 | 144,913,352 |
| Excess in Revenue | | 194,824 | 1,959,670 |
| Expenditures Included Above which are by Statute Deferred Charges to budgets of Succeeding Years | | 1,905,000 | 20,130 |
| Statutory Excess to Fund Balance | | 2,099,824 | 1,979,800 |
| Fund Balance January 1 | A | 2,350,087 | 2,770,286 |
| Total | | 4,449,911 | 4,750,086 |
| Decreased by: Utilized as Revenue | A-2 | 1,900,000 | 2,400,000 |
| Balance December 31 | A | $ 2,549,911 | $ 2,350,087 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**STATEMENT OF REVENUES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | ANTICIPATED BUDGET | ADDED PER N.J.S.40A:4-87 | REALIZED | EXCESS OR (DEFICIT) |
|---|---|---|---|---|
| Fund Balance Anticipated | $ 1,900,000 | | $ 1,900,000 | |
| Miscellaneous Revenue: | | | | |
| Local Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 40,250 | | 38,950 | $ (1,300) |
| Other | 24,950 | | 25,391 | 441 |
| Fees & Permits | 125,000 | | 173,720 | 48,720 |
| Fines & Costs: | | | | |
| Municipal Court | 400,000 | | 483,816 | 83,816 |
| Interest & Cost on Taxes | 350,000 | | 394,479 | 44,479 |
| Interest on Investments & Deposits | 110,000 | | 99,239 | (10,761) |
| Tax Search Fees | 20 | | 40 | 20 |
| Housing & Commercial CCO's | 75,000 | | 101,115 | 26,115 |
| Consolidated Municipal Property Tax Relief Aid | 220,114 | | 220,114 | |
| Energy Receipts Taxes | 3,132,035 | | 3,132,035 | |
| Garden State Trust | 56,290 | | 56,290 | |
| Uniform Construction Code Fees | 1,000,000 | | 989,031 | (10,969) |
| Clean Communities Program | | $ 85,645 | 85,645 | |
| Recycling Tonnage Grant | 49,031 | | 49,031 | |
| Municipal Alliance on Alcoholism & Drug Abuse | | 26,539 | 26,539 | |
| Safe & Secure Communities Program | | 28,805 | 28,805 | |
| Body Armor Replacement Grant-State | 7,231 | | 7,231 | |
| Cops in Shops/College Fall Initiative | 2,800 | | 2,800 | |
| Cops in Shop/Summer Shore Initiative | | 2,200 | 2,200 | |
| Sustainable NJ/Going Green | 1,000 | | 1,000 | |
| Alcohol Education and Rehabilitation Fund | 1,187 | | 1,187 | |
| Drunk Driving Enforcement Fund | 8,528 | | 8,528 | |
| Click It or Ticket 2012 | | 4,000 | 4,000 | |
| Pedestrian Safety Grant | | 15,000 | 15,000 | |
| Federal Bureau of Justice Bulletproof Vest Partnership Grant | 13,650 | | 13,650 | |
| NJ Office of Emergency Management - 966 Grant | | 16,441 | 16,441 | |
| Handicapped Recreation Opportunities Grant | | 7,500 | 7,500 | |
| Drive Sober/Pull Over Year-End Crackdown | | 8,800 | 8,800 | |
| Ocean County Office of Senior Services Information Assistance | 17,700 | | 17,700 | |
| Ocean County Office of Senior Services Information Assistance - Donation | 10 | | 10 | |
| Ocean County Cultural & Heritage Commission Special Project Grant (Concerts) | 750 | | 750 | |
| Cablevision Franchise Fee | 202,309 | | 206,609 | 4,300 |
| Cell Tower Lease | 254,000 | | | (254,000) |
| Police Uniform Reimbursement/Giveback | | | | |
| Capital Fund Balance | 300,000 | | 300,000 | |
| Total | 6,391,855 | 194,930 | 6,517,646 | (69,139) |
| Receipts from Delinquent Taxes | 1,615,000 | | 1,501,020 | (113,980) |
| Amount to be Raised by Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes | 28,269,763 | | 28,682,684 | 412,921 |
| Budget Totals | 38,176,618 | 194,930 | 38,601,350 | |
| Nonbudget Revenues | | | 489,929 | 489,929 |
| Total | $ 38,176,618 | $ 194,930 | $ 39,091,279 | $ 719,731 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**STATEMENT OF REVENUES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**ANALYSIS OF REALIZED REVENUES**

| | | |
|---|---|---|
| Allocation of Current Tax Collections: | | |
| Revenue From Collections | $ | 135,345,779 |
| Net Revenue From Collections | | 135,345,779 |
| Allocated to School, County, Municipal Open Space & Special Districts | | 109,277,412 |
| Balance for Support of Municipal Budget Appropriations | | 26,068,367 |
| Increased by Appropriation for Uncollected Taxes | | 2,614,317 |
| Amount for Support of Municipal Budget Appropriations | $ | 28,682,684 |
| Receipts from Delinquent Taxes: | | |
| Delinquent Tax Collections | $ | 1,473,958 |
| Tax Title Lien Collections | | 27,062 |
| Total | $ | 1,501,020 |
| Construction Code Official: | | |
| Construction Code Official: | | |
| Plumbing Fees & Permits | $ | 167,048 |
| Electrical Fees & Permits | | 216,330 |
| Building Inspector Fees & Permits | | 446,677 |
| Fire Inspection Fees & Permits | | 99,528 |
| Commercial Inspections | | 13,179 |
| TCO, CCO & COMM | | 30,616 |
| Elevator Inspection Fees | | 2,992 |
| Building Fines & Penalties | | 10,150 |
| Misc Other | | 2,511 |
| Total Construction Code Official | $ | 989,031 |
| Other Fees & Permits: | | |
| Public Works | $ | 21,290 |
| Forester | | 3,650 |
| Police Department | | 15,731 |
| Zoning Board | | 51,827 |
| Planning Board | | 58,273 |
| Vital Statistics | | 22,949 |
| Total Other Fees & Permits | $ | 173,720 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**STATEMENT OF REVENUES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**ANALYSIS OF NONBUDGET REVENUE**

| | | |
|---|---|---|
| Miscellaneous Revenue Not Anticipated: | | |
| Tower Rental | $ | 78,794 |
| Gas & Fuel Reimbursements | | 77,651 |
| Municipal Clerk - Miscellaneous | | 6,019 |
| Restitution | | 210 |
| Administration Fees | | 322 |
| Library Water | | 2,500 |
| Tax Collector Fees | | 9,353 |
| PILOT - Windsor Cresent | | 36,107 |
| Outside Employment Surcharge | | 157,853 |
| Police Alarm Fines | | 5,400 |
| Planning & Zoning Surcharge | | 10,201 |
| Motor Vehicle Inspection Fines | | 6,253 |
| Non Sufficient Funds | | 220 |
| Vending Machines | | 390 |
| Court Overpayments | | 334 |
| Bid Fees | | 900 |
| Ocean County Rent of Polling Places | | 1,000 |
| Insurance Reimbursements | | 7,716 |
| Shared Services - Animal Control | | 7,840 |
| Auction Proceeds | | 19,071 |
| Resolution Fees | | 4,800 |
| JIF Dividend | | 9,609 |
| Administrative Fee - Senior Citizen's & Veteran's | | 10,907 |
| Telephone Revenue | | 13,153 |
| Miscellaneous | | 23,326 |
| Total Nonbudget Revenue | $ | 489,929 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**STATEMENT OF EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | APPROPRIATIONS | | EXPENDED | | | |
|---|---|---|---|---|---|---|
| OPERATIONS - Within "CAPS" | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | RESERVED | CANCELLED |
| **General Government:** | | | | | | |
| Administrative Executive: | | | | | | |
| Salaries and Wages | $ 156,734 | $ 160,929 | $ 160,527 | | $ 402 | |
| Other Expenses | 73,450 | 63,450 | 46,404 | $ 10,589 | 6,457 | |
| Township Council: | | | | | | |
| Salaries and Wages | 44,340 | 44,340 | 44,340 | | - | |
| Other Expenses | 850 | 850 | 205 | 366 | 279 | |
| Mayor: | | | | | | |
| Salaries and Wages | 15,000 | 2,000 | | | 2,000 | |
| Other Expenses | 5,900 | 5,900 | 4,360 | 480 | 1,060 | |
| Human Services: | | | | | | |
| Salaries and Wages | 105,411 | 108,869 | 105,809 | | 3,060 | |
| Other Expenses | 8,480 | 8,480 | 4,550 | 110 | 3,820 | |
| Municipal Clerk: | | | | | | |
| Salaries and Wages | 206,523 | 218,422 | 218,192 | | 230 | |
| Other Expenses | 35,450 | 32,450 | 14,291 | 4,609 | 13,550 | |
| Election: | | | | | | |
| Salaries and Wages | 5,000 | 3,000 | 2,878 | | 122 | |
| Other Expenses | 20,000 | 13,000 | 4,584 | | 8,416 | |
| Financial Administration: | | | | | | |
| Salaries and Wages | 319,413 | 315,806 | 313,931 | | 1,875 | |
| Other Expenses | 42,390 | 27,390 | 13,730 | 5,038 | 8,622 | |
| Audit Services: | | | | | | |
| Other Expenses | 41,000 | 41,000 | 6,000 | 35,000 | - | |
| Information Technology/Computerized Data Processing: | | | | | | |
| Salaries and Wages | 59,380 | 63,580 | 61,904 | | 1,676 | |
| Other Expenses | 17,500 | 17,500 | 5,710 | 1,088 | 10,702 | |
| Collection of Taxes: | | | | | | |
| Salaries and Wages | 258,651 | 269,555 | 268,108 | | 1,447 | |
| Other Expenses | 33,665 | 33,665 | 17,006 | 16,153 | 506 | |
| Assessment of Taxes: | | | | | | |
| Salaries and Wages | 224,464 | 254,464 | 253,619 | | 845 | |
| Other Expenses | 15,515 | 15,515 | 9,131 | 4,431 | 1,953 | |
| Purchasing: | | | | | | |
| Salaries and Wages | 56,579 | 54,282 | 50,537 | | 3,745 | |
| Other Expenses | 14,790 | 14,790 | 8,052 | 5,085 | 1,653 | |
| Legal Services & Costs: | | | | | | |
| Other Expenses | 400,000 | 460,000 | 415,864 | | 44,136 | |
| Engineering Services & Costs: | | | | | | |
| Salaries and Wages | 167,061 | 183,654 | 182,333 | | 1,321 | |
| Other Expenses | 140,200 | 140,200 | 43,623 | 94,314 | 2,263 | |
| Historical Commission: | | | | | | |
| Other Expenses | 125 | 125 | | | 125 | |
| Community Alliance-Alcoholism & Drugs: | | | | | | |
| Salaries and Wages | 1,140 | 1,140 | 95 | | 1,045 | |
| Other Expenses | 100 | 100 | | | 100 | |
| Mayor's Community Advisory Board: | | | | | | |
| Other Expenses | 50 | 50 | | | 50 | |
| Economic Development Advisory Board: | | | | | | |
| Other Expenses | 750 | 750 | | | 750 | |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**STATEMENT OF EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | APPROPRIATIONS | | EXPENDED | | | |
|---|---|---|---|---|---|---|
| OPERATIONS - Within "CAPS" | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | RESERVED | CANCELLED |
| **Land Use Administration:** | | | | | | |
| Planning/Zoning Boards: | | | | | | |
| Salaries and Wages | 193,141 | 200,928 | 199,536 | | 1,392 | |
| Other Expenses | 54,000 | 54,000 | 38,166 | 600 | 15,234 | |
| Maintenance of Tax Maps: | | - | | | | |
| Other Expenses | 14,500 | 14,500 | 5,965 | 4,035 | 4,500 | |
| **Code Enforcement - Other:** | | | | | | |
| Rent Leveling Board: | | | | | | |
| Salaries and Wages | 3,145 | 3,145 | 1,693 | | 1,452 | |
| Other Expenses | 30,600 | 39,600 | 34,443 | | 5,157 | |
| Code Enforcement - Other: | | | | | | |
| Salaries and Wages | 181,657 | 207,334 | 200,686 | | 6,648 | |
| Other Expenses | 5,150 | 5,150 | 712 | 3,534 | 904 | |
| Housing & Inspection Code: | | | | | | |
| Salaries and Wages | 21,267 | - | | | - | |
| Other Expenses | 3,350 | 3,350 | 3,243 | | 107 | |
| Commercial Building Standards: | | | | | | |
| Salaries and Wages | 10,000 | 10,000 | 10,000 | | - | |
| Other Expenses | 750 | 750 | 500 | 82 | 168 | |
| **Insurance:** | | | | | | |
| General Liability | 514,884 | 504,884 | 454,797 | 2,500 | 47,587 | |
| Workers Compensation | 654,510 | 654,510 | 654,510 | | - | |
| Employee Group Health | 3,907,288 | 3,877,288 | 3,676,099 | | 201,189 | |
| Health Benefit Waiver | 29,520 | 29,520 | 24,160 | | 5,360 | |
| Unemployment Trust Fund | 50,000 | 50,000 | 50,000 | | - | |
| **Public Safety Functions:** | | | | | | |
| Police Department: | | | | | | |
| Salaries and Wages | 9,261,943 | 9,269,146 | 9,139,501 | | 129,645 | |
| Other Expenses | 552,428 | 552,428 | 478,400 | 42,342 | 31,686 | |
| Police Dispatch/911: | | | | | | |
| Salaries and Wages | 401,273 | 403,206 | 396,404 | | 6,802 | |
| Emergency Management: | | | | | | |
| Salaries and Wages | 7,346 | 7,346 | 6,836 | | 510 | |
| Other Expenses | 20,400 | 20,400 | 4,382 | 15,634 | 384 | |
| Aid to Volunteer Ambulance: | | | | | | |
| Other Expenses | 15,000 | 15,000 | | 15,000 | - | |
| Municipal Prosecutor: | | | | | | |
| Other Expenses | 42,000 | 42,000 | 36,667 | | 5,333 | |
| Juvenile Conference Committee: | | | | | | |
| Salaries and Wages | 1,300 | 1,300 | 1,022 | | 278 | |
| Other Expenses | 25 | 25 | | | 25 | |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**STATEMENT OF EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | APPROPRIATIONS | | EXPENDED | | | |
|---|---|---|---|---|---|---|
| OPERATIONS - Within "CAPS" | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | RESERVED | CANCELLED |
| **Public Works Functions:** | | | | | | |
| Streets & Roads Maintenance: | | | | | | |
| Salaries and Wages | 1,250,783 | 1,261,512 | 1,177,256 | | 84,256 | |
| Other Expenses | 220,375 | 215,375 | 92,280 | 56,205 | 66,890 | |
| Snow Removal: | | | | | | |
| Other Expenses | 360,000 | 360,000 | 153,233 | 7,106 | 199,661 | |
| Shade Tree Commission: | | | | | | |
| Salaries and Wages | 1,250 | 1,250 | 1,062 | | 188 | |
| Other Expenses | 10,000 | 10,000 | 6,276 | | 3,724 | |
| Solid Waste Collection: | | | | | | |
| Salaries and Wages | 156,278 | 136,278 | 109,198 | | 27,080 | |
| Other Expenses | 598,780 | 598,780 | 589,780 | | 9,000 | |
| Buildings & Grounds: | | | | | | |
| Salaries and Wages | 721,436 | 731,892 | 729,738 | | 2,154 | |
| Other Expenses | 159,950 | 169,950 | 131,737 | 27,367 | 10,846 | |
| Hurricane Sandy: | | | | | | |
| Salaries and Wages | | 222,844 | 222,844 | | - | |
| Other Expenses | | 1,682,156 | 1,682,156 | | - | |
| Vehicle Maintenance: | | | | | | |
| Salaries and Wages | 325,135 | 311,862 | 290,682 | | 21,180 | |
| Other Expenses | 257,275 | 287,275 | 223,100 | 58,543 | 5,632 | |
| Community Services Act: | | | | | | |
| Other Expenses | 200,000 | 200,000 | | 200,000 | - | |
| **Health & Human Services Functions:** | | | | | | |
| Public Health Services: | | | | | | |
| Salaries and Wages | 14,000 | 14,000 | 9,066 | | 4,934 | |
| Other Expenses | 1,500 | 1,500 | 943 | 313 | 244 | |
| Environmental Health Services-<br>Environmental Commission: | | | | | | |
| Salaries and Wages | 1,300 | 1,300 | 1,155 | | 145 | |
| Other Expenses | 480 | 480 | | | 480 | |
| Animal Control Services: | | | | | | |
| Salaries and Wages | 169,883 | 162,797 | 145,896 | | 16,901 | |
| Other Expenses | 57,950 | 57,950 | 32,596 | 3,538 | 21,816 | |
| Going Green Committee: | | | | | | |
| Other Expenses | 200 | 200 | | | 200 | |
| **Parks & Recreation Functions:** | | | | | | |
| Recreation Services & Programs: | | | | | | |
| Salaries and Wages | 129,067 | 132,051 | 125,409 | | 6,642 | |
| Other Expenses | 10,940 | 10,940 | 5,703 | 1,363 | 3,874 | |
| Office for the Golden Age: | | | | | | |
| Salaries and Wages | 199,664 | 204,122 | 199,451 | | 4,671 | |
| Other Expenses | 18,170 | 18,170 | 14,029 | 1,284 | 2,857 | |
| Handicapped Committee: | | | | | | |
| Salaries and Wages | 12,723 | 12,123 | 10,403 | | 1,720 | |
| Other Expenses | 1,945 | 1,945 | 880 | 127 | 938 | |
| Park Maintenance: | | | | | | |
| Other Expenses | 1,000 | 1,000 | (4,000) | 4,000 | 1,000 | |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**STATEMENT OF EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | APPROPRIATIONS | | EXPENDED | | | |
|---|---|---|---|---|---|---|
| OPERATIONS - Within "CAPS" | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | RESERVED | CANCELLED |
| **Municipal Court Functions:** | | | | | | |
| Municipal Court: | | | | | | |
| Salaries and Wages | 340,090 | 345,022 | 329,346 | | 15,676 | |
| Other Expenses | 14,850 | 14,850 | 10,222 | 2,886 | 1,742 | |
| Public Defender: | | | | | | |
| Other Expenses | 12,000 | 12,000 | | | 12,000 | |
| **Other Common Operating Functions:** | | | | | | |
| Salary & Wage Adjustment: | | | | | | |
| Salaries and Wages | 290,000 | 162,856 | | 162,856 | - | |
| Postage & Photocopy: | | | | | | |
| Other Expenses | 65,500 | 68,500 | 60,468 | 7,654 | 378 | |
| Accumulated Leave Compensation-Sick Trust: | | | | | | |
| Other Expenses | 150,000 | 150,000 | 150,000 | | - | |
| **Utility Expenses & Bulk Purchases:** | | | | | | |
| Electricity | 610,000 | 610,000 | 439,965 | 26,874 | 143,161 | |
| Street Lighting | 330,000 | 330,000 | 224,700 | 49,966 | 55,334 | |
| Telecommunication Costs | 71,000 | 86,000 | 75,359 | 9,571 | 1,070 | |
| Natural Gas | 110,000 | 110,000 | 77,628 | 4,000 | 28,372 | |
| Heating Oil | 5,000 | 5,000 | 3,427 | 243 | 1,330 | |
| Sewerage Processing & Disposal | 1,200 | 1,200 | | | 1,200 | |
| Fuel & Petroleum Products | 500,000 | 530,000 | 472,048 | 53,010 | 4,942 | |
| Water | 5,300 | 3,300 | | | 3,300 | |
| **Landfill/Solid Waste:** | | | | | | |
| Landfill/Solid Waste Disposal Costs: | | | | | | |
| Other Expenses | 273,000 | 248,000 | 161,102 | 12,605 | 74,293 | |
| Legler Landfill - Postclosure Monitoring: | | | | | | |
| Other Expenses | 55,000 | 55,000 | 48,115 | 6,885 | - | |
| **Uniform Construction Code-Appropriations Offset by Dedicated Revenues(NJAC5:23-4.17):** | | | | | | |
| Construction Code Department: | | | | | | |
| Salaries and Wages | 735,262 | 748,128 | 722,002 | | 26,126 | |
| Other Expenses | 70,325 | 70,325 | 48,531 | 17,261 | 4,533 | |
| Total Operations Including Contingent Within "CAPS" | 26,963,999 | 28,878,999 | 26,447,291 | 974,647 | 1,457,061 | |
| Detail: | | | | | | |
| Salaries and Wages | 16,047,639 | 16,230,483 | 15,691,459 | 162,856 | 376,168 | |
| Other Expenses | 10,916,360 | 12,648,516 | 10,755,832 | 811,791 | 1,080,893 | |
| **Deferred Charges & Statutory Expenditures Municipal Within "CAPS":** | | | | | | |
| Deferred Charges - Prior Year Bills: | | | | | | |
| Remington, Vernick & Vena, Eng. | 4,560 | 4,560 | 4,560 | | - | |
| Statutory Expenditures: | | | | | | |
| Public Employees' Retirement System | 823,495 | 823,495 | 823,495 | | - | |
| Social Security System (O.A.S.I.) | 1,300,244 | 1,290,244 | 1,213,096 | | 77,148 | |
| Police & Firemen's Retirement System | 2,169,961 | 2,169,961 | 2,169,961 | | - | |
| Defined Contribution Retirement Program | 2,300 | 2,300 | 1,465 | | 835 | |
| Total Deferred Charges & Statutory Expenditures Within "CAPS" | 4,300,560 | 4,290,560 | 4,212,577 | - | 77,983 | |
| Total General Appropriations for Municipal Purposes Within "CAPS" | 31,264,559 | 33,169,559 | 30,659,868 | 974,647 | 1,535,044 | |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**STATEMENT OF EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | APPROPRIATIONS | | EXPENDED | | | |
|---|---|---|---|---|---|---|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | RESERVED | CANCELLED |
| **Operations Excluded from "CAPS":** | | | | | | |
| Service Contracts: | | | | | | |
| Sewer & Water Purposes - MUA | 3,500 | 3,500 | 1,294 | | 2,206 | |
| Implementation of 911 Emergency: | | | | | | |
| Salaries & Wages | 133,758 | 133,758 | 133,758 | | - | |
| Relocation Assistance: | | | | | | |
| Other Expenses | 2,000 | 2,000 | | | 2,000 | |
| LOSAP | 22,000 | 22,000 | | 22,000 | - | |
| Recycling Tonnage Tax | 10,000 | 10,000 | 6,065 | 474 | 3,461 | |
| Supplemental Fire Services Programs: | | | | | | |
| Fire District Tax Obligations | 13,026 | 13,026 | 13,026 | | - | |
| **Public & Private Programs Offset by Revenues:** | | | | | | |
| OC Office of Senior | | | | | | |
| Services-Information Assistance: | | | | | | |
| Salaries and Wages | 17,200 | 17,200 | 17,200 | | - | |
| Other Expenses | 500 | 500 | 500 | | - | |
| Safe & Secure Communities Program | | 28,805 | 28,805 | | - | |
| Municipal Alliance on Alcohol & Drug Abuse: | | | | | | |
| County Grant | | 26,539 | 26,539 | | - | |
| Clean Communities Grant | | 85,645 | 85,645 | | - | |
| Drunk Driving Enforcement Fund | 8,528 | 8,528 | 8,528 | | - | |
| State of New Jersey Body Armor Grant | 7,231 | 7,231 | 7,231 | | - | |
| Matching Funds for Grants | 15,000 | 15,000 | 8,145 | | 6,855 | |
| Sustainable NJ/Going Green | 1,000 | 1,000 | 1,000 | | - | |
| Special Projects Grant (Concerts) | 750 | 750 | 750 | | - | |
| Special Projects Grant - Match | 750 | 750 | 750 | | - | |
| Pedestrian Safety Grant | | 15,000 | 15,000 | | - | |
| Click It or Ticket | | 4,000 | 4,000 | | - | |
| Adult Education and Rehabilitation | 1,187 | 1,187 | 1,187 | | - | |
| Federal Bureau of Justice Bulletproof | | | | | | |
| Vest Partner | 13,650 | 13,650 | 13,650 | | - | |
| COPS in Shops Fall Initiative | 2,800 | 2,800 | 2,800 | | - | |
| COPS in Shops Summer Shore Initiative | | 2,200 | 2,200 | | - | |
| Handicapped Recreation Opportunities | | | | | | |
| Grant | | 7,500 | 7,500 | | - | |
| NJ Office of Emergency Management - | | | | | | |
| 966 Grant | | 16,441 | 16,441 | | - | |
| Drive Sober/Pull Over Year-End | | | | | | |
| Crackdown | | 8,800 | 8,800 | | - | |
| Recycling Tonnage Grant | 49,031 | 49,031 | 49,031 | | - | |
| Total Operations Excluded from "CAPS" | 301,911 | 496,841 | 459,845 | 22,474 | 14,522 | |
| Detail: | | | | | | |
| Salaries and Wages | 150,958 | 150,958 | 150,958 | - | - | |
| Other Expenses | 150,953 | 345,883 | 308,887 | 22,474 | 14,522 | |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**STATEMENT OF EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | APPROPRIATIONS | | EXPENDED | | | |
|---|---|---|---|---|---|---|
| OPERATIONS - Excluded from "CAPS" | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | ENCUMBERED | RESERVED | CANCELLED |
| Capital Improvements - Excluded from "CAPS": | | | | | | |
| Capital Improvement Fund | 50,000 | 50,000 | 50,000 | | - | |
| Municipal Debt Service - Excluded from "CAPS": | | | | | | |
| Payment of Bond Principal | 2,800,000 | 2,800,000 | 2,800,000 | | - | |
| Interest on Bonds | 839,155 | 839,155 | 839,155 | | - | |
| Interest on Notes | 146,150 | 146,150 | 146,150 | | - | |
| Deferred Charges-Municipal - Excluded from "CAPS": | | | | | | |
| Special Emergency Authorization - 5 Years | 54,026 | 54,026 | 54,026 | | - | |
| Judgements - Excluded from "CAPS" | 106,500 | 106,500 | 104,644 | | 1,856 | |
| Total Capital Improvements, Municipal Debt Service, Deferred Charges & Judgements Excluded from "CAPS" | 3,995,831 | 3,995,831 | 3,993,975 | | 1,856 | |
| Total General Appropriations Excluded from "CAPS" | 4,297,742 | 4,492,672 | 4,453,820 | 22,474 | 16,378 | |
| Subtotal General Appropriations | 35,562,301 | 37,662,231 | 35,113,688 | 997,121 | 1,551,422 | |
| Reserve For Uncollected Taxes | 2,614,317 | 2,614,317 | 2,614,317 | | - | |
| Total General Appropriations | $ 38,176,618 | $ 40,276,548 | $ 37,728,005 | $ 997,121 | $ 1,551,422 | |

| | | |
|---|---|---|
| Budget | $ 38,176,618 | |
| Added by N.J.S. 40A:4-87 | 194,930 | |
| Added by Special Emergency | 1,905,000 | |
| Total | $ 40,276,548 | |
| Reserve for Uncollected Taxes | | $ 2,614,317 |
| Appropriated Reserves for Federal & State Grants | | 305,702 |
| Deferred Charges - Special Emergency | | 54,026 |
| Special Emergency - Transfer to Reserve | | 1,905,000 |
| Refunds | | (389,961) |
| Cash Disbursements | | 33,238,921 |
| Total | | $ 37,728,005 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT B

**TOWNSHIP OF JACKSON**
**TRUST FUND**
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS**
**DECEMBER 31, 2012 AND 2011**

| ASSETS | REFERENCE | 2012 | 2011 |
|---|---|---|---|
| Animal Control Trust Fund: | | | |
| Cash | B-1 | $ 115,374 | $ 61,964 |
| Total Animal Control Trust Fund | | 115,374 | 61,964 |
| Open Space Trust Fund: | | | |
| Cash | B-1 | 2,842,134 | 2,280,762 |
| Total Open Space Trust Fund | | 2,842,134 | 2,280,762 |
| Trust Other Funds: | | | |
| Cash | B-1 | 9,534,348 | 11,600,451 |
| Due from County of Ocean - Community Development Block Grant | B-3 | 315,036 | 441,091 |
| Total Trust Other Funds | | 9,849,384 | 12,041,542 |
| Length of Service Awards Program (LOSAP) (Unaudited) | | | |
| Funds Held by Trustee | B-9 | 74,328 | 69,195 |
| Total Assets | | $ 12,881,220 | $ 14,453,463 |
| **LIABILITIES & RESERVES** | | | |
| Animal Control Trust Fund: | | | |
| Due to State of New Jersey | B-2 | $ 40 | $ 40 |
| Due to Current Fund | A | 28,347 | |
| Reserve for Animal Control Expenditures | B-5 | 86,987 | 61,924 |
| Total Animal Control Trust Fund | | 115,374 | 61,964 |
| Open Space Trust Fund: | | | |
| Reserve for Open Space | B-8 | 2,842,134 | 2,280,762 |
| Total Open Space Trust Fund | | 2,842,134 | 2,280,762 |
| Trust Other Funds: | | | |
| Various Reserves | B-7 | 9,652,142 | 11,792,012 |
| Interfund - Current Fund | B-4 | 3,354 | 1,349 |
| Reserve for Community Development Block Grant Expenditures | B-6 | 193,888 | 248,181 |
| Total Trust Other Funds | | 9,849,384 | 12,041,542 |
| Length of Service Awards Program (LOSAP) (Unaudited) | | | |
| Funds Held by Trustee | B-10 | 74,328 | 69,195 |
| Total Liabilities & Reserves | | $ 12,881,220 | $ 14,453,463 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT C

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**
**AND FUND BALANCE - REGULATORY BASIS**
**DECEMBER 31, 2012 AND 2011**

| ASSETS | REFERENCE | 2012 | 2011 |
|---|---|---|---|
| Cash & Cash Equivalents | C-2 | $ 5,121,576 | $ 3,532,983 |
| Investment in Bond Anticipation Note | A | 1,905,000 | |
| State Grants Receivable | C-4, C-5 | 1,639,111 | 371,250 |
| Ocean County Shared Services Agreement Receivable | C-6 | | 215,135 |
| MUA Shared Services Agreement Receivable | C-7 | 395 | |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-8 | 25,877,000 | 29,200,000 |
| Unfunded | C-9 | 5,485,337 | 4,785,392 |
| Total Assets | | $ 40,028,419 | $ 38,104,760 |
| LIABILITIES, RESERVES & FUND BALANCE | | | |
| General Serial Bond | C-10 | $ 25,877,000 | $ 29,200,000 |
| Bond Anticipation Notes | C-17 | 5,485,337 | |
| Improvement Authorizations: | | | |
| Funded | C-11 | 1,875,743 | 1,761,420 |
| Unfunded | C-11 | 3,641,119 | 3,614,256 |
| Reserve for Encumbrances | C-12 | 818,812 | 1,194,087 |
| Capital Improvement Fund | C-13 | 53,577 | 110,538 |
| Reserve for Debt Service - Open Space Bonds | C-14 | 1,853,771 | 1,853,771 |
| Reserve for Debt Service - Other | C-15 | 27,372 | |
| Reserve for Fire Damage - Annex Building | C-16 | 10,589 | 10,589 |
| Reserve for DOT Receivable - Brewers Bridge | | 325,000 | |
| Fund Balance | C-1 | 60,099 | 360,099 |
| Total Liabilities, Reserves & Fund Balance | | $ 40,028,419 | $ 38,104,760 |

There were bonds and notes authorized but not issued on December 31, 2012 of $0. (Exhibit C-18)

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT D

**TOWNSHIP OF JACKSON**
**PUBLIC ASSISTANCE FUND**
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS**
**DECEMBER 31, 2012 AND 2011**

| ASSETS | REFERENCE | 2012 | 2011 |
|---|---|---|---|
| Cash & Cash Equivalents | D-1 | $ 29,676 | $ 29,552 |
| Total Assets | | $ 29,676 | $ 29,552 |
| RESERVES | | | |
| Reserve for Public Assistance | D-2 | $ 29,676 | $ 29,552 |
| Total Reserves | | $ 29,676 | $ 29,552 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT E

**TOWNSHIP OF JACKSON**
**GENERAL FIXED ASSETS ACCOUNT GROUP**
**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS**
**GROUP OF ACCOUNTS - REGULATORY BASIS**
**DECEMBER 31, 2012 AND 2011**

| ASSETS | 2012 | 2011 |
|---|---|---|
| Land | $ 54,983,000 | $ 54,993,800 |
| Building & Building Improvements | 47,576,250 | 47,522,404 |
| Machinery & Equipment | 11,513,014 | 10,902,673 |
| Total | $ 114,072,264 | $ 113,418,877 |
| INVESTMENT IN FIXED ASSETS | | |
| Investment in Fixed Assets | $ 114,072,264 | $ 113,418,877 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT F

**TOWNSHIP OF JACKSON**
**PAYROLL FUND**
**COMPARATIVE STATEMENT OF ASSETS**
**AND LIABILITIES - REGULATORY BASIS**
**DECEMBER 31, 2012 AND 2011**

| ASSETS | 2012 | 2011 |
|---|---|---|
| Cash | $ 152,213 | $ 6,276 |
| Total Assets | $ 152,213 | $ 6,276 |
| LIABILITIES | | |
| Payroll Deductions Payable | $ 152,213 | $ 6,276 |
| Total Liabilities | $ 152,213 | $ 6,276 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

TOWNSHIP OF JACKSON
COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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## Note 1. Summary of Significant Accounting Polices

### A. Description of the Financial Reporting Entity

This report includes the financial statements of the Township of Jackson (the "Township"), within the County of Ocean, in the State of New Jersey and reflects the activities of the municipality which is under the control of the Mayor and Township Council. The financial statements of the Board of Education, First Aid Organization and Fire Districts are reported separately since their activities are administered by separate boards.

The Township's governing body is also responsible for appointing the board members of the Jackson Municipal Utilities Authority but the Township's accountability for this organization does not extend beyond making the appointments.

### B. Description of Funds

The accounting policies of the Township of Jackson conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Jackson accounts for its financial transactions through the following separate funds:

**Current Fund** - resources and expenditures for governmental operation of a general nature, including federal and state grant funds.

**Trust Fund** - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, including dog license revenue and expenditures and sundry deposits held for satisfactory completion of specific work.

**General Capital Fund** - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

**Public Assistance Fund** – receipt and disbursement of funds that provide assistance to certain residents of the Township.

**Payroll Fund** – is used for the receipt and disbursements of funds used to meet obligations to employees and payroll tax liability.

**Fixed Asset Account Group** – used to account for fixed assets used in general government operations.

## Note 1. Summary of Significant Accounting Polices (continued):

### C. Basis of Accounting, Measurement Focus and Basis of Presentation

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed, with minor exceptions:

**Revenues**

Revenues are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the Federal Government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the Municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

**Expenditures**

Expenditures are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balance are automatically created on December 31st of each year and recorded as Liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

**Foreclosed Property**

Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

**Interfunds**

Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

## Note 1. Summary of Significant Accounting Polices (continued):

### C. Basis of Accounting, Measurement Focus and Basis of Presentation (continued):

#### Insurance

Costs of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

#### Inventories of Supplies

The cost of inventories of supplies for all funds is recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

#### General Fixed Assets

Property and equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. No depreciation has been recorded. Fixed Assets acquired through grants in and/or contributed capital has not been accounted for separately.

#### Compensated Absences

Expenditures relating to obligations for unused vested accumulated vacation, sick pay and compensation time are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

#### Property Taxes

Property taxes are an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year.

#### Investments

Investments are stated at actual cost.

#### Subsequent Events

The Township has evaluated subsequent events occurring after December 31, 2012 through the date of April 30, 2013, which is the date the financial statements were available to be issued.

**Note 1. Summary of Significant Accounting Polices (continued):**

**C. Basis of Accounting, Measurement Focus and Basis of Presentation (continued):**

**Budgets**

The Township is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Prior to February 10th of the budget year the Township introduces a budget, which includes proposed expenditures and financing methods.

2. A public hearing is held 28 days after introduction, after a public hearing the budget may be adopted by the governing body.

Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Note 2. Bonds and Notes Authorized But Not Issued**

At December 31, 2012 the Township has authorized but not issued bonds and notes as follows:

| | |
|---|---|
| General Capital Fund - Bonds and Notes | $ - 0 - |

**Note 3. Current Fund Balance Appropriated**

Fund Balance at December 31, 2012 which was appropriated and included as anticipated revenue in their respective funds for the year ending December 31, 2012 were as follows:

| | Balance December 31, 2012 | Utilized 2013 Budget |
|---|---|---|
| Current Fund | $ 2,549,911 | $ 1,900,000 |

**Note 4. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheets of the various funds:

**Note 4. Deferred Charges to be Raised in Succeeding Budgets (continued):**

| | Balance December 31, 2012 | 2013 Budget Appropriation | Cancelled | Balance to Succeeding Budgets |
|---|---|---|---|---|
| Current Fund: | | | | |
| Special Emergency Authorizations | $ 1,921,104 | $ 385,026 | $ -0- | $ 1,536,078 |

**Note 5. Cash, Cash Equivalents & Investments**

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2012, and reported at fair value are as follows:

| Type | Carrying Value |
|---|---|
| **Deposits:** | |
| Demand Deposits | $27,370,767 |
| Total Deposits | $27,370,767 |
| **Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:** | |
| Current | $ 9,575,446 |
| Dog Trust | 115,374 |
| Other Trust | 12,376,482 |
| General Capital | 5,121,576 |
| Public Assistance | 29,676 |
| Payroll | 152,213 |
| Total Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance | $27,370,767 |

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The Districts does not have a deposit policy for custodial credit risk. As of December 31, 2012, the District's bank balance of $27,928,483 was insured and collateralized as follows:

| | |
|---|---|
| Insured | $ 250,000 |
| Collaterized in the District's Name Under GUDPA (See Note 6) | 27,678,483 |
| Total | $27,928,483 |

**Note 5. Cash, Cash Equivalents & Investments (continued):**

**Investments**

As of December 31, 2012, The Township had the following investments:

| 2012 | Fair Value | Book Value |
|---|---|---|
| Current Fund Special Emergency Note Held by General Capital Fund | $ 1,905,000 | $ 1,905,000 |

**Custodial Credit Risk Related to Investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for Custodial Risk. As of December 31, 2012 and 2011, $74,328 and $69,195, respectively, of the Township's investments was exposed to Custodial Credit Risk, as follows:

| 2012 | Fair Value (LOSAP) | Book Value | Total Reported Value |
|---|---|---|---|
| Uninsured and Collateralized: | | | |
| Collateral held by pledging financial Institution's Trust Department but not in the Township's name | $ 74,328 | $ 74,328 | $ 74,328 |

**Interest Rate Risk**

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Note 6. Governmental Unit Deposit Protection Act (GUDPA)**

The Township has deposited cash in 2012 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the

**Note 6. Governmental Unit Deposit Protection Act (GUDPA) (continued):**

Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The municipality should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

## Note 7. Pension

### A. Plan Description

The Township of Jackson contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries. The State of New Jersey P.E.R.S. and P.F.R.S. programs were established as of January 1, 1955 and July 1, 1944, respectively. The programs were established under the provisions of *N.J.S.A.43:15A* and *N.J.S.A.43:16A* which assigns authority to establish and amend benefit provisions to the plan's board of trustees. P.E.R.S. and P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

### B. Funding Policy

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey administrative code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

Plan members are required to contribute 6.5%, effective October 1, 2011, of their annual covered salary for P.E.R.S, 10%, effective October 1, 2011, of their annual covered salary for P.F.R.S.

**Note 7. Pension (continued):**

and the Township is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Township are established and may be amended by the plan's Board of Trustees.

The Township's contributions to P.E.R.S. for the years ending December 31, 2012, 2011 and 2010 were $823,495, $824,322 and $652,562, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2012, 2011 and 2010 were $2,169,961, $2,442,131 and $1,824,930, respectively, equal to the required contributions for each year.

**C. Post-Employment Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 requires the PERS to fund post-retirement medical benefits for those employees covered by the State Plan, who retire after reaching age 60 and accumulating 25 years of credited services. The cost of these benefits is actuarially determined and funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of the post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in 1996, which increased the medical reserve by one-half of 1% of payroll.

**Note 8. Property Taxes**

Property taxes are an enforceable lien on the assessed property. Taxes are due on a quarterly basis on February 1, May 1, August 1 and November 1. All unpaid taxes become delinquent 8 days after the above due dates. The Township bills and collects its own property taxes as well as the taxes levied by the other taxing bodies within the municipality. Property tax revenues are recognized when collected. A reserve for uncollected taxes is established in the current operating budget to the extent that their collectability is improbable.

**Note 9. Interfunds, Receivables and Payables**

The composition of interfund balances as of December 31, 2012 is a follows:

| Fund | Interfund Receivable | Interfund Payable |
|---|---|---|
| Current Fund | $ 31,701 | $267,415 |
| Federal & State Grant Fund | 267,415 | |
| Trust Other Fund | | 3,354 |
| Animal Control Trust Fund | | 28,347 |
| Total | $ 299,116 | $ 299,116 |

The purpose of these interfunds is short-term borrowing.

**TOWNSHIP OF JACKSON**

**NOTES TO FINANCIAL STATEMENTS (continued):**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 10. Risk Management**

The Township of Jackson is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The Township is a member of the Ocean County Municipal Joint Insurance Fund (JIF). This public entity risk pool is both an insured and self-administered group of 29 municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance Program.

**Note 11. General Long-Term Debt**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments with the statutory period of usefulness. Bonds issued by the Township are general obligations bonds backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

As of December 31, 2012, the Township's Long-Term Debt is as follows:

**General Serial Bonds:**

| | |
|---|---|
| $7,931,000 2003 Bonds due in annual installments of ranging from $600,000 to $931,000 through 2014 at interests ranging from 3.00% to 3.50% | $ 1,831,000 |
| $5,918,000 2003 Open Space Bonds due in annual installments of $400,000 to $500,000 through 2020 at interests rates ranging from 3.00% to 4.00%. | 2,875,000 |
| $16,102,000 2008 Bonds due in annual installments ranging from $100,000 to $2,132,000 through 2020 at interests rates ranging from 3.50% to 4.125%. | 14,677,000 |
| $3,739,000 2008 Open Space Bonds due in annual installments of $75,000 to $334,000 through 2028 at interest rates ranging from 3.50% to 4.75%. | 3,424,000 |
| $8,010,000 2009 Refunding Bonds due in annual installments ranging from $760,000 to $1,905,000 through 2016 at interest rates ranging from 2.00% to 4.00%. | 3,070,000 |
| Total | $25,877,000 |

**Note 11. General Long-Term Debt (continued):**

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt issued and outstanding:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2013 | $ 3,385,000 | $ 984,914 | $ 4,369,914 |
| 2014 | 3,501,000 | 860,914 | 4,361,914 |
| 2015 | 3,300,000 | 730,766 | 4,030,766 |
| 2016 | 3,395,000 | 727,948 | 4,122,948 |
| 2017 | 2,650,000 | 502,779 | 3,152,779 |
| 2018-2021 | 7,587,000 | 1,004,376 | 8,591,376 |
| 2022-2025 | 1,100,000 | 355,594 | 1,410,041 |
| 2026-2028 | 959,000 | 92,483 | 1,051,483 |
| Total | $25,877,000 | $5,097,151 | $30,974,151 |

During the year ended December 31, 2012, the following changes occurred in issued Bonds, Loans and Notes:

| | Balance December 31, 2011 | Issued | Retired | Balance December 31, 2012 | Due Within One Year |
|---|---|---|---|---|---|
| General Capital Fund: | | | | | |
| Serial Bonds | $29,200,000 | $ - | $3,323,000 | $25,877,000 | $ 3,385,000 |
| BAN's | - | 5,485,337 | - | 5,485,337 | 5,485,337 |
| SEN's | - | 1,905,000 | - | 1,905,000 | 1,905,000 |
| Total | $29,200,000 | $7,390,337 | $3,323,000 | $33,267,337 | $10,775,337 |

**Refunding Bonds and Deferred Bonds Outstanding**

The Township, during 2009, issued $8,010,000 in General Obligation Bonds, Series, 2009 (the "Refunding Bonds"). The Bonds were issued in accordance with the Township's refunding plan. The Refunding Plan calls for the current refunding and redemption of the Township's Series 1996 Bonds on June 11, 2009 (the "1996 Redemption Date") at par and for advance refunding the Township's Series 2001 Bonds and redeeming the Series 2001 bonds on December 31, 2010 (the 2001 "Redemption Date" and together with the 1996 Redemption Date, the "Redemption Dates") at par, the earliest dates set for optional redemption of the Refunded Bonds, plus accrued interest to the Redemption Dates.

The proceeds of the Refunding Bonds were applied to the purchase of direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ( State and Local Government Securities) the ("Government Obligations") with any investments earnings thereon, together with any cash remaining after the purchase of the Government

**Note 11. General Long-Term Debt (continued):**

Obligations, will be sufficient to make payments when due of principal of, interest on and redemption premium, if any, payable with respect to the Refunded Bonds. The Government Obligations (together with any cash remaining in after the purchase of the Government Obligations) are required to be held in an escrow fund by the escrow agent for the Refunded Bonds pursuant to the terms of an escrow deposit agreement.

The Refunding Plan calls for the escrow agent, pursuant to the escrow deposit agreement, to pay, from the escrow fund, when due, interest on and principal of the Refunded Bonds and in accordance with the terms of the Refunded Bonds to call the Refunded Bonds for early redemption on their respective Redemption Dates.

The 1996 Bonds were refunded in their entirety by the 2009 Bonds.

At December 31, 2009, $760,000 of the Series 2001 Bonds outstanding is considered defeased.

The escrow assets and the liability for the Refunded Bonds are not included in the Township's financial statements.

Debt Service payments were reduced by $272,691.22 as a result of the refunding.

The net present value benefit of the transactions was $263,945.62.

**Borrowing Power**

New Jersey Statutes limit the debt of a municipality to 3.50% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2012 was .341%. The Township's remaining borrowing power is 3.159%.

The summary of municipal debt for the last three years and the calculation of statutory net debt are presented in the Supplementary Data section of this report.

**Capital Lease**

The Township entered into an equipment lease-purchase agreement for the purchase of 6 Ford Police Interceptor Utilities on 11/20/2012. The first payment of $98,950.56 was made on 11/20/2012. The second and final payment of $98,950.56 is due on 11/20/2013.

## Note 12. Short-Term Debt

### Bond Anticipation Notes

The Township issues Bond Anticipation Notes to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid not later than the tenth anniversary of the date of the original note.

On December 31, 2012 the Township had the following Bond Anticipation Notes outstanding:

| | Balance December 31, 2011 | Issued | Retired | Balance December 31, 2012 |
|---|---|---|---|---|
| General Capital Fund: | | | | |
| Bond Anticipation Notes | $ - | $5,485,337 | $ - | $5,485,337 |
| Total | $ - | $5,485,337 | $ - | $5,485,337 |

The notes are dated August 8, 2012 and bear an interest rate of 1.25% with a maturity date of one year from date of issue. The purpose of the Bond Anticipation Notes are to fund the acquisition, construction, repair and installation of various capital improvements authorized by the Township.

### Special Emergency Note Payable

| | Balance December 31, 2011 | Issued | Retired | Balance December 31, 2012 |
|---|---|---|---|---|
| Current Fund: | | | | |
| Special Emergency Note | $ - | $1,905,000 | $ - | $1,905,000 |
| Total | $ - | $1,905,000 | $ - | $1,905,000 |

The Township is indebted to itself through excess cash available in the General Capital Fund as of December 31, 2012 and is classified as an asset "Investment in Bond Anticipation Notes". The note is issued in anticipation of the collection of taxes and revenues, including proceeds from FEMA and insurance proceeds, of the Township of the budget years 2013 through 2017 (20% of the original appropriation to be paid in each year) to finance special emergency appropriations to meet certain expenses incurred as a result of the extraordinary damage to the streets, roads, and other public property caused by Hurricane Sandy, authorized by Township resolution.

## Note 13. Length of Service Award Program ("LOSAP")

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid Squad members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of Service Award Plan under Section 457(e)11 of the Internal Revenue Code".

**Annual Contributions** – The annual contribution to be made by the Township for each active volunteer member was $1,248 for the year ended December 31, 2009. No contributions have been made for years 2010 to 2012.

**Appropriations** – Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget.

**Periodic Increases** – Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the :Consumer Price Index Factor" pursuant to subsection f. of section 3 of P.L. 1997, c.388 (*N.J.S.A.40A:14-185*).

**Criteria for Eligibility; Contributions; Points** – Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active emergency service in the Jackson Township First Aid Squad. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points performing certain volunteer services on a yearly basis.

**Determination as to Eligibility** – The Jackson Township First Aid Squad shall provide to the Township Chief Financial Officer, acting as the Plan Administrator of the LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan as of January 1, 2005 and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward the provisions of *N.J.A.C.5:30-14.10*. The decision of the Township Council as to such active member's eligibility shall be binding upon the Plan Administrator, Participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

**Terms of Participation** – The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

**Vesting** – The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

**Termination of Service** – Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning tot the service of the Jackson Township First Aid Squad as an active volunteer member. Any

### Note 13. Length of Service Award Program ("LOSAP") (continued):

active volunteer member who terminates service with the Jackson Township First Aid Squad, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

**Reporting Requirements** – *N.J.A.C.5:30-14.49* requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accounts Statements for Accounting and Auditing Review Services.

### Note 14. Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2012:

| | Balance December 31, 2011 | Additions | Deletions | Adjustments | Balance December 31, 2012 |
|---|---|---|---|---|---|
| Land | $ 54,993,800 | | | $(10,800) | $ 54,983,000 |
| Buildings & Improvements | 47,522,404 | $ 10,684 | | 43,162 | 47,576,250 |
| Machinery & Equipment | 10,902,673 | 1,022,191 | $379,488 | (32,362) | 11,513,014 |
| Total | $113,418,877 | $1,032,875 | $379,488 | | $114,072,264 |

All additions are recorded at cost.

### Note 15. Deferred Compensation Salary Account

The Township offers it employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors.

## Note 16. Contingencies

### A. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate $2,657,404 at December 31, 2012. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

### B. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (*N.J.S.A.43:21-3 et. seq.*). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance at December 31, 2012 was $271,579.

### C. Litigation

The Township is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Township Officials, based upon the opinion of the Township's Counsel, presently believe that the outcome of each such proceeding or claim which is pending or know to be threatened, or all of them combined, will not have a material adverse effect on the Township's financial position or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

### D. Federal and State Grants

The Township receives financial assistance from the U.S. Government and the State of New Jersey in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require payment to the grantor agency. As of December 31, 2012 the Township estimates that no material liabilities will result from such audits.

## SUPPLEMENTARY EXHIBITS

## CURRENT FUND

EXHIBIT A-4

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF CASH AND CASH EQUIVALENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | | $ 17,876,813 |
| Increased by Receipts: | | |
| Nonbudget Revenues | $ 489,929 | |
| Taxes Receivable | 135,510,282 | |
| Tax Overpayments | 261,867 | |
| Prepaid Overpayments | 110,967 | |
| Tax Title Liens | 27,062 | |
| Revenue Accounts Receivable | 6,220,829 | |
| Prepaid Taxes | 529,241 | |
| Garden State Trust Fund | 56,290 | |
| Proceeds from Special Emergency Note - Hurricane Sandy | 1,905,000 | |
| State of New Jersey (Ch.29, P.L.1971) | 532,615 | |
| Interfunds | 629,352 | |
| Reserve for COAH State Plan | 915,250 | |
| Reserve for FEMA Reimbursements | 9,662 | |
| Due to State of New Jersey - Construction Fees | 53,726 | |
| Due to State of New Jersey - Marriage Licenses | 5,825 | |
| Total Receipts | | 147,257,897 |
| Subtotal | | 165,134,710 |
| Decreased by Disbursements: | | |
| 2012 Appropriations | 32,848,960 | |
| 2011 Reserved Appropriations | 858,055 | |
| Accounts Payable | 79,044 | |
| Tax Anticipation Note | 11,100,000 | |
| Tax Overpayments | 242,855 | |
| County Taxes Payable | 24,455,124 | |
| Local School District Tax | 78,091,655 | |
| Special District Taxes | 5,368,215 | |
| Reserve for Master Plan | 2,548 | |
| Reserve for Hurricane Sandy | 254,768 | |
| Due to State of New Jersey - Construction Fees | 61,976 | |
| Due to State of New Jersey - Marriage Licenses | 5,700 | |
| Due to Municipal Open Space Trust Fund | 1,348,484 | |
| Interfunds | 842,555 | |
| Total Disbursements | | 155,559,939 |
| Balance December 31, 2012 | | $ 9,574,771 |

EXHIBIT A-5

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF DUE FROM STATE - P.L. 1971, C.20**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | | | |
|---|---|---|---|---|
| Balance December 31, 2012 | | | $ | 16,565 |
| Increased by: | | | | |
| Deductions per Tax Duplicate: | | | | |
| Senior Citizens's | $ | 77,000 | | |
| Veteran's | | 464,750 | | |
| Deductions Allowed by Tax Collector: | | | | |
| 2012 Senior Citizen Deductions | | 6,250 | | |
| 2012 Veteran Deducations | | 11,750 | | 559,750 |
| Subtotal | | | | 576,315 |
| Decreased by: | | | | |
| Received from State of New Jersey | | 532,615 | | |
| Deductions Disallowed by Tax Collector: | | | | |
| 2012 Senior Citizen's & Veteran's | | 6,000 | | |
| Prior Years Senior Citizen's & Veteran's | | 26,287 | | 564,902 |
| Balance December 31, 2012 | | | $ | 11,413 |

EXHIBIT A-6

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| YEAR | BALANCE DECEMBER 31, 2011 | 2012 LEVY | ADDED TAXES | COLLECTED 2011 | COLLECTED 2012 | DUE FROM STATE OF NEW JERSEY | CANCELED | TRANSFERRED TO TAX TITLE LIENS | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|---|---|---|---|
| 2006 | $ 1,347 | | | | $ 1,347 | | | | $ - |
| 2007 | 5,264 | | | | 2,531 | | | | 2,733 |
| 2008 | 5,349 | | | | | | | | 5,349 |
| 2009 | 24,365 | | | | 20,287 | | | | 4,078 |
| 2010 | 39,455 | | | | (119,262) | | $ 143,907 | | 14,810 |
| 2011 | 1,922,551 | | | | 1,595,342 | $ (26,287) | 238,637 | $ 42,412 | 72,447 |
| Total | 1,998,331 | | | | 1,500,245 | (26,287) | 382,544 | 42,412 | 99,417 |
| 2012 | | $ 137,471,053 | $ 559,395 | $ 819,594 | 133,972,435 | 553,750 | 540,011 | 215,702 | 1,928,956 |
| Total | $ 1,998,331 | $ 137,471,053 | $ 559,395 | $ 819,594 | $ 135,472,680 | $ 527,463 | $ 922,555 | $ 258,114 | $ 2,028,373 |

**ANALYSIS OF 2012 PROPERTY TAX LEVY**

| | | |
|---|---|---|
| General Purpose | | $ 132,102,838 |
| Special District Tax | | 5,368,215 |
| Added Taxes (54:4-63.1 et seq) | | 559,395 |
| Total | | $ 138,030,448 |
| **TAX LEVY:** | | |
| Local School Tax | | $ 78,091,655 |
| County Taxes (Abstract) | $ 24,355,837 | |
| County Added & Omitted Taxes | 113,221 | 24,469,058 |
| Special District Taxes | | 5,368,215 |
| Municipal Open Space | | 1,348,484 |
| Local Tax for Municipal Purposes | 28,269,763 | |
| Add: Additional Taxes Levied | 483,273 | 28,753,036 |
| Total | | $ 138,030,448 |

EXHIBIT A-7

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF TAX TITLE LIENS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | | $ 1,613,503 |
| Increased by: | | |
| Transfer from Taxes Receivable | $ 258,114 | |
| Interest & Costs on Taxes | 9,493 | 267,607 |
| Subtotal | | 1,881,110 |
| Decreased by: | | |
| Collections | | 27,062 |
| Balance December 31, 2012 | | $ 1,854,048 |

EXHIBIT A-8

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | |
|---|---|
| Balance December 31, 2011 | $ 6,438,900 |
| Decreased by: | |
| Adjust to Assessed Valuation | 120,200 |
| Balance December 31, 2012 | $ 6,318,700 |

EXHIBIT A-9

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | BALANCE DECEMBER 31, 2011 | ACCRUED IN 2012 | COLLECTED | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|
| Clerk: | | | | |
| Alcoholic Beverage Licenses | | $ 38,950 | $ 38,950 | |
| Other Licenses | | 25,391 | 25,391 | |
| Fees & Permits | | 173,720 | 173,720 | |
| Municipal Court: | | | | |
| Fines & Costs | $ 30,652 | 496,840 | 483,816 | $ 43,676 |
| Tax Collector: | | | | |
| Tax Search Fees | | 40 | 40 | |
| Interest & Costs on Taxes | | 394,479 | 394,479 | |
| Interest on Investments & Deposits | | 99,239 | 99,239 | |
| Housing and Commercial CCO's | | 101,115 | 101,115 | |
| Consolidated Municipal Property Tax Relief | | 220,114 | 220,114 | |
| Energy Receipts Tax | | 3,132,035 | 3,132,035 | |
| Garden State Trust Fund | | 56,290 | 56,290 | |
| Uniform Construction Code Fees | | 989,031 | 989,031 | |
| Cablevision Franchise Fee | | 206,609 | 206,609 | |
| Capital Fund Balance | | 300,000 | 300,000 | |
| Total | $ 30,652 | $ 6,233,853 | $ 6,220,829 | $ 43,676 |

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF 2011 APPROPRIATION RESERVES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | BALANCE DECEMBER 31, 2011 | RESERVE FOR ENCUMBRANCES | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---|---|---|---|---|---|
| **General Government:** | | | | | |
| Administrative Executive: | | | | | |
| Salaries and Wages | $ 189 | | $ 189 | | $ 189 |
| Other Expenses | 35,945 | $ 150 | 26,095 | $ 10,094 | 16,001 |
| Human Services: | | | | | |
| Salaries and Wages | 1,661 | | 1,661 | | 1,661 |
| Other Expenses | 2,433 | 905 | 3,338 | 738 | 2,600 |
| Township Council: | | | | | |
| Salaries and Wages | 1,015 | | 1,015 | | 1,015 |
| Other Expenses | 1,015 | | 1,015 | | 1,015 |
| Election: | | | | | |
| Salaries and Wages | 2,491 | | 2,491 | | 2,491 |
| Other Expenses | 25,502 | | 25,502 | | 25,502 |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 6,611 | | 6,611 | 839 | 5,772 |
| Other Expenses | 7,116 | 2,656 | 9,772 | 3,105 | 6,667 |
| Mayor Office: | | | | | |
| Salaries and Wages | 100 | | 100 | | 100 |
| Other Expenses | 724 | 337 | 1,061 | 123 | 938 |
| Financial Administration: | | | | | |
| Salaries and Wages | 18,038 | | 16,438 | 2,017 | 14,421 |
| Other Expenses | 10,122 | 13,294 | 23,416 | 13,852 | 9,564 |
| Audit Services: | | | | | |
| Other Expenses | | 40,000 | 40,000 | 40,000 | - |
| Data Processing: | | | | | |
| Salaries and Wages | 345 | | 1,345 | 1,216 | 129 |
| Other Expenses | 7,542 | 7,446 | 14,988 | 7,647 | 7,341 |
| Collection of Taxes: | | | | | |
| Salaries and Wages | 2,890 | | 2,890 | 2,151 | 739 |
| Other Expenses | 9,659 | 6,239 | 15,898 | 6,372 | 9,526 |
| Assessment of Taxes: | | | | | |
| Salaries and Wages | 3,298 | | 3,298 | 2,390 | 908 |
| Other Expenses | 155 | 2,679 | 2,834 | 2,719 | 115 |
| Purchasing: | | | | | |
| Salaries and Wages | 4,987 | | 4,987 | 447 | 4,540 |
| Other Expenses | 9,925 | 1,594 | 11,519 | 5,773 | 5,746 |
| Legal Services & Costs: | | | | | |
| Other Expenses | 6,898 | | 16,898 | 14,843 | 2,055 |
| Engineering Services & Costs: | | | | | |
| Salaries and Wages | 747 | | 747 | | 747 |
| Other Expenses | 334 | 69,820 | 70,154 | 62,734 | 7,420 |
| Historical Commission: | | | | | |
| Other Expenses | 250 | | 250 | | 250 |
| Community Alliance-Alcoholism & Drugs: | | | | | |
| Salaries and Wages | 855 | | 855 | | 855 |
| Other Expenses | 100 | | 100 | | 100 |

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF 2011 APPROPRIATION RESERVES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | BALANCE DECEMBER 31, 2011 | RESERVE FOR ENCUMBRANCES | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---|---|---|---|---|---|
| Mayor's Community Advisory Board: | | | | | |
| Other Expenses | 50 | | 50 | | 50 |
| Economic Development Advisory Board: | | | | | |
| Other Expenses | 1,000 | | 1,000 | | 1,000 |
| Planning/Zoning Boards: | | | | | |
| Salaries and Wages | 5,067 | | 5,067 | 1,419 | 3,648 |
| Other Expenses | 19,295 | 458 | 19,753 | 15,920 | 3,833 |
| Maintenance of Tax Maps: | | | | | |
| Other Expenses | 8,697 | | 8,697 | 5,135 | 3,562 |
| Rent Leveling Board: | | | | | |
| Salaries and Wages | 1,446 | | 1,446 | 31 | 1,415 |
| Other Expenses | 7,037 | | 7,037 | 951 | 6,086 |
| Code Enforcement - Other: | | | | | |
| Salaries and Wages | 23,567 | | 17,567 | 972 | 16,595 |
| Other Expenses | 1,363 | | 1,363 | | 1,363 |
| Housing & Inspection Code: | | | | | |
| Salaries and Wages | 5,980 | | 5,980 | | 5,980 |
| Other Expenses | 2,679 | | 2,679 | | 2,679 |
| Commercial Building Standards: | | | | | |
| Salaries and Wages | 1,875 | | 1,875 | | 1,875 |
| Other Expenses | 554 | | 554 | | 554 |
| Insurance: | | | | | |
| General Liability | 5,020 | 2,500 | 7,520 | 4,030 | 3,490 |
| Employee Group Health | 170,760 | | 169,260 | | 169,260 |
| Health Benefit Waiver | 1,240 | | 2,740 | 2,720 | 20 |
| Police Department: | | | | | |
| Salaries and Wages | 138,183 | 48,716 | 174,399 | 33,500 | 140,899 |
| Other Expenses | 25,240 | 47,240 | 72,480 | 59,228 | 13,252 |
| Police Dispatch/911: | | | | | |
| Salaries and Wages | 718 | | 13,218 | 13,218 | - |
| Emergency Management: | | | | | |
| Salaries and Wages | 240 | | 240 | | 240 |
| Other Expenses | 271 | 18,389 | 18,660 | 17,988 | 672 |
| Aid to Volunteer Ambulance: | | | | | |
| Other Expenses | | 15,000 | 15,000 | 15,000 | - |
| Municipal Prosecutor: | | | | | |
| Other Expenses | 2,000 | 3,333 | 5,333 | 3,333 | 2,000 |
| Juvenile Conference Committee: | | | | | |
| Salaries and Wages | 432 | | 432 | 228 | 204 |
| Other Expenses | 25 | | 25 | | 25 |
| Streets & Roads Maintenance: | | | | | |
| Salaries and Wages | 115,407 | | 110,407 | 12,823 | 97,584 |
| Other Expenses | 15,060 | 54,014 | 69,074 | 58,479 | 10,595 |
| Snow Removal: | | | | | |
| Other Expenses | 99,626 | 31,407 | 131,033 | 27,888 | 103,145 |
| Shade Tree Commission: | | | | | |
| Salaries and Wages | 162 | | 162 | 31 | 131 |
| Other Expenses | 6,756 | | 6,756 | 54 | 6,702 |

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF 2011 APPROPRIATION RESERVES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | BALANCE DECEMBER 31, 2011 | RESERVE FOR ENCUMBRANCES | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---|---|---|---|---|---|
| Solid Waste Collection: | | | | | |
| Salaries and Wages | 3,132 | | 3,132 | 1,371 | 1,761 |
| Other Expenses | 103 | | 2,103 | 1,836 | 267 |
| Buildings & Grounds: | | | | | |
| Salaries and Wages | 15,991 | | 15,991 | 7,734 | 8,257 |
| Other Expenses | 7,127 | 64,287 | 71,414 | 48,819 | 22,595 |
| Vehicle Maintenance: | | | | | |
| Salaries and Wages | 6,819 | | 6,819 | 6,518 | 301 |
| Other Expenses | 9,031 | 66,079 | 73,110 | 52,635 | 20,475 |
| Community Services Act: | | | | | |
| Other Expenses | | 200,000 | 200,000 | 200,000 | - |
| Public Health Services: | | | | | |
| Salaries and Wages | 4,130 | | 4,130 | 730 | 3,400 |
| Other Expenses | | 191 | 191 | 191 | - |
| Environmental Health Services-Environmental Commission: | | | | | |
| Salaries and Wages | 121 | | 121 | 105 | 16 |
| Other Expenses | 450 | | 450 | | 450 |
| Animal Control Services: | | | | | |
| Salaries and Wages | 67 | | 4,567 | 4,567 | - |
| Other Expenses | 5,947 | 2,935 | 8,882 | 5,140 | 3,742 |
| Going Green Committee: | | | | | |
| Other Expenses | 200 | | 200 | | 200 |
| Recreation Services & Programs: | | | | | |
| Salaries and Wages | 12,909 | | 12,909 | 1,389 | 11,520 |
| Other Expenses | 5,005 | 1,550 | 6,555 | 1,601 | 4,954 |
| Office for the Golden Age: | | | | | |
| Salaries and Wages | 19,815 | | 19,815 | 9,216 | 10,599 |
| Other Expenses | 899 | 3,220 | 4,119 | 2,695 | 1,424 |
| Handicapped Committee: | | | | | |
| Salaries and Wages | 35 | | 635 | 494 | 141 |
| Other Expenses | 1,410 | 234 | 1,644 | 234 | 1,410 |
| Park Maintenance: | | | | | |
| Other Expenses | 34 | | 34 | | 34 |
| Municipal Court: | | | | | |
| Salaries and Wages | 10,995 | | 10,995 | 4,966 | 6,029 |
| Other Expenses | 4,781 | 2,887 | 7,668 | 2,854 | 4,814 |
| Public Defender: | | | | | |
| Other Expenses | 12,000 | | 12,000 | | 12,000 |
| Salary & Wage Adjustment: | | | | | |
| Salaries and Wages | 8,833 | | 8,833 | 8,833 | - |
| Postage & Photocopy: | | | | | |
| Other Expenses | 18,547 | 1,298 | 19,845 | 1,298 | 18,547 |

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF 2011 APPROPRIATION RESERVES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | BALANCE DECEMBER 31, 2011 | RESERVE FOR ENCUMBRANCES | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---|---|---|---|---|---|
| Utility Expenses & Bulk Purchases: | | | | | |
| Electricity | 919 | 40,219 | 72,738 | 70,283 | 2,455 |
| Street Lighting | 14,178 | 49,000 | 49,178 | 37,901 | 11,277 |
| Telecommunication Costs | 19,125 | 3,973 | 17,098 | 4,070 | 13,028 |
| Water | 981 | | 1,481 | 1,243 | 238 |
| Natural Gas | 36,271 | 15,367 | 44,638 | 11,902 | 32,736 |
| Heating Oil | 1,001 | 444 | 1,445 | 827 | 618 |
| Sewage Processing & Disposal | 2,000 | | 2,000 | | 2,000 |
| Fuel & Petroleum Products | 2,481 | 69,728 | 72,209 | 59,895 | 12,314 |
| Landfill/Solid Waste Disposal Costs: | | | | | |
| Other Expenses | 76,580 | 18,949 | 95,529 | 31,721 | 63,808 |
| Legler Landfill - Postclosure Monitoring: | | | | | |
| Other Expenses | 11,379 | | 11,379 | 9,437 | 1,942 |
| Uniform Construction Code: | | | | | |
| Construction Code Department: | | | | | |
| Salaries and Wages | 384 | | 3,484 | 3,452 | 32 |
| Other Expenses | 10,977 | 12,713 | 21,990 | 12,478 | 9,512 |
| Statutory Expenditures: | | | | | |
| Social Security System (O.A.S.I.) | 155,079 | 3,736 | 158,815 | 3,775 | 155,040 |
| Defined Contribution Retirement Program | 405 | | 405 | | 405 |
| **Operations Excluded from "CAPS":** | | | | | |
| Service Contracts: | | | | | |
| Sewer & Water Purposes - MUA | 3,040 | | 3,040 | 464 | 2,576 |
| Relocation Assistance | 2,500 | | 2,500 | | 2,500 |
| Employee Group Health | 159,577 | | 159,577 | | 159,577 |
| Recycling Tax | 1,750 | | 1,750 | 505 | 1,245 |
| LOSAP | | 20,000 | 20,000 | 20,000 | - |
| Matching Funds for Grants | 7,000 | | 7,000 | | 7,000 |
| Total General Appropriations | $ 1,474,705 | $ 942,987 | $ 2,417,692 | $ 1,081,187 | $ 1,336,505 |

EXHIBIT A-11

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF ACCOUNTS PAYABLE**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | | | |
|---|---|---|---|---|
| Balance December 31, 2011 | | | $ | 222,730 |
| Increased by: | | | | |
| Prior Year Disbursement Voided | | | | |
| Appropriation Reserves Charged | | | | 223,132 |
| Subtotal | | | | 445,862 |
| Decreased by: | | | | |
| Cash Disbursed | $ | 79,044 | | |
| Cancelled | | 71,880 | | 150,924 |
| Balance December 31, 2012 | | | $ | 294,938 |

EXHIBIT A-12

**SCHEDULE OF RESERVE FOR ENCUMBRANCES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 942,987 |
| Increased by: | | |
| 2012 Budget Appropriations | | 1,018,195 |
| Subtotal | | 1,961,182 |
| Decreased by: | | |
| Transfer to Appropriation Reserves | | 942,987 |
| Balance December 31, 2012 | $ | 1,018,195 |

EXHIBIT A-13

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF PREPAID TAXES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | | $ 819,594 |
| Increased by: | | |
| 2012 Tax Collections | $ 529,241 | |
| Overpayments | 110,967 | 640,208 |
| Subtotal | | 1,459,802 |
| Decreased by: | | |
| Applied to Taxes Receivable | | 819,594 |
| Balance December 31, 2012 | | $ 640,208 |

EXHIBIT A-14

**SCHEDULE OF TAX OVERPAYMENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | |
|---|---|
| Balance December 31, 2011 | $ 71,979 |
| Increased by: | |
| Overpayments Created | 261,867 |
| Subtotal | 333,846 |
| Decreased by: | |
| Refunds | 242,855 |
| Balance December 31, 2012 | $ 90,991 |

EXHIBIT A-15

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF COUNTY TAXES PAYABLE**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | | $ 99,287 |
| Increased by: | | |
| County Tax | $ 20,390,492 | |
| County Library Tax | 2,311,881 | |
| County Health Tax | 836,342 | |
| County Open Space Preservation Tax | 817,122 | |
| Due County for Added & Omitted Taxes | 113,221 | 24,469,058 |
| Subtotal | | 24,568,345 |
| Decreased by: | | |
| Payments | | 24,455,124 |
| Balance December 31, 2012 | | $ 113,221 |

EXHIBIT A-16

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | |
|---|---|
| Balance December 31, 2011 | $ - |
| Increased by: | |
| Levy - Calendar Year 2012 | 78,091,655 |
| Subtotal | 78,091,655 |
| Decreased by: | |
| Disbursed | 78,091,655 |
| Balance December 31, 2012 | $ - |

EXHIBIT A-17

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE**
**FOR THE YEAR ENDED DECEMBER 31, 2112**

| | | |
|---|---|---|
| Balance December 31, 2011 | | $ - |
| Increased by: | | |
| Fire Districts Levy: | | |
| Whitesville Fire District #1 | $ 491,200 | |
| Cassville Fire District #2 | 1,051,154 | |
| Hulses Corner Fire District #3 | 2,408,621 | |
| Jackson Mills Fire District #4 | 1,417,240 | 5,368,215 |
| Subtotal | | 5,368,215 |
| Decreased by: | | |
| Disbursed | | 5,368,215 |
| Balance December 31, 2012 | | $ - |

EXHIBIT A-18

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - CONSTRUCTION FEES**
**FOR THE YEAR ENDED DECEMBER 31, 2112**

| | |
|---|---|
| Balance December 31, 2011 | $ 16,144 |
| Increased by: | |
| Collections | 53,726 |
| Subtotal | 69,870 |
| Decreased by: | |
| Disbursed | 61,976 |
| Balance December 31, 2012 | $ 7,894 |

EXHIBIT A-19

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES**
**FOR THE YEAR ENDED DECEMBER 31, 2112**

| | |
|---|---|
| Balance December 31, 2011 | $ 1,225 |
| Increased by: | |
| Collections | 5,825 |
| Subtotal | 7,050 |
| Decreased by: | |
| Disbursed | 5,700 |
| Balance December 31, 2012 | $ 1,350 |

EXHIBIT A-20

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF RESERVE FOR REVALUATION PROGRAM**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2012 & 2011 | $ | 5,743 |

EXHIBIT A-21

**SCHEDULE OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | | | |
|---|---|---|---|---|
| Balance December 31, 2011 | | | $ | - |
| Increased by: | | | | |
| Open Space Tax | $ | 1,342,125 | | |
| Added & Omitted Taxes | | 6,359 | | 1,348,484 |
| Subtotal | | | | 1,348,484 |
| Decreased by: | | | | |
| Cash Disbursed | | | | 1,348,484 |
| Balance December 31, 2012 | | | $ | - |

EXHIBIT A-22

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF RESERVE FOR STATE BOARD OF TAXATION APPEALS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2012 & 2011 | $ | 421,223 |

EXHIBIT A-23

**SCHEDULE OF RESERVE FOR MASTER PLAN**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 30,521 |
| Decreased by: | | |
| Disbursements | | 2,548 |
| Balance December 31, 2012 | $ | 27,973 |

EXHIBIT A-24

**SCHEDULE OF RESERVE FOR SKATE PARK**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2012 & 2011 | $ | 2,118 |

EXHIBIT A-25

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF RESERVE FOR COAH STATE PLAN**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | - |
| Increased by: | | |
| Transfer from Affordable Housing Trust | | 915,250 |
| Balance December 31, 2012 | $ | 915,250 |

EXHIBIT A-26

**SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | - |
| Increased by: | | |
| FEMA Reimbursements | | 9,662 |
| Balance December 31, 2012 | $ | 9,662 |

EXHIBIT A-27

**SCHEDULE OF RESERVE FOR HURRICANE SANDY**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | | | |
|---|---|---|---|---|
| Balance December 31, 2011 | | | $ | - |
| Increased by: | | | | |
| Proceeds from Special Emergency Note | | | | 1,905,000 |
| Subtotal | | | | 1,905,000 |
| Decreased by: | | | | |
| Cash Disbursements | $ | 254,768.00 | | |
| Encumbrance Payable | | 21,074 | | 275,842 |
| Balance December 31, 2012 | | | $ | 1,629,158 |

EXHIBIT A-28

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF INTERFUNDS - OTHER FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | FEDERAL & STATE GRANT FUND | DOG TRUST | TRUST OTHER | TOTAL |
|---|---|---|---|---|
| Balance December 31, 2011: | | | | |
| Interfunds Receivable | | | $ 1,349 | $ 1,349 |
| (Interfunds Payable) | $ (335,458) | | | (335,458) |
| Subtotal | (335,458) | | 1,349 | (334,109) |
| Increased by: | | | | |
| Anticipated Revenue | 296,817 | | 9,711 | 306,528 |
| Interfunds Created | | $ 28,347 | | 28,347 |
| Disbursements | 606,075 | | | 606,075 |
| Subtotal | 902,892 | 28,347 | 9,711 | 940,950 |
| Decreased by: | | | | |
| Collections: | | | | |
| Grants Receivable | 375,086 | | | 375,086 |
| Unappropriated Funds | 154,061 | | | 154,061 |
| Interfunds Liquidated | | | 7,706 | 7,706 |
| Grant Appropriations | 305,702 | | | 305,702 |
| Subtotal | 834,849 | | 7,706 | 842,555 |
| Balance December 31, 2012: | | | | |
| Interfunds Receivable | | 28,347 | 3,354 | 31,701 |
| (Interfunds Payable) | $ (267,415) | $ - | $ - | $ (267,415) |

EXHIBIT A-29

**TOWNSHIP OF JACKSON**
**CURRENT FUND**
**SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| DATE AUTHORIZED | PURPOSE | NET AMOUNT AUTHORIZED | 1/5 OF NET AMOUNT AUTHORIZED | BALANCE DECEMBER 31, 2011 | REDUCED IN 2012 BUDGET | AUTHORIZED PER RESOLUTION | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|---|---|
| 2012 | Hurricane Sandy | $ 1,905,000 | $ 381,000 | | | $ 1,905,000 | $ 1,905,000 |
| 2011 | Codification of Ordinances | 20,130 | 4,026 | $ 20,130 | $ 4,026 | | 16,104 |
| 2007 | Revaluation of Real Property | 250,000 | 50,000 | 50,000 | 50,000 | | - |
| | | | Total | $ 70,130 | $ 54,026 | $ 1,905,000 | $ 1,921,104 |

EXHIBIT A-30

**TOWNSHIP OF JACKSON**
**FEDERAL AND STATE GRANT FUND**
**SCHEDULE OF DUE FROM CURRENT FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | | | |
|---|---|---|---|---|
| Balance December 31, 2011 | | | $ | 335,458 |
| Increased by: | | | | |
| Deposited in Current Fund: | | | | |
| Unappropriated Reserves | $ | 154,061 | | |
| Grants Receivable | | 375,086 | | |
| 2012 Budget Appropriations | | 305,702 | | 834,849 |
| Subtotal | | | | 1,170,307 |
| Decreased by: | | | | |
| Disbursed by Current Fund: | | | | |
| Appropriated Reserves | | 606,075 | | |
| 2012 Anticipated Revenue | | 296,817 | | 902,892 |
| Balance December 31, 2012 | | | $ | 267,415 |

EXHIBIT A-31

# TOWNSHIP OF JACKSON
## FEDERAL AND STATE GRANT FUND
## SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
## FOR THE YEAR ENDED DECEMBER 31, 2012

| | BALANCE DECEMBER 31, 2011 | 2012 ANTICIPATED REVENUE | CASH RECEIVED | TRANSFER FROM UNAPPROPRIATED RESERVE | CANCELLED | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|---|
| State Grants: | | | | | | |
| COPS in Shops - Fall College Initiative 2012 | | $ 2,800 | $ 2,800 | | | |
| COPS in Shops - Summer Shore Initiative 2011 | $ 1,600 | | 1,600 | | | |
| COPS in Shops - Summer Shore Initiative 2012 | | 2,200 | 2,200 | | | |
| Alcohol Education & Rehabilitation 2012 | | 1,187 | | $ 1,187 | | |
| Variable Message Sign Board Grant 2011 | 17,000 | | 17,000 | | | |
| Going Green Sustainable/Small Cities 2012 | | 1,000 | | 1,000 | | |
| Drive Sober or Get Pulled Over 2011 | 5,000 | | 5,000 | | | |
| Drive Sober or Get Pulled Over 2012 | | 4,400 | | | | $ 4,400 |
| Drive Sober or Get Pulled Over Summer Shore 2012 | | 4,400 | 4,400 | | | |
| Pedestrian Safety Grant 2012 | | 15,000 | | | | 15,000 |
| Emergency Response Grant 2012 | | 16,441 | | | | 16,441 |
| Clean Communities 2012 | | 85,645 | | 85,645 | | |
| Recycling Tonnage 2012 | | 49,031 | | 49,031 | | |
| Drunk Driving Enforcement Fund 2012 | | 8,528 | | 8,528 | | |
| NJ Body Armor Replacement Grant 2012 | | 7,231 | | 7,231 | | |
| Municipal Alliance Alcohol & Drug Alliance 2009 | 192 | | | | | 192 |
| Municipal Alliance Alcohol & Drug Alliance 2010 | 1,892 | | | | | 1,892 |
| Municipal Alliance Alcohol & Drug Alliance 2011 | 20,753 | | 13,468 | | | 7,285 |
| Municipal Alliance Alcohol & Drug Alliance 2012 | | 26,539 | 1,908 | | | 24,631 |
| NJDEP - Community Forestry Management Plan | 7,000 | | 7,000 | | | |
| NJ Handicapped Recreational Opportunities 2011 | 5,771 | | 5,771 | | | |
| NJ Handicapped Recreational Opportunities 2012 | | 7,500 | 7,500 | | | |
| Click It or Ticket 2012 | | 4,000 | 4,000 | | | |
| Safe & Secure Neighborhood 2011 | 9,543 | | 9,543 | | | |
| Safe & Secure Neighborhood 2012 | | 28,805 | 13,202 | | | 15,603 |
| Total State | 68,751 | 264,707 | 95,392 | 152,622 | | 85,444 |
| Federal Grants: | | | | | | |
| Bullet Proof Vest 2012 | | 13,650 | | | | 13,650 |
| ARRA - EECBG | 464,500 | | 265,846 | | | 198,654 |
| OCDOF Senior Citizen Information Grant 2012 | | 17,710 | 13,285 | 4,425 | | |
| OC Cultural & Heritage Comm 2012 | | 750 | 563 | | | 187 |
| Total Federal | 464,500 | 32,110 | 279,694 | 4,425 | | 212,491 |
| Total | $ 533,251 | $ 296,817 | $ 375,086 | $ 157,047 | | $ 297,935 |

**TOWNSHIP OF JACKSON**
**FEDERAL AND STATE GRANT FUND**
**SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | BALANCE DECEMBER 31, 2011 | TRANSFERRED FROM 2012 BUDGET | PRIOR YEAR ENCUMBRANCES | EXPENDED | RESERVE FOR ENCUMBRANCES | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|---|
| State Grants: | | | | | | |
| Handicapped Recreation Opportunities - 2011 | $ 1,792 | | $ 393 | $ 2,185 | | |
| Handicapped Recreation Opportunities - 2012 | | $ 9,000 | | 9,000 | | |
| Click It or Ticket - 2012 | | 4,000 | | 4,000 | | |
| Recycling Tonnage Grant - 2006 | 3 | | | | | $ 3 |
| Recycling Tonnage Grant - 2007 | 33 | | | | | 33 |
| Recycling Tonnage Grant - 2008 | 7,869 | | | 251 | | 7,618 |
| Recycling Tonnage Grant - 2009 | 35,530 | | | | | 35,530 |
| Recycling Tonnage Grant - 2010 | 44,675 | | | | | 44,675 |
| Recycling Tonnage Grant - 2011 | 69,207 | | | | | 69,207 |
| Recycling Tonnage Grant - 2012 | | 49,031 | | | | 49,031 |
| Body Armor Replacement Grant - 2007 | | | 6,885 | 6,885 | | |
| Body Armor Replacement Grant - 2008 | | | 9,422 | 9,422 | | |
| Body Armor Replacement Grant - 2009 | | | 8,613 | 4,752 | | 3,861 |
| Body Armor Replacement Grant - 2010 | 1,780 | | 820 | 2,600 | | |
| Body Armor Replacement Grant - 2011 | 7,123 | | | 7,123 | | |
| Body Armor Replacement Grant - 2012 | | 7,231 | | 2,727 | | 4,504 |
| Drunk Driving Enforcement Fund -2009 | 9,740 | | | 9,740 | | |
| Drunk Driving Enforcement Fund -2011 | 9,279 | | | 9,279 | | |
| Drunk Driving Enforcement Fund -2012 | | 8,528 | | 5,012 | | 3,516 |
| Alcohol Education & Rehabilitation - 2006 | 95 | | | 95 | | |
| Alcohol Education & Rehabilitation - 2008 | 1,353 | | | 1,205 | | 148 |
| Alcohol Education & Rehabilitation - 2009 | 2,302 | | | | | 2,302 |
| Alcohol Education & Rehabilitation - 2010 | 3,094 | | | | | 3,094 |
| Alcohol Education & Rehabilitation - 2012 | | 1,187 | | | | 1,187 |
| Municipal Alliance - 2010 | 3,079 | | | | | 3,079 |
| Municipal Alliance - 2011 | 8,920 | | 6,460 | 6,460 | | 8,920 |
| Municipal Alliance - 2012 | | 33,174 | | 26,286 | $ 1,990 | 4,898 |
| Safe & Secure Communities Program 2010 | | | | | | |
| Safe & Secure Communities Program 2011 | 4,771 | | | 4,771 | | |
| Safe & Secure Communities Program 2012 | | 28,805 | | 13,202 | | 15,603 |
| Clean Communities Program - 1999 | 1,022 | | | | | 1,022 |
| Clean Communities Program - 2009 | 6 | | | | | 6 |
| Clean Communities Program - 2010 | 2 | | 200 | 202 | | |
| Clean Communities Program - 2011 | 58,597 | | 851 | 58,771 | | 677 |
| Clean Communities Program - 2012 | | 85,645 | | 31,543 | 2,450 | 51,652 |
| Green Communities | 2,269 | | | | | 2,269 |

EXHIBIT A-32
(Page 2 of 2)

**TOWNSHIP OF JACKSON**
**FEDERAL AND STATE GRANT FUND**
**SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | BALANCE DECEMBER 31, 2011 | TRANSFERRED FROM 2012 BUDGET | PRIOR YEAR ENCUMBRANCES | EXPENDED | RESERVE FOR ENCUMBRANCES | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|---|
| COPS in Shops - Summer Shore Initiative 2012 | | 2,200 | | 2,200 | | |
| COPS in Shops - Fall College Initiative 2012 | | 2,800 | | 2,800 | | |
| Recycling Mini Grant | 2,907 | | | | | 2,907 |
| Drive Sober or Get Pulled Over Y/E Crackdown - 2011 | 3,200 | | | 3,200 | | |
| Drive Sober or Get Pulled Over Y/E Crackdown - 2012 | | 4,400 | | | | 4,400 |
| Drive Sober or Get Pulled Over Summer/Shore - 2012 | | 4,400 | | 4,400 | | |
| Variable Message Sign Board Grant 2011 | | | 17,000 | 17,000 | | |
| Emergency Response Grant 2012 | | 16,441 | | | 16,441 | |
| Pedestrian Safety Grant 2012 | | 15,000 | | | | 15,000 |
| Stormwater Management | 372 | | | | | 372 |
| Going Green Sustainable/Small Cities 2012 | | 1,000 | | | | 1,000 |
| State Forestry Services - Community Forestry Management Plan Grant - 2009 | 198 | | | | | 198 |
| State Forestry Services - Community Forestry Management Plan Grant - Business Stimulus | | | 7,000 | 7,000 | | |
| Total State Grants | 279,218 | 272,842 | 57,644 | 252,111 | 20,881 | 336,712 |
| Federal Grants: | | | | | | |
| ARRA EECGB | 464,500 | | | 320,749 | 140,617 | 3,134 |
| Bullet Proof Vest - 2012 | | 13,650 | | 13,650 | | |
| Ocean County Office of Senior Services - Information Systems Grant | 23 | | 347 | 370 | | |
| Ocean County Office of Senior Services - Information Systems Grant 2012 | | 17,710 | | 17,710 | | |
| OC Heritage & Cultural Comm - 2012 | | 1,500 | | 1,485 | | 15 |
| Total Federal Grants | 464,523 | 32,860 | 347 | 353,964 | 140,617 | 3,149 |
| Totals | $ 743,741 | $ 305,702 | $ 57,991 | $ 606,075 | $ 161,498 | $ 339,861 |

EXHIBIT A-33

## TOWNSHIP OF JACKSON
## FEDERAL AND STATE GRANT FUND
### SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
### FOR THE YEAR ENDED DECEMBER 31, 2012

| | BALANCE DECEMBER 31, 2011 | RECEIVED 2012 | ANTICIPATED AS REVENUE | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|
| State Grants: | | | | |
| Alcohol Education & Rehabilitation | $ 1,187 | $ 809 | $ 1,187 | $ 809 |
| NJ Body Armor | 7,231 | 7,418 | 7,231 | 7,418 |
| Clean Communities | | 85,645 | 85,645 | |
| Going Green Sustainable/Small Cities | 1,000 | | 1,000 | |
| Drunk Driving Enforcement Fund | 8,528 | | 8,528 | |
| Recycling Tonnage | 49,031 | 55,764 | 49,031 | 55,764 |
| Total State | 66,977 | 149,636 | 152,622 | 63,991 |
| Federal Grants: | | | | |
| OCDOF Senior Citizen Information Grant | | 4,425 | 4,425 | |
| Total Federal | | $4,425 | $4,425 | |
| Total | $ 66,977 | $ 154,061 | $ 157,047 | $ 63,991 |

EXHIBIT A-34

### SCHEDULE OF RESERVE FOR ENCUMBRANCES
### FOR THE YEAR ENDED DECEMBER 31, 2012

| | |
|---|---|
| Balance December 31, 2011 | $ 57,991 |
| Increased by: | |
| Charged to Appropriation Reserves | 161,498 |
| Subtotal | 219,489 |
| Decreased by: | |
| Applied to Appropriated Reserves | 57,991 |
| Balance December 31, 2012 | $ 161,498 |

# TRUST FUND

EXHIBIT B-1

**TOWNSHIP OF JACKSON**
**TRUST FUND**
**SCHEDULE OF CASH - TREASURER**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | ANIMAL CONTROL TRUST FUND | | OPEN SPACE TRUST FUND | | TRUST OTHER FUND | |
|---|---|---|---|---|---|---|
| Balance December 31, 2011 | | $ 61,964 | | $ 2,280,762 | | $ 11,600,451 |
| Increased by Receipts: | | | | | | |
| Reserve for Animal Control Trust Fund Expenditures | $ 64,187 | | | | | |
| Interfund Due Current | 28,347 | | | | $ 9,711 | |
| Various Reserves | | | | | 3,902,851 | |
| Due from Ocean County Community Development Block Grant | | | | | 282,357 | |
| Reserve for Open Space | | | $ 1,358,225 | | | |
| Due to State of New Jersey | 8,670 | | | | | |
| Total Receipts | | 101,204 | | 1,358,225 | | 4,194,919 |
| Total | | 163,168 | | 3,638,987 | | 15,795,370 |
| Decreased by Disbursements: | | | | | | |
| Due to State of New Jersey | 8,670 | | | | | |
| Animal Control Trust Fund Expenditures (R.S.4:19015.11) | 39,124 | | | | | |
| Interfund - Current Fund | | | | | 7,706 | |
| Community Development Block Grant | | | | | 210,789 | |
| Various Reserves | | | | | 6,042,527 | |
| Reserve for Open Space | | | 796,853 | | | |
| Total Disbursements | | 47,794 | | 796,853 | | 6,261,022 |
| Balance December 31, 2012 | | $ 115,374 | | $ 2,842,134 | | $ 9,534,348 |

EXHIBIT B-2

**TOWNSHIP OF JACKSON**
**ANIMAL CONTROL TRUST FUND**
**SCHEDULE OF DUE TO STATE OF NEW JERSEY**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 40 |
| Increased by: | | |
| Cash Receipts | | 8,670 |
| Subtotal | | 8,710 |
| Decreased by: | | |
| Cash Disbursements | | 8,670 |
| Balance December 31, 2012 | $ | 40 |

EXHIBIT B-3

**SCHEDULE OF DUE FROM COUNTY OF OCEAN COMMUNITY DEVELOPMENT BLOCK GRANT**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | | | |
|---|---|---|---|---|
| Balance December 31, 2011 | | | $ | 441,091 |
| Increased by: | | | | |
| Grant Awards 2012 | | | | 157,082 |
| Subtotal | | | | 598,173 |
| Decreased by: | | | | |
| Cash Receipts | $ | 282,357 | | |
| Cancellations | | 780 | | 283,137 |
| Balance December 31, 2012 | | | $ | 315,036 |

**DETAIL OF BALANCE**

| | | |
|---|---|---|
| CT-814-07 | $ | 21,044 |
| CT-889-09 | | 89,061 |
| CT-908-10 | | 47,849 |
| CT-1512-12 | | 157,082 |
| Total | $ | 315,036 |

EXHIBIT B-4

**TOWNSHIP OF JACKSON**
**TRUST OTHER FUND**
**SCHEDULE OF INTERFUND - CURRENT FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 1,349 |
| Increased by: | | |
| Cash Receipts | | 9,711 |
| Subtotal | | 11,060 |
| Decreased by: | | |
| Cash Disbursements | | 7,706 |
| Balance December 31, 2012 | $ | 3,354 |

EXHIBIT B-5

**ANIMAL CONTROL TRUST FUND**
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 61,924 |
| Increased by: | | |
| 2012 Dog License Fees Collected | | 64,187 |
| Subtotal | | 126,111 |
| Decreased by: | | |
| Expenditures Under R.S.4:19-15:11 - Cash | | 39,124 |
| Balance December 31, 2012 | $ | 86,987 |

**LICENSE FEES COLLECTED**

| YEAR | | AMOUNT |
|---|---|---|
| 2011 | $ | 48,857 |
| 2010 | | 38,130 |
| Total | $ | 86,987 |

EXHIBIT B-6

**TOWNSHIP OF JACKSON**
**TRUST OTHER FUND**
**SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | | $ 248,181 |
| Increased by: | | |
| Community Development Block Grants | | 157,082 |
| Subtotal | | 405,263 |
| Decreased by: | | |
| Cash Disbursed | $ 210,789 | |
| Cancellations | 586 | 211,375 |
| Balance December 31, 2012 | | $ 193,888 |

EXHIBIT B-7

**TOWNSHIP OF JACKSON**
**TRUST OTHER FUND**
**SCHEDULE OF VARIOUS RESERVES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | BALANCE DECEMBER 31, 2011 | INCREASES | DECREASES | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|
| Reserve for: | | | | |
| Municipal Alliance | $ 714 | $ 155 | $ 25 | $ 844 |
| Developer Escrow | 5,204,401 | 610,396 | 1,228,130 | 4,586,667 |
| Recreation Trust | 286,407 | 133,791 | 239,612 | 180,586 |
| Handicapped Commission | 18,290 | 10,315 | 13,594 | 15,011 |
| Tax Title Liens Premiums/ Redemptions | 528,754 | 1,665,001 | 1,625,439 | 568,316 |
| Unemployment Trust | 320,265 | 72,594 | 121,280 | 271,579 |
| Parking Offense Adjudication Act | 1,576 | 112 | | 1,688 |
| Recycling Trust | 364,415 | 153,077 | 53,882 | 463,610 |
| Harmony Trust | 474 | | | 474 |
| Special Law Enforcement Fund | 125,061 | 32,738 | 75,953 | 81,846 |
| Public Defender Fees | 11,266 | 27,650 | 28,600 | 10,316 |
| Industrial Commission | 1 | | | 1 |
| Tree Escrow | 705,410 | 13,000 | 175,225 | 543,185 |
| Sick Leave Trust Fund | 84,167 | 150,000 | 74,192 | 159,975 |
| Off Duty Police | 117,521 | 635,453 | 622,524 | 130,450 |
| Youth Advisory | 241 | | 169 | 72 |
| Management of Feral Cats | 1,874 | 77 | 1,904 | 47 |
| Snow Removal | 100,349 | 100,000 | | 200,349 |
| C.O.A.H. | 3,130,096 | 257,700 | 1,753,687 | 1,634,109 |
| Clean Communities Donation | 925 | 20,680 | 19,186 | 2,419 |
| Developers Contribution Curbs & Sidewalks | 44,650 | 9,875 | | 54,525 |
| Detention Basin | 745,155 | 3,099 | 2,337 | 745,917 |
| Section 125 Flex Spending | | 7,138 | 6,982 | 156 |
| Total | $ 11,792,012 | $ 3,902,851 | $ 6,042,721 | $ 9,652,142 |

EXHIBIT B-8

**TOWNSHIP OF JACKSON**
**OPEN SPACE TRUST FUND**
**SCHEDULE OF RESERVE FOR OPEN SPACE**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | | | |
|---|---|---|---|---|
| Balance December 31, 2011 | | | $ | 2,280,762 |
| Increased by: | | | | |
| Open Space Tax levy | $ | 1,342,125 | | |
| Open Space Added/Omitted Levy | | 6,359 | | |
| Interest Earned | | 9,741 | | 1,358,225 |
| Subtotal | | | | 3,638,987 |
| Decreased by: | | | | |
| Payment of Bond Principal | | 523,000 | | |
| Interest on Bonds | | 273,853 | | 796,853 |
| Balance December 31, 2012 | | | $ | 2,842,134 |

EXHIBIT B-9

**TOWNSHIP OF JACKSON**
**LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")**
**SCHEDULE OF FUNDS HELD BY TRUSTEE**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 69,195 |
| Increased by: | | |
| Appreciation | | 5,533 |
| Subtotal | | 74,728 |
| Decreased by: | | |
| Fees | | 400 |
| Balance December 31, 2012 | $ | 74,328 |

EXHIBIT B-10

**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD PROGRAM**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 69,195 |
| Increased by: | | |
| Appreciation | | 5,533 |
| Subtotal | | 74,728 |
| Decreased by: | | |
| Fees | | 400 |
| Balance December 31, 2012 | $ | 74,328 |

## GENERAL CAPITAL FUND

EXHIBIT C-1

**TOWNSHIP OF JACKSON**

**GENERAL CAPITAL FUND**
**STATEMENT OF FUND BALANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 360,099 |
| Decreased by: | | |
| Anticipated as 2012 Budget Revenue | | 300,000 |
| Balance December 31, 2012 | $ | 60,099 |

EXHIBIT C-2

**SCHEDULE OF CASH AND CASH EQUIVALENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | | | |
|---|---|---|---|---|
| Balance December 31, 2011 | | | $ | 3,532,983 |
| Increased by: | | | | |
| Bond Anticipation Notes | $ | 5,485,337 | | |
| State Grants Receivable | | 389,452 | | |
| Due From County - Shared Service | | 198,061 | | |
| Due From Jackson MUA - Shared Service | | 199,505 | | |
| Reserve for Debt Service - Other | | 27,372 | | |
| Capital Improvement Fund | | 50,000 | | 6,349,727 |
| Subtotal | | | | 9,882,710 |
| Decreased by: | | | | |
| Improvement Authorizations | | 2,556,134 | | |
| Investment in Bond Anticipation Notes | | 1,905,000 | | |
| Anticipated as Current Fund Revenue | | 300,000 | | 4,761,134 |
| Balance December 31, 2012 | | | $ | 5,121,576 |

EXHIBIT C-3

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | BALANCE DECEMBER 31, 2012 |
|---|---|---|
| Capital Improvement Fund | | $ 53,577 |
| Reserve for Encumbrances | | 818,812 |
| Capital Fund Balance | | 60,099 |
| Reserve for Debt Service - Open Space Bonds | | 1,853,771 |
| Reserve for Building Department Facilities | | 10,589 |
| Reserve for Debt Service - Other | | 27,372 |
| Reserve for DOT Grant Receivable | | 325,000 |
| Grants Receivable | | (1,639,111) |
| Receivable - Other | | (395) |
| Investment in Bond Anticipation Note | | (1,905,000) |
| Improvement Authorizations: | | |
| Ordinance Number: | DESCRIPTION | |
| 13-03 | Improvements to Recreational Facilities | 9,662 |
| 27-04(ii) | Various Improvements to Justice Complex | 79,489 |
| 10-06(i) | Construction of Public Works Storage Building | 9,305 |
| 09-07(i) | Municipal Park Facilities (Recreation Fields) | 14,725 |
| 09-07(iii) | Construction of Public Works Storage Building | 1,764 |
| 09-07(iv)/28-07 | Acquisition of Security, Telecommunications & GPS Equipment | 76,962 |
| 09-07(vi) | Improvements to Library & Municipal Facilities | 207,616 |
| 29-08(i) | Various Road Improvements | 3,010 |
| 29-08(ii) | Telephone/Data System Upgrade | 244,031 |
| 29-08(iv) | Hydraulic System Transfer Station | 158,072 |
| 19-09(i) | Various Roadway Improvements | 20,656 |
| 19-09(ii) | Public Water Service Installation | 83,429 |
| 19-09(iii) | Acquisition of Office Equipment | 42,199 |
| 19-09(iv) | Implementation of Recycling Center | 34,699 |
| 19-09(v) | Acquisition of Equipment for Police Department | 54,039 |
| 19-09(vi) | Acquisition of Equipment for Public Works | 41,070 |
| 19-09(vii) | Acquisition of Passenger Bus for Senior Center | 7,251 |
| 25-10 | Road & Drainage Improvements | 251,146 |
| 25-10 | Municipal Capital Improvements | 209,776 |
| 25-10 | Township Recycling Center | 29,809 |
| 25-10 | Technology Upgrades | 51,396 |
| 25-10 | Police Department Equipment | 155,337 |
| 25-10 | Public Works Equipment | 1,200,350 |
| 40-11 | Storm Water Basin | 715,678 |
| 03-12 | Road Improvements | 1,399,701 |
| 03-12 | DPW Equipment | 388,920 |
| 03-12 | Ambulance | 10,912 |
| 03-12 | Non-Passenger Vehicles | 15,858 |
| Total | | $ 5,121,576 |

EXHIBIT C-4

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF DUE FROM STATE OF N.J. DEPARTMENT OF TRANSPORTATION**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 371,250 |
| Increased by: | | |
| Grant Award - 2012 DOT Grant - Brewers Bridge | | 325,000 |
| Subtotal | | 696,250 |
| Decreased by: | | |
| Cash Receipts | | 237,500 |
| Balance December 31, 2012 | $ | 458,750 |

EXHIBIT C-5

**SCHEDULE OF DUE FROM STATE OF N.J. DEPARTMENT OF ENVIRONMENTAL PROTECTION**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | - |
| Increased by: | | |
| Grant Award - 2011 Stormwater Basin | | 1,332,313 |
| Subtotal | | 1,332,313 |
| Decreased by: | | |
| Reimbursements | | 151,952 |
| Balance December 31, 2012 | $ | 1,180,361 |

EXHIBIT C-6

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF DUE FROM COUNTY FOR SHARED SERVICES AGREEMENT**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 215,135 |
| Decreased by: | | |
| Cash Receipts | | 198,061 |
| Cancellation of Authorization | | 17,074 |
| Balance December 31, 2012 | $ | - |

EXHIBIT C-7

**SCHEDULE OF DUE FROM JACKSON MUA FOR SHARED SERVICES AGREEMENT**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | - |
| Increased by: | | |
| Patterson Road Reconstruction Project | | 199,900 |
| Subtotal | | 199,900 |
| Decreased by: | | |
| Reimbursements | | 199,505 |
| Balance December 31, 2012 | $ | 395 |

EXHIBIT C-8

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | | | |
|---|---|---|---|---|
| Balance December 31, 2011 | | | $ | 29,200,000 |
| Decreased by: | | | | |
| Budget Appropriation to Pay Bonds | $ | 2,800,000 | | |
| Paid by Open Space Trust Fund | | 523,000 | | 3,323,000 |
| Balance December 31, 2012 | | | $ | 25,877,000 |

EXHIBIT C-9

# TOWNSHIP OF JACKSON
## GENERAL CAPITAL FUND
## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
## FOR THE YEAR ENDED DECEMBER 31, 2012

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2011 | 2012 AUTHORIZATIONS | DECREASED 2012 | BALANCE DECEMBER 31, 2012 | ANALYSIS OF BALANCE DECEMBER 31, 2012 | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | BOND ANTICIPATION NOTES | EXPENDITURES | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
| 19-09(i) | Various Roadway Improvements | $ 874,000 | | | $ 874,000 | $ 874,000 | - | - |
| 19-09(ii) | Public Water Service Installation | 93,575 | | | 93,575 | 93,575 | - | |
| 19-09(iii) | Acquisition of Office Equipment | 48,925 | | | 48,925 | 48,925 | - | |
| 19-09(iv) | Implementation of Recycling Center | 33,250 | | | 33,250 | 33,250 | - | |
| 19-09(v) | Acquisition of Equipment for Police Department | 83,600 | | | 83,600 | 83,600 | - | |
| 19-09(vi) | Acquisition of Equipment for Public Works | 136,178 | | | 136,178 | 136,178 | - | |
| 19-09(vii) | Acquisition of Passenger Bus for Senior Center | 61,750 | | | 61,750 | 61,750 | - | |
| 25-10 | Municipal Capital Improvements | 199,500 | | | 199,500 | 199,500 | - | |
| 25-10 | Township Recycling Center | 28,500 | | | 28,500 | 28,500 | - | |
| 25-10 | Technology Upgrades | 49,010 | | | 49,010 | 49,010 | - | |
| 25-10 | Police Department Equipment | 342,950 | | | 342,950 | 342,950 | - | |
| 25-10 | Department of Public Works Equipment | 1,501,841 | | | 1,501,841 | 1,501,841 | - | |
| 40-11 | Storm Water Basin | 1,332,313 | | $ 1,332,313 | | - | - | |
| 03-12 | Road Improvements | | $ 1,330,000 | | 1,330,000 | 1,330,000 | - | |
| 03-12 | DPW Equipment | | 369,758 | | 369,758 | 369,758 | - | |
| 03-12 | Ambulance | | 142,500 | | 142,500 | 142,500 | - | |
| 03-12 | Non-Passenger Vehicles | | 190,000 | | 190,000 | 190,000 | - | |
| Total | | $ 4,785,392 | $ 2,032,258 | $ 1,332,313 | $ 5,485,337 | $ 5,485,337 | $ - | $ - |

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF GENERAL SERIAL BONDS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| IMPROVEMENT DESCRIPTION | ORIGINAL AMOUNT OF ISSUE | ORIGINAL DATE OF ISSUE | MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 PAYMENT DATE | MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 PAYMENT AMOUNT | INTEREST RATE | BALANCE DECEMBER 31, 2011 | ISSUED | PAID | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|---|---|---|---|
| General Improvements | $ 7,931,000 | 12/01/2003 | 12/01/2013 | $ 900,000 | 3.35% | $ 2,731,000 | | $ 900,000 | $ 1,831,000 |
| | | | 12/01/2014 | 931,000 | 3.50% | | | | |
| Open Space Bonds | 5,918,000 | 12/01/2003 | 12/01/2013 | 450,000 | 3.35% | 3,318,000 | | 443,000 | 2,875,000 |
| | | | 12/01/2014 | 450,000 | 3.50% | | | | |
| | | | 12/01/2015 | 475,000 | 3.60% | | | | |
| | | | 12/01/2016 | 500,000 | 4.00% | | | | |
| | | | 12/01/2017 | 500,000 | 4.00% | | | | |
| | | | 12/01/2018 | 500,000 | 4.00% | | | | |
| General Improvements | 16,102,000 | 12/01/2008 | 12/01/2013 | 1,180,000 | 3.75% | 15,802,000 | | 1,125,000 | 14,677,000 |
| | | | 12/01/2014 | 1,250,000 | 3.75% | | | | |
| | | | 12/01/2015 | 1,945,000 | 3.75% | | | | |
| | | | 12/01/2016 | 2,025,000 | 3.75% | | | | |
| | | | 12/01/2017 | 2,025,000 | 3.75% | | | | |
| | | | 12/01/2018 | 2,085,000 | 4.00% | | | | |
| | | | 12/01/2019 | 2,035,000 | 4.00% | | | | |

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF GENERAL SERIAL BONDS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| IMPROVEMENT DESCRIPTION | ORIGINAL AMOUNT OF ISSUE | ORIGINAL DATE OF ISSUE | MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2012 PAYMENT DATE | PAYMENT AMOUNT | INTEREST RATE | BALANCE DECEMBER 31, 2011 | ISSUED | PAID | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|---|---|---|---|
| Open Space Bonds | 3,739,000 | 12/01/2008 | 12/01/2013 | 90,000 | 3.75% | 3,504,000 | | 80,000 | 3,424,000 |
| | | | 12/01/2014 | 110,000 | 3.75% | | | | |
| | | | 12/01/2015 | 105,000 | 3.75% | | | | |
| | | | 12/01/2016 | 100,000 | 3.75% | | | | |
| | | | 12/01/2017 | 125,000 | 3.75% | | | | |
| | | | 12/01/2018 | 130,000 | 4.00% | | | | |
| | | | 12/01/2019 | 225,000 | 4.00% | | | | |
| | | | 12/01/2020 | 235,000 | 4.125% | | | | |
| | | | 12/01/2021 | 245,000 | 4.25% | | | | |
| | | | 12/01/2022 | 255,000 | 4.375% | | | | |
| | | | 12/01/2023 | 270,000 | 4.50% | | | | |
| | | | 12/01/2024 | 280,000 | 4.50% | | | | |
| | | | 12/01/2025 | 295,000 | 4.625% | | | | |
| | | | 12/01/2026 | 305,000 | 4.75% | | | | |
| | | | 12/01/2027 | 320,000 | 4.75% | | | | |
| | | | 12/01/2028 | 334,000 | 4.75% | | | | |
| Refunding Bonds | 8,010,000 | 04/30/2009 | 12/01/2013 | 765,000 | 4.00% | 3,845,000 | | 775,000 | 3,070,000 |
| | | | 12/01/2014 | 760,000 | 4.00% | | | | |
| | | | 12/01/2015 | 775,000 | 4.00% | | | | |
| | | | 12/01/2016 | 770,000 | 4.00% | | | | |
| | | | | | Total | $ 29,200,000 | | $ 3,323,000 | $ 25,877,000 |

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2011 UNFUNDED | BALANCE DECEMBER 31, 2011 FUNDED | 2012 AUTHORIZATIONS | PAID OR CHARGED | RESERVE FOR ENCUMBRANCES | RECLASS PRIOR YEAR ENCUMBRANCES | AUTHORIZATION CANCELLED | BALANCE DECEMBER 31, 2012 UNFUNDED | BALANCE DECEMBER 31, 2012 FUNDED |
|---|---|---|---|---|---|---|---|---|---|---|
| 13-03 | Improvements to Recreational Facilities | | $ 9,662 | | | $ 4,939 | $ 4,939 | | | $ 9,662 |
| 27-04(ii) | Various Improvements to the Justice Complex | | 90,275 | | $ 10,786 | 81,252 | 81,252 | | | 79,489 |
| 10-06(i) | Construction of Public Works Storage Building | | 2,620 | | 22,842 | | 29,527 | | | 9,305 |
| 09-07(i) | Municipal Park Facilities (Recreation Fields) | | 131,272 | | 100,708 | 19,900 | 4,061 | | | 14,725 |
| 09-07(ii) | Various Road Improvements | | | | | | | | | |
| 09-07(iii) | Construction of Public Works Storage Building | | 1,764 | | 5,200 | 102,629 | 107,829 | | | 1,764 |
| 09-07(iv)/ 28-07A | Acquisition of Security, Telecommunications & GPS Equipment | | 125,998 | | 49,036 | | | | | 76,962 |
| 09-07(vi) | Improvements to Library & Municipal Facilities | | 209,047 | | 189,542 | 4,922 | 193,033 | | | 207,616 |
| 17-07 | Acquisition of Real Property & the Development & Implementation of the Township's Affordable House Plan | | 1,668 | | 1,668 | | | | | |
| 29-08(i) | Various Road Improvements | | | | 2,452 | 3,707 | 9,169 | | | 3,010 |
| 29-08(ii) | Telephone/Data System Upgrade | | 266,342 | | 190 | 22,121 | | | | 244,031 |
| 29-08(iii) | Capital Equipment for Department of Public Works | | | | 47,000 | | 47,000 | | | |
| 29-08(iv) | Hydraulic System Transfer Station | | 331,693 | | 190 | 173,431 | | | | 158,072 |
| 19-09(i) | Various Road Improvements | $ 470 | | | 282,340 | 55,472 | 357,998 | | $ 20,656 | |
| 19-09(ii) | Public Water Service Installation | 83,614 | | | 185 | | | | 83,429 | |
| 19-09(iii) | Acquisition of Office Equipment | 42,384 | | | 185 | | | | 42,199 | |
| 19-09(iv) | Implementation of Recycling Center | 33,250 | 1,634 | | 185 | | | | 33,250 | 1,449 |

EXHIBIT C-11
(Page 2 of 2)

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS (continued)**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2011 UNFUNDED | BALANCE DECEMBER 31, 2011 FUNDED | 2012 AUTHORIZATIONS | PAID OR CHARGED | RESERVE FOR ENCUMBRANCES | RECLASS PRIOR YEAR ENCUMBRANCES | AUTHORIZATION CANCELLED | BALANCE DECEMBER 31, 2012 UNFUNDED | BALANCE DECEMBER 31, 2012 FUNDED |
|---|---|---|---|---|---|---|---|---|---|---|
| 19-09(v) | Acquisition of Equipment for Police Department | 54,224 | | | 185 | | | | 54,039 | |
| 19-09(vi) | Acquisition of Equipment for Public Works | 40,655 | | | 28,129 | | 28,544 | | 41,070 | |
| 10-09(vii) | Acquisition of Passenger Bus for Senior Center | 7,436 | | | 185 | | | | 7,251 | |
| 143R-10 | Brewers Bridge/OC Shared Services Agreement | | 215,135 | | 198,061 | | | $ 17,074 | | |
| 25-10 | Road & Drainage Improvements | | 109,784 | | 14,441 | 721 | 156,524 | | | 251,146 |
| 25-10 | Municipal Capital Improvements | 199,500 | 10,461 | | 185 | | | | 199,500 | 10,276 |
| 25-10 | Township Recycling Center | 28,500 | 1,494 | | 185 | | | | 28,500 | 1,309 |
| 25-10 | Technology Upgrades | 49,010 | 2,571 | | 185 | | | | 49,010 | 2,386 |
| 25-10 | Police Department Equipment | 325,704 | | | 205,597 | | 35,230 | | 155,337 | |
| 25-10 | DPW Equipment | 1,417,196 | | | 228,487 | 127,340 | 138,981 | | 1,200,350 | |
| 403R-10 | DOT Municipal Aid 2011 - Patterson Road | | 250,000 | $ 199,900 | 445,168 | 4,732 | | | | |
| 40-11 | DEP Storm Water Basin - 2011 | 1,332,313 | | | 404,929 | 211,706 | | | | 715,678 |
| 03-12 | Road Improvements | | | 1,400,000 | 299 | | | | 1,330,000 | 69,701 |
| 03-12 | DPW Equipment | | | 389,219 | 299 | | | | 369,758 | 19,162 |
| 03-12 | Ambulance | | | 150,000 | 139,088 | | | | 10,912 | |
| 03-12 | Non-Passenger Vehicles | | | 200,000 | 178,202 | 5,940 | | | 15,858 | |
| | Total | $ 3,614,256 | $ 1,761,420 | $ 2,339,119 | $ 2,556,134 | $ 818,812 | $ 1,194,087 | $ 17,074 | $ 3,641,119 | $ 1,875,743 |

EXHIBIT C-12

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 1,194,087 |
| Increased by: | | |
| Charged to Improvement Authorizations | | 818,812 |
| Subtotal | | 2,012,899 |
| Decreased by: | | |
| Prior Year Encumbrance Canceled | | 1,194,087 |
| Balance December 31, 2012 | $ | 818,812 |

EXHIBIT C-13

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 110,538 |
| Increased by: | | |
| 2012 Budget Appropriation | | 50,000 |
| Subtotal | | 160,538 |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | | 106,961 |
| Balance December 31, 2012 | $ | 53,577 |

EXHIBIT C-14

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF RESERVE FOR DEBT SERVICE - OPEN SPACE BONDS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | |
|---|---|
| Balance December 31, 2012 & 2011 | $ 1,853,771 |

EXHIBIT C-15

**SCHEDULE OF RESERVE FOR DEBT SERVICE - OTHER**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | |
|---|---|
| Balance December 31, 2011 | $ - |
| Increased by: | |
| Premium from Bond Anticipation Notes Issued | 27,372 |
| Balance December 31, 2012 | $ 27,372 |

EXHIBIT C-16

**SCHEDULE OF RESERVE FOR FIRE DAMAGE - ANNEX BUILDING**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | |
|---|---|
| Balance December 31, 2012 & 2011 | $ 10,589 |

EXHIBIT C-17

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF BOND ANTICIPATION NOTES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | DATE OF ORIGINAL NOTE | DATE OF ISSUE | DATE OF MATURITY | INTEREST RATE | BALANCE DECEMBER 31, 2011 | INCREASE | DECREASE | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|---|---|---|---|
| 19-09/25-10/ 03-12 | Acquisition, Construction, Repair & Installation of Various Capital Improvements | 8/8/2012 | 8/8/2012 | 8/7/2013 | 1.25% | $ - | $ 5,485,337 | | $ 5,485,337 |
| | | | | | Total | $ - | $ 5,485,337 | | $ 5,485,337 |

EXHIBIT C-18

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**
**AT DECEMBER 31, 2012**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2011 | 2012 AUTHORIZATIONS | NOTES ISSUED | DEFERRED CHARGES FUNDED | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|---|
| 19-09(i) | Various Roadway Improvements | $ 874,000 | | $ 874,000 | | |
| 19-09(ii) | Public Water Service Installation | 93,575 | | 93,575 | | |
| 19-00(iii) | Acquisition of Office Equipment | 48,925 | | 48,925 | | |
| 19-09(iv) | Implementation of Recycling Center | 33,250 | | 33,250 | | |
| 19-09(v) | Acquisition of Equipment for Police Department | 83,600 | | 83,600 | | |
| 19-09(vi) | Acquisition of Equipment for Public Works | 136,178 | | 136,178 | | |
| 19-09(vii) | Acquisition of Passenger Bus for Senior Center | 61,750 | | 61,750 | | |
| 25-10 | Municipal Capital Improvements | 199,500 | | 199,500 | | |
| 25-10 | Township Recycling Center | 28,500 | | 28,500 | | |
| 25-10 | Technology Upgrades | 49,010 | | 49,010 | | |
| 25-10 | Police Department Equipment | 342,950 | | 342,950 | | |
| 25-10 | Department of Public Works Equipment | 1,501,841 | | 1,501,841 | | |
| 40-11 | Storm Water Basin | 1,332,313 | | | $ 1,332,313 | |
| 03-12 | Road Improvements | | $ 1,330,000 | 1,330,000 | | |
| 03-12 | DPW Equipment | | 369,758 | 369,758 | | |
| 03-12 | Ambulance | | 142,500 | 142,500 | | |
| 03-12 | Non-Passenger Vehicles | | 190,000 | 190,000 | | |
| | Total | $ 4,785,392 | $ 2,032,258 | $ 5,485,337 | $ 1,332,313 | $ - |

EXHIBIT C-19

**TOWNSHIP OF JACKSON**
**GENERAL CAPITAL FUND**
**SCHEDULE OF INVESTMENT IN BOND ANTICIPATION NOTES**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | |
|---|---|
| Balance December 31, 2011 | $ - |
| Increased by: | |
| Investment in Bond Anticipation Note - Hurricane Sandy | 1,905,000 |
| Balance December 31, 2012 | $ 1,905,000 |

## PUBLIC ASSISTANCE FUND

EXHIBIT D-1

**TOWNSHIP OF JACKSON**
**PUBLIC ASSISTANCE FUND**
**SCHEDULE OF CASH**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 29,552 |
| Increased by: | | |
| Interest Earned | | 124 |
| Balance December 31, 2012 | $ | 29,676 |

EXHIBIT D-2

**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

| | | |
|---|---|---|
| Balance December 31, 2011 | $ | 29,552 |
| Increased by: | | |
| Interest Earned | | 124 |
| Balance December 31, 2012 | $ | 29,676 |

# GENERAL FIXED ASSETS

EXHIBIT E-1

**TOWNSHIP OF JACKSON**

**GENERAL FIXED ASSETS GROUP**

**SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS**

**DECEMBER 31, 2012**

| GENERL FIXED ASSETS | BALANCE DECEMBER 31, 2011 | ADDITIONS | DELETIONS | ADJUSTMENTS | BALANCE DECEMBER 31, 2012 |
|---|---|---|---|---|---|
| Land | $ 54,993,800 | | | $ (10,800) | $ 54,983,000 |
| Building & Building Improvements | 47,522,404 | $ 10,684 | | 43,162 | 47,576,250 |
| Machinery & Equipment | 10,902,673 | 1,022,191 | $ 379,488 | (32,362) | 11,513,014 |
| Total | $ 113,418,877 | $ 1,032,875 | $ 379,488 | $ - | $ 114,072,264 |

# SINGLE AUDIT SECTION

HFA
HOLMAN | FRENIA
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EXHIBIT K-1

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Members
of the Township Council
Township of Jackson
County of Ocean
Jackson, New Jersey 08527

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Jackson (herein referred to as "the Municipality"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated April 30, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiency in internal control over financial reporting that we consider to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Jackson's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P. C.**

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR 498

Medford, New Jersey
April 30, 2013

HFA
HOLMAN | FRENIA
ALLISON, P.C.
*Certified Public Accountants & Consultants*

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND NJ OMB CIRCULAR 04-04**

Honorable Mayor and Members
of the Township Council
Township of Jackson
County of Ocean
Jackson, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited Township of Jackson's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal and state programs for the year ended December 31, 2012. The Township of Jackson's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township of Jackson's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Jackson's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal or state program. However, our audit does not provide a legal determination of the Township of Jackson's compliance with those requirements.

***Opinion on Each Major Federal or State Program***

In our opinion, the Township of Jackson complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended December 31, 2012.

***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

**Report on Internal Control Over Compliance**

Management of the Township of Jackson is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Jackson's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Jackson's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and New Jersey OMB Circular 04-04**

We have audited the financial statements of the Township of Jackson as of and for the year ended December 31, 2012, and have issued our report thereon dated April 30, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR #498

April 30, 2013
Medford, New Jersey

**TOWNSHIP OF JACKSON**
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**
**FOR YEAR ENDED DECEMBER 31, 2012**

| DEPARTMENT/PROGRAM TITLE | GRANT OR STATE ACCOUNT NUMBER | AWARD AMOUNT | GRANT PERIOD | CASH RECEIVED | EXPENDITURES |
|---|---|---|---|---|---|
| State Department of Transportation: | | | | | |
| NJ Transportation Trust Fund Act | 480-078-620-6010 | $ 250,000 | Open | $ 250,000 | $ 250,000 |
| Total Department of Transportation | | | | 250,000 | 250,000 |
| State Department of Environmental Protection: | | | | | |
| Stormwater Basin | N/A | 1,332,213 | Open | 151,952 | 616,635 |
| Clean Communities Grant | 4900-765-178900-60 | 145,272 | Open | $85,645 | 92,966 |
| Recycling Tonnage Grant | 4900-752-178840-60 | 206,348 | Various | 55,764 | 251 |
| State Forestry Management Plan Grant | N/A | 7,198 | Various | 7,000 | 7,000 |
| Total Department of Environmental Protection | | | | 300,361 | 716,852 |
| State Department of Law and Public Safety: | | | | | |
| Drunk Driving Enforcement Fund | 6400-100-078-6400 | 27,547 | Various | | 24,031 |
| Safe & Secure Communities Grant | N/A | 33,576 | Various | 22,745 | 17,973 |
| Body Armor Replacement Grant | N/A | 41,874 | Various | 7,418 | 33,509 |
| Alcohol Education & Rehabilitation | N/A | 8,031 | Various | 809 | 1,300 |
| Click It or Ticket | N/A | 4,000 | Various | 4,000 | 4,000 |
| Municipal Alliance on Alcohol & Drug Abuse | N/A | 45,173 | Various | 15,376 | 34,736 |
| Cops in Shops | N/A | 5,000 | Various | 6,600 | 5,000 |
| Drive Sober or Get Pulled Over | N/A | 12,000 | Various | 9,400 | 7,600 |
| Total Department of Law and Public Safety | | | | 66,348 | 128,149 |
| State Department of Community Affairs: | | | | | |
| Handicapped Recreation Opportunities | N/A | 13,271 | Various | 13,271 | 11,185 |
| Community Development Block Grant | N/A | 598,173 | Various | 282,357 | 210,789 |
| Total Department of Community Affairs | | | | 295,628 | 221,974 |
| Department of Emergency Management: | | | | | |
| 966 Emergency Response Grant | N/A | 33,441 | Various | 17,000 | 33,441 |
| Total Department of Emergency Management: | | | | 17,000 | 33,441 |
| State Department of Cultural Affairs: | | | | | |
| Ocean County Heritage & Cultural Comm | N/A | 1,500 | Open | 563 | 1,485 |
| Total State Department of Cultural Affairs: | | | | 563 | 1,485 |
| Total State Financial Assistance | | | | $ 929,900 | $ 1,351,901 |

EXHIBIT K-4

**TOWNSHIP OF JACKSON**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR YEAR ENDED DECEMBER 31, 2012**

| DEPARTMENT/PROGRAM TITLE | GRANT OR FEDERAL ACCOUNT NUMBER | AWARD AMOUNT | GRANT PERIOD | CASH RECEIVED | EXPENDITURES |
|---|---|---|---|---|---|
| Federal Emergency Management Angency: | | | | | |
| Hurricane Sandy Relief | 97.036 | Unknown | Open | $ - | $ 275,842 |
| Total Federal Emergency Management Angency: | | | | | 275,842 |
| Department of Energy Direct Programs | | | | | |
| ARRA EECGB | 81.128 | $ 464,500 | Open | 265,846 | 461,366 |
| Total Department of Energy Direct Programs | | | | 265,846 | 461,366 |
| Department of Justice | | | | | |
| Bullet Proof Vest | 16.607 | 13,650 | Open | | 13,650 |
| Total Department of Justice | | | | | 13,650 |
| Federal Older American Act: | | | | | |
| Ocean County Office of Senior Services | N/A | 18,080 | Open | 13,285 | 18,080 |
| Total Federal Older American Act: | | | | 13,285 | 18,080 |
| Total Federal Financial Assistance | | | | $ 279,131 | $ 768,938 |

EXHIBIT K-5

**TOWNSHIP OF JACKSON**

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED DECEMBER 31, 2012**

## Note 1. General

The accompanying schedules of federal and state financial assistance present the activity of all federal and state financial assistance programs of the Township of Jackson. The Township is defined in Note 1 to the Township's general-purpose financial statements.

## Note 2. Basis of Accounting

The accompanying schedules of federal and state financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

## Note 3. Relationship to Financial Statements – Statutory Basis

Amounts reported in the accompanying schedules agree with amounts reported in the Township's general-purpose financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

| | State | Federal | Total |
|---|---|---|---|
| State & Federal Grant Fund | $ 274,477 | $ 493,096 | $ 767,573 |
| Current Fund | - | 275,842 | 275,842 |
| Trust Fund | 210,789 | - | 210,789 |
| Capital Fund | 866,635 | - | 866,635 |
| Total | $ 1,351,901 | $ 768,938 | $ 2,120,839 |

## Note 4. Relationship to Federal and State Financial Report

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial report.

## Note 5. Major Programs

Major programs are identified in the Schedule of Findings and Questioned Costs section.

EXHIBIT K-6

**TOWNSHIP OF JACKSON**
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**
**For the Fiscal Year Ended December 31, 2012**

**Section I – Summary of Auditor's Results**

**Financial Statements**

| | |
|---|---|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| 1) Material weakness(es) identified? | None Reported |
| 2) Where significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| Noncompliance material to basic financial Statements noted? | None Reported |

**State Awards**

| | |
|---|---|
| Dollar threshold used to distinguish between type A and type B programs: | $300,000 |
| Auditee qualified as low-risk auditee? | No |
| Type of auditor's report issued on compliance for major programs | Unmodified |
| Internal Control over major programs: | |
| 1) Material weakness(es) identified? | None Reported |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 | None Reported |

**Identification of major programs:**

| GMIS Number(s) | Name of State Program |
|---|---|
| 480-078-6310 | New Jersey Department of Environmental Protection |

**TOWNSHIP OF JACKSON**
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**
**For the Fiscal Year Ended December 31, 2012**

**Section I – Summary of Auditor's Results (continued):**

**Federal Awards**

| | |
|---|---|
| Dollar threshold used to distinguish between type A and type B programs: | $300,000 |
| Auditee qualified as low-risk auditee? | No |
| Type of auditor's report issued on compliance for major programs | Unmodified |
| Internal Control over major programs: | |
| 1) Material weakness(es) identified? | None Reported |
| 3) Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 | No |

**Identification of major programs:**

| CFDA Number(s) | Name of Federal Program |
|---|---|
| 81.128 | ARRA – Energy Efficiency and Conservation Block Grant |

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

No Current Year Findings

**Section III – Federal & State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

**TOWNSHIP OF JACKSON**
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**
**For the Fiscal Year Ended December 31, 2012**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

No Prior Year Findings

## SUPPLEMENTARY DATA

**Summary of Municipal Debt**
**(Excluding Current Debt)**

| | YEAR 2012 | YEAR 2011 | YEAR 2010 |
|---|---|---|---|
| Issued - General - Bonds & Notes | $ 31,362,337 | $ 29,200,000 | $ 32,490,000 |
| Bonds & Notes Authorized Not Issued | | 4,785,392 | 3,453,079 |
| Net Bonds & Notes Issued | $ 31,362,337 | $ 33,985,392 | $ 35,943,079 |

**Summary of Statutory Debt**
**Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .341%

| | GROSS DEBT | DEDUCTIONS | NET DEBT |
|---|---|---|---|
| Local School District Debt | $ 94,271,973 | $ 94,271,973 | |
| General Debt | 31,362,337 | 8,180,143 | $ 23,182,194 |
| Total | $ 125,634,310 | $ 102,452,116 | $ 23,182,194 |

Net Debt, $23,182,194 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended $6,796,954,181 equals .341%.

| | |
|---|---|
| Equalized Valuation Basis: | |
| 2012 | $ 6,676,536,785 |
| 2011 | 6,800,491,534 |
| 2010 | 6,913,834,225 |
| Average | $ 6,796,954,181 |

**Borrowing Power Under 40A:2-6:**

| | |
|---|---|
| 3-1/2% of Equalized Valuation Bases (Municipal) | $ 237,893,396 |
| Net Debt | 23,182,194 |
| Remaining Borrowing Power | $ 214,711,202 |

**Comparative Statement of Operations and Change in Fund Balance - Current Fund**

| | YEAR 2012 | | | YEAR 2011 | |
|---|---|---|---|---|---|
| | AMOUNT | PERCENT | | AMOUNT | PERCENT |
| **Revenue and Other Income Realized** | | | | | |
| Fund Balance Utilized | $ | 1,900,000 | 1.29% | $ 2,400,000 | 1.63% |
| Miscellaneous - From Other Than Local Property Tax Levies | | 8,415,960 | 5.72% | 8,456,353 | 5.76% |
| Collection of Delinquent Taxes & Tax Title Liens | | 1,501,020 | 1.02% | 1,262,234 | 0.86% |
| Collection of Current Tax Levy | | 135,345,779 | 91.97% | 134,754,435 | 91.75% |
| Total Income | | 147,162,759 | 100.00% | 146,873,022 | 100.00% |
| Expenditures | | | | | |
| Budget Expenditures - Municipal Purposes | | 37,688,518 | 25.64% | 36,208,568 | 24.99% |
| County Taxes | | 24,469,058 | 16.65% | 23,582,066 | 16.27% |
| Local School Taxes | | 78,091,655 | 53.14% | 78,661,566 | 54.28% |
| Fire District Taxes | | 5,368,215 | 3.65% | 5,106,091 | 3.52% |
| Municipal Open Space Tax | | 1,348,484 | 0.92% | 1,355,061 | 0.94% |
| Miscellaneous | | 2,005 | 0.00% | | |
| Total Expenditures | | 146,967,935 | 100.00% | 144,913,352 | 100.00% |
| Excess in Revenue | | 194,824 | | 1,959,670 | |
| Expenditures Included Above which are are by Statute Deferred Charges to budgets of Succeeding Years | | 1,905,000 | | 20,130 | |
| Statutory Excess to Fund Balance | | 2,099,824 | | 1,979,800 | |
| Fund Balance January 1 | | 2,350,087 | | 2,770,286 | |
| Total | | 4,449,911 | | 4,750,086 | |
| Less: Utilization as Anticipated Revenue | | 1,900,000 | | 2,400,000 | |
| Fund Balance December 31 | $ | 2,549,911 | | $ 2,350,087 | |

**Comparison of Tax Levies and Collection Currently**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

| | | CURRENTLY | |
|---|---|---|---|
| YEAR | TAX LEVY | CASH COLLECTIONS | PERCENTAGE OF COLLECTION |
| 2012 | $ 138,030,448 | $ 135,345,779 | 98.06% |
| 2011 | 137,185,250 | 134,754,435 | 98.23% |
| 2010 | 129,636,144 | 127,105,742 | 98.05% |

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Total Tax Rate | $ 1.97 | $ 1.95 | $ 1.83 |
| Apportionment of Tax Rate: | | | |
| Municipal | 0.421 | 0.412 | 0.378 |
| Municipal Open Space | 0.020 | 0.020 | 0.020 |
| County | 0.364 | 0.349 | 0.343 |
| Local School | 1.163 | 1.166 | 1.089 |

**Net Valuation Taxable:**

| | | | |
|---|---|---|---|
| 2012 | $ 6,710,626,337 | | |
| 2011 | | $ 6,746,824,494 | |
| 2010 | | | $ 6,759,795,179 |

**Delinquent Taxes and Tax Title Liens**

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

| YEAR ENDED DECEMBER 31 | AMOUNT OF TAX TITLE LIENS | AMOUNT OF DELINQUENT TAXES | TOTAL DELINQUENT | PERCENTAGE OF TAX LEVY |
|---|---|---|---|---|
| 2012 | $ 1,854,048 | $ 2,028,373 | $ 3,882,421 | 2.81% |
| 2011 | 1,613,503 | 1,998,331 | 3,611,834 | 2.63% |
| 2010 | 1,449,327 | 1,959,150 | 3,408,477 | 2.63% |

**Comparative Schedule of Fund Balances**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amount utilized in the subsequent years' budgets.

| Current Fund: | Balance December 31 | Utilized in Budget of Succeeding Year | Percentage of Fund Balance Used |
|---|---|---|---|
| 2012 | $ 2,549,911 | $ 1,900,000 | 74.51% |
| 2011 | 2,350,087 | 1,900,000 | 80.85% |
| 2010 | 2,770,286 | 2,400,000 | 86.63% |
| 2009 | 3,990,487 | 3,800,000 | 95.23% |
| 2008 | 6,119,009 | 4,850,000 | 79.26% |
| 2007 | 8,010,270 | 5,900,000 | 73.66% |

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2012:

| NAME | TITLE |
|---|---|
| Michael Reina | Mayor |
| Kenneth Bressi | Council President |
| Ann M. Updegrave | Council Vice President |
| Michael J. Kafton | Councilman |
| Scott Martin | Councilman |
| Bobbie Rivere | Councilwoman |
| Jose Torres | Administrator |
| Sharon Pinkava | Chief Financial Officer |
| Ann Marie Eden | Township Clerk/Search Officer |
| Daniel Sahin | Magistrate |
| Erin DiCristina | Court Administrator |
| Gilmore & Monahan | Attorney |

There were Employee's Blanket Performance Bonds in the amount of $50,000 for the Township employees and court personnel carried by the Ocean County Joint Insurance Fund and $950,000 carried by the Municipal Excess Liability Joint Insurance Fund.

**TOWNSHIP OF JACKSON**
**COUNTY OF OCEAN**

# PART II

**COMMENTS AND RECOMMENDATIONS**
**FOR THE YEAR ENDED DECEMBER 31, 2012**

************

HFA
HOLMAN | FRENIA
ALLISON, P.C.
*Certified Public Accountants & Consultants*

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The Honorable Mayor and Members of the
Township Council
Township of Jackson
Jackson, New Jersey 08527

We have audited the financial statements of the Township of Jackson in the County of Ocean for the year ended December 31, 2012. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

## GENERAL COMMENTS

### Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate $17,500 except by contract or agreement. The Township employs a qualified purchasing agent.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5.*

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

### Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of $3,900 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

### Collection of Interest on Delinquent Taxes

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 3, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "**BE IT RESOLVED** by the Township Council of the Township of Jackson, County of Ocean, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made eight (8) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars ($1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars ($1,500.00).
>
> **BE IT FURTHER RESOLVED**, that where interest on delinquent tax payments is one dollar ($1.00) or less, payment and collection of said interest is hereby waived."

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

### Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2012included 2012, 2011, 2010, 2009, 2008, and 2007 real estate taxes.

The last tax sale was held on October 3, 2012 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

| YEAR | NUMBER OF LIENS |
|---|---|
| 2012 | 145 |
| 2011 | 125 |
| 2010 | 119 |

### Deductions from Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

### Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a partial payment or estimate.

**Municipal Court**

A separate report of the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

**Payroll**

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Township employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

**Follow-Up of Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings.

**Acknowledgment**

We received the complete cooperation of all the Township Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P. C.**

Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR 498

Medford, New Jersey
April 30, 2012