

TOWNSHIP OF JACKSON

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2016**

**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

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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, 2016**

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HOLMAN | FRENIA
ALLISON, P.C.

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INDEPENDENT AUDITOR'S REPORT

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 statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Jackson, County of Ocean, State of New Jersey as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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. Management is also responsible for 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; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 to the financial statements, the Township of Jackson prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” paragraph, the financial statements referred to above do not present fairly, in accordance 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, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2016 and 2015. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 0.70% and 0.77% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2016 and 2015.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, 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, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statement of revenues - regulatory basis, statement of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2016 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 conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental statements and schedules 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code

of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 May 22, 2017, 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
RMA #498

Toms River, New Jersey
May 22, 2017

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**INDEPENDENT AUDITOR'S 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**

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-regulatory basis of the Township of Jackson (herein referred to as "the Township"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated May 22, 2017. Our report indicated that the Township's financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund ("LOSAP") Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township of Jackson's financial statements as of and for the year ended December 31, 2016. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant

deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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* or 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 Township'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 Township'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
RMA #498

Toms River, New Jersey
May 22, 2017

BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	REFERENCE	2016	2015
ASSETS			
Regular Fund:			
Cash -Treasurer	A-4	\$ 13,895,865.42	\$ 11,784,506.22
Cash - Change Fund	A	1,135.00	1,135.00
Due from State of New Jersey:			
Senior Citizen & Veteran Deductions	A-5	<u>13,462.89</u>	<u>17,694.40</u>
Total Regular Fund		<u>13,910,463.31</u>	<u>11,803,335.62</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	1,777,235.27	1,841,604.96
Tax Title Liens Receivable	A-7	2,737,303.00	2,554,719.00
Property Acquired for Taxes at Assessed Valuation	A-8	6,306,200.00	6,306,200.00
Revenue Accounts Receivable	A-9	34,883.55	34,638.32
Interfunds Receivable	A-32	<u>537.93</u>	<u>1,014.95</u>
Total Receivables & Other Assets With Full Reserves		<u>10,856,159.75</u>	<u>10,738,177.23</u>
Deferred Charges:			
Special Emergency 40A:4-53	A-33	<u>-</u>	<u>4,026.00</u>
Total Deferred Charges		<u>-</u>	<u>4,026.00</u>
Total Regular Fund, Receivables & Other Assets With Full Reserves		<u>24,766,623.06</u>	<u>22,545,538.85</u>
State & Federal Grants:			
Grants Receivable	A-36	251,167.10	559,123.56
Due from Current Fund	A-35	<u>720,656.07</u>	<u>363,489.62</u>
Total State & Federal Grants		<u>971,823.17</u>	<u>922,613.18</u>
Total Assets		<u>\$ 25,738,446.23</u>	<u>\$ 23,468,152.03</u>

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

TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	REFERENCE	2016	2015
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-10	\$ 2,347,309.31	\$ 2,041,225.05
Reserves for Encumbrances	A-12	743,169.93	984,271.34
Accounts Payable	A-11	270,328.78	296,001.69
Prepaid Taxes	A-13	820,015.92	793,410.69
Tax Overpayments	A-14	129,992.86	163,340.21
County Taxes Payable	A-15	154,601.75	92,778.70
Due State of New Jersey - Construction Fees	A-18	15,514.00	25,678.00
Due State of New Jersey - Marriage License Fees	A-19	1,075.00	1,275.00
Reserve for Revaluation Program	A-20	5,743.40	5,743.40
Reserve for Garden State Trust Fund	A-22	0.95	0.95
Reserve for State Board of Taxation Appeals	A-23	313,782.95	313,782.95
Reserve for Master Plan	A-24	24,011.23	24,086.23
Reserve for Skate Park	A-25	2,118.00	2,118.00
Reserve for COAH State Plan	A-26	915,250.00	915,250.00
Reserve for FEMA Reimbursements	A-27	44,612.12	180,862.12
Reserve for Hurricane Sandy	A-28	-	53,663.16
Reserve for SCIBAL Reimbursements - Hurricane Sandy - DPW	A-29	-	25,234.86
Reserve for SCIBAL Reimbursements - Hurricane Sandy - Police	A-30	-	30,249.00
Reserve for Police Cars	A-31	83,206.45	129,296.93
Reserve for Road Improvements	A-34	-	113,662.00
Reserve Other	A	2,117.88	2,117.88
Interfund Payable	A-32	723,209.07	365,812.95
Total Liabilities		<u>6,596,059.60</u>	<u>6,559,861.11</u>
Reserve for Receivables & Other Assets	A	10,856,159.75	10,738,177.23
Fund Balance	A-1	<u>7,314,403.71</u>	<u>5,247,500.51</u>
Total Regular Funds		<u>24,766,623.06</u>	<u>22,545,538.85</u>
Federal & State Grants:			
Appropriated Reserves	A-37	887,833.81	901,531.60
Unappropriated Reserves	A-38	33,357.97	9,853.86
Reserves for Encumbrances	A-39	<u>50,631.39</u>	<u>11,227.72</u>
Total State & Federal Grants		<u>971,823.17</u>	<u>922,613.18</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 25,738,446.23</u>	<u>\$ 23,468,152.03</u>

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

TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

		2016	2015
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,999,000.00	\$ 2,650,000.00
Miscellaneous Revenue Anticipated	A-2	7,578,517.45	8,195,225.72
Receipts From Delinquent Taxes	A-2	1,605,127.32	1,446,150.07
Receipts From Current Taxes	A-2	151,261,683.46	147,776,000.58
Nonbudget Revenue	A-2	694,309.91	534,340.12
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	1,868,883.36	1,475,562.00
Cancelled Accounts Payable	A-11	92,212.07	145,758.20
Prior Year Senior Citizen Deductions Allowed	A-5	-	250.00
Prior Year Interfunds Liquidated	A-1	477.02	-
Cancellation of Grant Appropriation Reserves	A-32	42,306.38	34,940.14
Cancellation of Reserve for Hurricane Sandy	A-28	<u>53,663.16</u>	-
Total Revenue & Other Income Realized		<u>166,196,180.13</u>	<u>162,258,226.83</u>
Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	A-3	18,300,855.57	17,601,230.00
Other Expenses	A-3	11,808,511.85	11,598,019.00
Deferred Charges & Statutory Expenditures Within "CAPS"	A-3	4,566,730.69	4,247,962.00
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	357,400.45	181,469.00
Other Expenses	A-3	437,532.75	638,472.00
Capital Improvements - Excluded from "CAPS":	A-3	110,000.00	110,000.00
Municipal Debt Service Excluded From "CAPS"	A-3	3,759,415.55	3,746,049.00
Deferred Charges - Municipal - Excluded From "CAPS"	A-3	4,026.00	907,076.00
Judgements	A-3	105,000.00	105,000.00
Local District School Taxes	A-16	86,357,614.00	84,672,751.00
Fire District Taxes	A-17	5,839,629.00	5,759,393.00
County Taxes	A-15	27,940,271.01	27,311,645.00
Amount Due County for Added & Omitted Taxes	A-15	154,601.76	92,779.00
Municipal Open Space Taxes	A-21	1,344,844.30	1,338,362.00
Prior Year Interfunds Advanced	A-1	-	788.08
Prior Year Senior Citizen Deductions Disallowed	A-5	9,786.31	10,572.61
Refund of Prior Year Revenue	A-4	83.69	-
Cancellation of Grant Receivable	A-32	<u>33,974.00</u>	<u>26,209.63</u>
Total Expenditures		<u>161,130,276.93</u>	<u>158,347,777.32</u>
Statutory Excess to Fund Balance		5,065,903.20	3,910,449.51
Fund Balance January 1	A	<u>5,247,500.51</u>	<u>3,987,051.00</u>
Total		10,313,403.71	7,897,500.51
Decreased by: Utilized as Revenue	A-2	<u>2,999,000.00</u>	<u>2,650,000.00</u>
Balance December 31	A	<u>\$ 7,314,403.71</u>	<u>\$ 5,247,500.51</u>

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, 2016**

	ANTICIPATED BUDGET	ADDED PER N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 2,999,000.00	\$ -	\$ 2,999,000.00	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	39,000.00	-	37,050.00	(1,950.00)
Other	32,000.00	-	32,152.00	152.00
Fees & Permits	150,000.00	-	188,589.09	38,589.09
Fines & Costs:				
Municipal Court	460,000.00	-	487,579.34	27,579.34
Interest & Cost on Taxes	380,000.00	-	567,478.20	187,478.20
Interest on Investments & Deposits	30,000.00	-	113,839.45	83,839.45
Housing & Commercial CCO's	110,000.00	-	197,225.00	87,225.00
Consolidated Municipal Property Tax Relief Aid	85,462.00	-	85,462.00	-
Energy Receipts Taxes	3,266,687.00	-	3,266,687.00	-
Garden State Trust	56,290.00	-	56,290.00	-
Uniform Construction Code Fees	1,200,000.00	-	1,535,086.12	335,086.12
Shared Service Agreement-BOE	102,000.00	68,000.00	170,000.00	-
Clean Communities Program	-	131,181.92	131,181.92	-
Recycling Tonnage Grant	76,648.12	-	76,648.12	-
Municipal Alliance on Alcoholism & Drug Abuse	-	33,124.00	33,124.00	-
Safe & Secure Communities Program	-	28,805.00	28,805.00	-
Body Armor Replacement Grant-State	7,319.73	-	7,319.73	-
Cops in Shops/College Fall Initiative	2,800.00	2,800.00	5,600.00	-
Cops in Shops	-	3,000.00	3,000.00	-
Alcohol Education and Rehabilitation Fund	2,534.13	-	2,534.13	-
Drive Sober or Get Pulled Over - Statewide Crackdown	-	10,000.00	10,000.00	-
Click It or Ticket	-	5,000.00	5,000.00	-
966 Emergency Management Grant	16,580.00	8,473.35	25,053.35	-
OC Office of Senior Services Information Assistance	17,700.00	-	17,700.00	-
Participant Donation/Project Income	10.00	-	10.00	-
OC Office of Senior Services Information Assistance -				
Ocean Area Plan Grant - Jackson Senior Center	-	842.00	842.00	-
ANJEC - Open Space Stewardship Program	-	1,300.00	1,300.00	-
Bulletproof Vest Program	-	11,760.00	11,760.00	-
Reserve for Debt Service - General Capital Fund	100,000.00	-	100,000.00	-
Cablevision Franchise Fee	245,000.00	-	244,951.00	(49.00)
Reserve - FEMA Reimbursements	136,250.00	-	136,250.00	-
Total	6,516,280.98	304,286.27	7,578,517.45	757,950.20
Receipts from Delinquent Taxes	1,350,000.00	-	1,605,127.32	255,127.32
Amount to be Raised by Support of Municipal Budget:				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes	30,927,427.63	-	32,272,245.40	1,344,817.77
Budget Totals	41,792,708.61	304,286.27	44,454,890.17	2,357,895.29
Nonbudget Revenues	-	-	694,309.91	694,309.91
Total	\$ 41,792,708.61	\$ 304,286.27	\$ 45,149,200.08	\$ 3,052,205.20

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2016**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ <u>151,261,683.46</u>
Net Revenue From Collections	151,261,683.46
Allocated to School, County, Municipal Open Space & Special Districts	<u>121,636,960.07</u>
Balance for Support of Municipal Budget Appropriations	29,624,723.39
Increased by Appropriation for Uncollected Taxes	<u>2,647,522.01</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 32,272,245.40</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 1,474,288.78
Tax Title Lien Collections	<u>130,838.54</u>
Total	<u>\$ 1,605,127.32</u>
Construction Code Official:	
Construction Code Official:	
Plumbing Fees & Permits	\$ 319,126.00
Electrical Fees & Permits	370,144.00
Building Inspector Fees & Permits	647,402.00
Fire Inspection Fees & Permits	106,726.00
TCO, CCO & COMM	48,913.00
Building Fines & Penalties	28,015.00
Misc Other	<u>14,760.12</u>
Total Construction Code Official	<u>\$ 1,535,086.12</u>
Other Fees & Permits:	
Public Works	\$ 32,828.00
Forester	3,720.00
Police Department	24,305.59
Zoning Board	26,463.70
Planning Board	75,856.80
Vital Statistics	<u>25,415.00</u>
Total Other Fees & Permits	<u>\$ 188,589.09</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2016**

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Administration Fees	\$	455.00
Administrative Fee - Senior Citizen's & Veteran's		9,989.27
Auction Proceeds		53,906.79
Clerk		51,684.29
Gas & Fuel Reimbursements		38,568.16
Insurance Reimbursement		27,530.60
Library Water		2,500.00
Miscellaneous		11,044.31
Motor Vehicle Inspection Fines		2,530.00
Non Sufficient Funds		140.00
Ocean County Rent of Polling Places		1,400.00
Ocean County Joint Insurance Fund 2014 Dividend		44,604.79
Planning & Zoning		117.08
Police Alarm Fines		4,550.00
Rent Leveling Fine		6,500.00
Rental Registration		57,500.00
Resolution Fees		600.00
Restitution		150.00
Shared Services		7,711.45
Subdivision Fees		10,079.10
Surcharge O/S Employment		102,430.00
Tax Collector Fees		84,066.34
Telephone Revenue		36,756.84
Tower Rental		106,116.68
Vacant Property Registration		33,000.00
Vending Machines		379.21
 Total Miscellaneous Revenue Not Anticipated	\$	 694,309.91

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		PAID OR CHARGED		EXPENDED		CANCELLED	
	BUDGET	BUDGET AFTER MODIFICATION	ENCUMBERED	RESERVED				
OPERATIONS - Within "CAPS"								
General Government:								
Administrative Executive:								
Salaries and Wages	\$ 243,059.88	\$ 261,202.74	\$ 260,526.78	\$ 61,903.03	3,727.28	\$ 675.96	\$ -	
Other Expenses	68,800.00	68,800.00					3,169.69	
Township Council:								
Salaries and Wages	44,340.00	44,340.00	44,339.88			0.12	-	
Other Expenses	850.00	850.00	275.00			575.00	-	
Mayor:								
Salaries and Wages	29,500.00	29,500.00	29,499.96			0.04	-	
Other Expenses	5,950.00	5,950.00	2,185.50	100.00		3,664.50	-	
Human Services:								
Salaries and Wages	93,136.20	93,136.20	93,135.46			0.74	-	
Other Expenses	8,551.00	8,551.00	6,206.28	173.00		2,171.72	-	
Municipal Clerk:								
Salaries and Wages	239,895.98	251,901.57	251,402.03			499.54	-	
Other Expenses	30,500.00	30,500.00	27,159.73	264.00		3,076.27	-	
Election:								
Salaries and Wages	3,300.00	3,300.00	3,090.70			209.30	-	
Other Expenses	5,500.00	5,500.00	5,310.36			189.64	-	
Financial Administration:								
Salaries and Wages	334,223.10	343,911.99	308,664.98			35,247.01	-	
Other Expenses	37,723.00	37,723.00	21,012.57	6,092.88		10,617.55	-	
Audit Services:								
Other Expenses	43,200.00	43,200.00		43,200.00		-	-	
Data Processing:								
Salaries and Wages	114,452.70	124,221.16	112,083.32			12,137.84	-	
Other Expenses	28,000.00	28,000.00	21,408.83			2,925.55	-	
Collection of Taxes:								
Salaries and Wages	301,292.97	304,505.87	300,718.92			3,786.95	-	
Other Expenses	38,375.00	38,375.00	27,459.39			1,473.67	-	
Assessment of Taxes:								
Salaries and Wages	304,004.59	305,331.87	287,960.00			17,371.87	-	
Other Expenses	17,085.00	17,085.00	3,697.70	2,423.27		10,964.03	-	

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Purchasing:						
Salaries and Wages	95,359.69	95,359.69	91,989.23	-	-	3,370.46
Other Expenses	34,306.88	34,306.88	27,986.73	2,094.10	-	4,226.05
Legal Services & Costs:						-
Other Expenses	500,000.00	500,000.00	454,654.25	30,340.68	-	15,005.07
Engineering Services & Costs:						-
Salaries and Wages	191,205.22	198,024.75	187,905.58	-	-	10,119.17
Other Expenses	140,248.00	139,248.00	36,662.85	59,265.51	-	43,319.64
Historical Commission:						-
Other Expenses	125.00	125.00	-	-	-	125.00
Community Alliance-Alcoholism & Drugs:						-
Salaries and Wages	1,140.00	1,140.00	-	-	-	1,140.00
Other Expenses	100.00	100.00	-	-	-	100.00
Mayor's Community Advisory Board:						-
Other Expenses	50.00	50.00	-	-	-	50.00
Economic Development Advisory Board:						-
Other Expenses	1,175.00	1,175.00	-	-	-	1,175.00
Land Use Administration:						-
Planning/Zoning Boards:						-
Salaries and Wages	216,124.70	223,528.51	222,934.04	-	-	594.47
Other Expenses	64,400.00	73,400.00	44,444.33	9,438.71	-	19,516.96
Maintenance of Tax Maps:						-
Other Expenses	15,000.00	15,000.00	13,583.50	-	-	1,416.50
Code Enforcement - Other:						-
Rent Leveling Board:						-
Salaries and Wages	3,145.00	3,145.00	1,875.00	-	-	1,270.00
Other Expenses	50,100.00	50,100.00	41,605.83	1,862.80	-	6,631.37
Code Enforcement - Other:						-
Salaries and Wages	287,953.83	290,397.47	248,364.18	-	-	42,033.29
Other Expenses	8,400.00	8,400.00	6,739.46	810.30	-	850.24
Commercial Building Standards:						-
Salaries and Wages	12,000.00	12,000.00	12,000.00	-	-	-
Other Expenses	1,000.00	1,000.00	992.68	-	-	7.32
Unsafe Structures Committee						-
Other Expenses	21,000.00	20,000.00	-	-	-	20,000.00

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Insurance:						
General Liability	728,725.00	727,725.00	683,745.91	10,629.60	33,349.49	-
Workers Compensation	526,300.00	526,300.00	526,298.60	-	1,40	-
Employee Group Health	4,166,925.00	4,166,925.00	4,111,647.53	1,606.88	53,670.59	-
Health Benefit Waiver	34,560.00	34,560.00	30,160.00	-	4,400.00	-
Unemployment Trust Fund	10,000.00	10,000.00	-	-	10,000.00	-
Public Safety Functions:						
Police Department:						
Salaries and Wages	10,724,163.94	10,727,854.32	10,309,775.95	-	418,078.37	-
Other Expenses	603,703.37	603,703.37	528,153.69	67,074.63	8,475.05	-
Police Dispatch/911:						
Salaries and Wages	510,571.35	520,216.82	429,059.60	-	91,157.22	-
Emergency Management:						
Salaries and Wages	12,652.04	12,652.04	12,192.03	-	460.01	-
Other Expenses	22,375.00	22,375.00	9,474.82	5,581.32	7,318.86	-
Aid to Volunteer Ambulance:						
Other Expenses	15,000.00	15,000.00	-	-	15,000.00	-
Municipal Prosecutor:						
Other Expenses	48,000.00	48,000.00	34,394.14	-	13,605.86	-
Juvenile Conference Committee:						
Salaries and Wages	1,300.00	1,300.00	314.52	-	985.48	-
Other Expenses	25.00	25.00	-	-	25.00	-
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	1,387,882.56	1,403,770.92	1,351,924.59	-	51,846.33	-
Other Expenses	251,308.60	250,308.60	120,617.17	43,233.52	86,457.91	-
Snow Removal:						
Other Expenses	645,000.00	645,000.00	591,534.47	53,465.53	-	-
Shade Tree Commission:						
Salaries and Wages	1,250.00	1,250.00	1,140.00	-	110.00	-
Other Expenses	9,950.00	9,950.00	7,782.00	-	2,168.00	-
Solid Waste Collection:						
Salaries and Wages	50,110.25	51,399.16	45,525.29	-	5,873.87	-
Other Expenses	550,300.00	549,300.00	460,364.26	210.00	88,725.74	-
Buildings & Grounds:						
Salaries and Wages	821,507.99	829,377.74	792,823.34	-	36,554.40	-
Other Expenses	213,300.00	212,800.00	150,718.29	19,672.20	42,409.51	-

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, 2016**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Vehicle Maintenance:						
Salaries and Wages	374,163.64	379,863.49	333,960.94	-	45,902.55	-
Other Expenses	287,750.00	286,750.00	187,771.63	17,776.07	81,202.30	-
Community Services Act:						
Other Expenses	170,000.00	170,000.00	-	170,000.00	-	-
Health & Human Services Functions:						
Public Health Services:						
Salaries and Wages	14,280.00	14,280.00	10,050.00	-	4,230.00	-
Other Expenses	1,700.00	1,700.00	1,147.30	-	552.70	-
Environmental Health Services-Environmental Commission:						
Salaries and Wages	1,300.00	1,300.00	1,260.00	-	40.00	-
Other Expenses	500.00	500.00	70.25	-	429.75	-
Animal Control Services:						
Salaries and Wages	127,322.41	131,319.74	126,186.71	-	5,133.03	-
Other Expenses	47,006.00	47,006.00	37,827.48	4,483.87	4,694.65	-
Going Green Committee:						
Other Expenses	100.00	100.00	-	-	100.00	-
Parks & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	91,718.36	91,914.65	80,329.09	-	11,585.56	-
Other Expenses	12,625.00	12,625.00	6,038.43	1,200.72	5,385.85	-
Office for the Golden Age:						
Salaries and Wages	293,158.86	297,221.00	275,323.67	-	21,897.33	-
Other Expenses	19,550.00	21,550.00	18,573.72	570.97	2,405.31	-
Handicapped Committee:						
Salaries and Wages	12,533.87	13,509.07	13,063.74	-	445.33	-
Other Expenses	7,500.00	7,500.00	3,424.23	604.00	3,471.77	-
Park Maintenance:						
Other Expenses	38,500.00	38,000.00	14,661.84	3,986.95	19,351.21	-
Municipal Court Functions:						
Municipal Court:						
Salaries and Wages	379,123.48	382,047.68	357,269.09	-	24,778.59	-
Other Expenses	25,300.00	25,300.00	17,774.57	4,155.19	3,370.24	-
Public Defender:						
Other Expenses	12,000.00	12,000.00	-	7,000.00	5,000.00	-

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Other Common Operating Functions:						
Salary & Wage Adjustment:						
Salaries and Wages	163,000.00	12,387.77	-	-	-	12,387.77
Postage & Photocopy:						
Other Expenses	67,100.00	67,100.00	58,156.59	6,944.35	-	1,999.06
Accumulated Leave Compensation-Sick Trust:						
Other Expenses	100,000.00	100,000.00	100,000.00	-	-	-
Utility Expenses & Bulk Purchases:						
Electricity	494,000.00	494,000.00	365,441.06	37,351.48	-	91,207.46
Street Lighting	335,000.00	335,000.00	275,250.05	28,300.00	-	31,449.95
Telecommunication Costs	77,284.92	77,284.92	43,724.39	8,790.31	-	24,770.22
Telecommunication Costs-Lease Obligation	21,715.08	21,715.08	21,715.08	-	-	-
Natural Gas	120,000.00	120,000.00	78,152.81	17,000.00	-	24,847.19
Fuel & Petroleum Products	565,000.00	564,000.00	192,423.00	-	-	371,577.00
Water	1,000.00	1,000.00	-	-	-	1,000.00
Landfill/Solid Waste:						
Landfill/Solid Waste Disposal Costs:						
Other Expenses	270,000.00	269,000.00	208,160.96	4,517.36	-	56,321.68
Legier Landfill - Postclosure Monitoring:						
Other Expenses	52,000.00	52,000.00	21,170.67	-	-	30,829.33
Uniform Construction Code-Appropriations Offset by Dedicated Revenues(NJAC5:23-4.17):						
Construction Code Department:						
Salaries and Wages	822,682.96	844,244.35	784,634.78	-	-	59,609.57
Other Expenses	134,970.00	134,970.00	110,601.31	21,194.89	-	3,173.80
Total Operations Including Contingent Within "CAPS"	30,109,367.42	30,109,367.42	27,201,587.67	708,249.93	2,199,529.82	-
Detail:						
Salaries and Wages	18,302,855.57	18,300,855.57	17,381,323.40	-	919,532.17	
Other Expenses	11,806,511.85	11,808,511.85	9,820,264.27	708,249.93	-	1,279,997.65

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Deferred Charges & Statutory Expenditures					
Municipal Within "CAPS":					
Statutory Expenditures:					
Public Employees' Retirement System	802,512.00	802,512.00	802,512.00	-	-
Social Security System (O.A.S.I.)	1,457,765.69	1,457,765.69	1,336,566.86	-	121,198.83
Police & Firemen's Retirement System	2,296,453.00	2,296,453.00	2,296,453.00	-	-
Defined Contribution Retirement Program	10,000.00	10,000.00	7,178.70	-	2,821.30
Total Deferred Charges & Statutory Expenditures Within "CAPS"	4,566,730.69	4,566,730.69	4,442,710.56	-	124,020.13
Total General Appropriations for Municipal Purposes Within "CAPS"	34,676,098.11	34,676,098.11	31,644,298.23	708,249.93	2,323,549.95
OPERATIONS - EXCLUDED FROM "CAPS"					
Employee Group Health Insurance	8,575.00	8,575.00	8,575.00	-	-
Service Contracts:					
Sewer & Water Purposes - MUA	3,600.00	3,600.00	2,700.00	300.00	600.00
Implementation of 911 Emergency:					
Salaries & Wages	170,190.45	170,190.45	170,190.45	-	-
Relocation Assistance:					
Other Expenses	2,000.00	2,000.00	-	34,620.00	2,000.00
LOSAP	34,620.00	34,620.00	-	-	-
Recycling Tonnage Tax	10,000.00	10,000.00	10,000.00	7,593.43	2,406.57
Shared Service Agreement-BOE/Police SRO	102,000.00	102,000.00	170,000.00	170,000.00	-
Supplemental Fire Services Programs:					
Fire District Tax Obligations	13,026.00	13,026.00	13,026.00	-	-

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
Public & Private Programs Offset by Revenues:						
OC Office of Senior Services-Information Assistance:						
Salaries and Wages	17,210.00	17,210.00				
Other Expenses	500.00	1,342.00				
Safe & Secure Communities Program	-	28,805.00				
Municipal Alliance on Alcohol & Drug Abuse:						
County Grant	-	33,124.00				
Local Matching Funds	7,319.73	8,281.00				
State of NJ Body Armor Grant	-	7,319.73				
Clean Communities Grant	-	131,181.92				
Matching Funds for Grants	23,043.50	14,762.50				
Click It or Ticket	-	5,000.00				
Alcohol Education and Rehabilitation	2,534.13	2,534.13				
ANIEC - Open Space Stewardship Program	-	1,300.00				
COPS in Shops Summer Shore Initiative	-	3,000.00				
966 Emergency Management Grant	16,580.00	25,053.35				
Cops in Shops - Fall Initiative	2,800.00	5,600.00				
Drive Sober or Get Pulled Over	-	10,000.00				
Federal Bureau of Justice Bulletproof Vest Partner	-	11,760.00				
Recycling Tomage Grant	76,648.12	76,648.12				
Total Operations Excluded from "CAPS"	490,646.93	794,933.20	740,244.13	34,920.00	19,769.07	-
Detail:						
Salaries and Wages	289,400.45	357,400.45				
Other Expenses	201,246.48	437,532.75				
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	110,000.00	110,000.00				
Total Capital Improvement Excluded from "CAPS"	110,000.00	110,000.00				

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Municipal Debt Service - Excluded from "CAPS":						
Payment of Bond Principal	3,185,000.00	3,185,000.00	3,185,000.00	-	-	-
Interest on Bonds	495,208.33	495,208.33	495,208.33	-	-	-
Interest on Notes	79,207.23	79,207.23	79,207.22	-	-	0.01
Deferred Charges-Municipal - Excluded from "CAPS":						
Special Emergency Authorization - 5 Years	4,026.00	4,026.00	4,026.00	-	-	-
Judgements - Excluded from "CAPS"	105,000.00	105,000.00	101,009.71	-	3,990.29	-
Total Capital Improvements, Municipal Debt Service, Deferred Charges & Judgements Excluded from "CAPS"	3,868,441.56	3,868,441.56	3,864,451.26	-	3,990.29	0.01
Total General Appropriations Excluded from "CAPS":						
Subtotal General Appropriations	4,469,088.49	4,773,374.76	4,714,695.39	34,920.00	23,759.36	0.01
Reserve For Uncollected Taxes	39,145,186.60	39,449,472.87	36,358,993.62	743,169.93	2,347,309.31	0.01
Total General Appropriations	\$ 41,792,708.61	\$ 42,096,994.88	\$ 39,006,515.63	\$ 743,169.93	\$ 2,347,309.31	\$ 0.01
Budget		\$ 41,792,708.61				
Added by N.J.S. 40A:4-87		<u>304,286.27</u>				
Total		<u><u>\$ 42,096,994.88</u></u>				
Reserve for Uncollected Taxes						
Appropriated Reserves for Federal & State Grants						
Deferred Charges - Special Emergency						
Refunds						
Cash Disbursements						
Total						
\$ 39,006,515.63						

**TOWNSHIP OF JACKSON
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	2016	2015
ASSETS			
Animal Control Trust Fund:			
Cash	B-1	\$ 126,950.36	\$ 124,254.04
Total Animal Control Trust Fund		<u>126,950.36</u>	<u>124,254.04</u>
Open Space Trust Fund:			
Cash	B-1	<u>3,591,798.47</u>	<u>3,101,776.72</u>
Total Open Space Trust Fund		<u>3,591,798.47</u>	<u>3,101,776.72</u>
Trust Other Funds:			
Cash	B-1	11,866,790.37	11,203,743.10
Interfund - Current Fund	B-4	2,015.07	1,308.38
Due from County of Ocean - Community Development Block Grant	B-5	<u>280,655.03</u>	<u>380,207.28</u>
Total Trust Other Funds		<u>12,149,460.47</u>	<u>11,585,258.76</u>
Length of Service Awards Program (LOSAP) (Reviewed)			
Funds Held by Trustee	B-9	<u>112,266.48</u>	<u>115,452.61</u>
Total Assets		<u>\$ 15,980,475.78</u>	<u>\$ 14,926,742.13</u>

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

**TOWNSHIP OF JACKSON
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	2016	2015
LIABILITIES & RESERVES			
Animal Control Trust Fund:			
Due to State of New Jersey	B-2	\$ 7.20	\$ 19.20
Reserve for Animal Control Expenditures	B-3	<u>126,943.16</u>	<u>124,234.84</u>
		<u>126,950.36</u>	<u>124,254.04</u>
Total Animal Control Trust Fund			
Open Space Trust Fund:			
Reserve for Open Space	B-8	<u>3,591,798.47</u>	<u>3,101,776.72</u>
		<u>3,591,798.47</u>	<u>3,101,776.72</u>
Total Open Space Trust Fund			
Trust Other Funds:			
Various Reserves	B-7	11,868,805.44	11,245,925.10
Reserve for Community Development Block			
Grant Expenditures	B-6	<u>280,655.03</u>	<u>339,333.66</u>
		<u>12,149,460.47</u>	<u>11,585,258.76</u>
Total Trust Other Funds			
Length of Service Awards Program (LOSAP) (Reviewed)			
Funds Held by Trustee	B-10	<u>112,266.48</u>	<u>115,452.61</u>
		<u>112,266.48</u>	<u>115,452.61</u>
Total Liabilities & Reserves		<u>\$ 15,980,475.78</u>	<u>\$ 14,926,742.13</u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	2016	2015
Cash & Cash Equivalents	C-2	\$ 11,778,536.88	\$ 6,770,627.13
MUA Shared Services Agreement Receivable	C-4	395.00	395.00
NJEIT Grant Receivable	C-15	392,985.00	-
Deferred Charges to Future Taxation:			
Funded	C-5	23,078,000.00	20,876,000.00
Unfunded	C-6	3,357,559.20	6,933,326.70
Total Assets		<u>\$ 38,607,476.08</u>	<u>\$ 34,580,348.83</u>

LIABILITIES, RESERVES & FUND BALANCE

General Serial Bond	C-7	\$ 23,078,000.00	\$ 20,876,000.00
Bond Anticipation Notes	C-17	5,858,326.00	3,971,393.00
Improvement Authorizations:			
Funded	C-8	2,972,853.87	1,002,496.17
Unfunded	C-8	2,658,132.48	4,440,075.24
Reserve for Encumbrances	C-9	1,425,306.39	2,290,644.57
Capital Improvement Fund	C-10	600.08	10,717.58
Reserve for Debt Service - Open Space Bonds	C-11	1,853,770.57	1,853,770.57
Reserve for Debt Service - Other	C-12	43,135.22	120,413.07
Reserve for Fire Damage - Annex Building	C-13	10,589.48	10,589.48
Reserve for NJEIT Receivable	C-15	392,985.00	-
Reserve for NJEIT Loan Funds Advanced	C-16	199,715.00	-
Fund Balance	C-1	<u>114,061.99</u>	<u>4,249.15</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 38,607,476.08</u>	<u>\$ 34,580,348.83</u>

There were bonds and notes authorized but not issued on December 31, 2016 of \$3,357,233.20 and on December 31, 2015 there was \$3,530,933.70.

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 4,249.00
Increased by:	
Premium on Bond Anticipation Notes	\$ 99,586.00
Unexpended Funds from Refunding - Refunding Bonds 2016	<u>14,376.99</u> <u>113,962.99</u>
Decreased by:	
Transfer to Reserve for Debt Service - Other	<u>4,150.00</u>
Balance December 31, 2016	<u><u>\$ 114,061.99</u></u>

**TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
COMPARATIVE STATEMENT OF ASSETS
AND RESERVES - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	<u>2016</u>	<u>2015</u>
Cash & Cash Equivalents	D-1	<u>\$ 27,429.12</u>	<u>\$ 27,319.62</u>
Total Assets		<u><u>\$ 27,429.12</u></u>	<u><u>\$ 27,319.62</u></u>
RESERVES			
Reserve for Public Assistance	D-2	<u>\$ 27,429.12</u>	<u>\$ 27,319.62</u>
Total Reserves		<u><u>\$ 27,429.12</u></u>	<u><u>\$ 27,319.62</u></u>

TOWNSHIP OF JACKSON
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

ASSETS	REFERENCE	2016	2015
Land	E-1	\$ 56,970,100.00	\$ 56,970,100.00
Building & Building Improvements	E-1	49,423,563.00	47,841,902.00
Machinery & Equipment	E-1	<u>14,820,103.00</u>	<u>15,465,626.00</u>
Total		<u><u>\$ 121,213,766.00</u></u>	<u><u>\$ 120,277,628.00</u></u>

INVESTMENT IN FIXED ASSETS

Investment in Fixed Assets	E	<u><u>\$ 121,213,766.00</u></u>	<u><u>\$ 120,277,628.00</u></u>
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**TOWNSHIP OF JACKSON
PAYROLL FUND
COMPARATIVE STATEMENT OF ASSETS
AND LIABILITIES - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	<u>2016</u>	<u>2015</u>
Cash	<u>\$ 3,962.09</u>	<u>\$ 157,628.92</u>
Total Assets	<u><u>\$ 3,962.09</u></u>	<u><u>\$ 157,628.92</u></u>
 LIABILITIES		
Payroll Deductions Payable	<u>\$ 3,962.09</u>	<u>\$ 157,628.92</u>
Total Liabilities	<u><u>\$ 3,962.09</u></u>	<u><u>\$ 157,628.92</u></u>

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

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**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies

Description of 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.

Component Units

GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*. The Township had no component units as of and for the year ended December 31, 2016.

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.

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

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

Budgets and Budgetary Accounting - The Township of Jackson must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units. The cash management plan adopted by the Township of Jackson requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets of assets, liabilities, reserves and fund balance.

General Fixed Assets – Property and equipment purchased by the Current and General Capital Fund are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from accounting principles generally accepted in the United States of America. The following is a brief description of the provisions of the Directive:

Fixed assets used in governmental operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation has been provided for in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

Foreclosed property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46 et seq.* Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Ocean and the Township of Jackson School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Jackson School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

Reserve for Uncollected Taxes – The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Post-employment Benefits – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis.

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”.

LOSAP Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements. *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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the Township implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Township is required to measure certain investments at fair value for financial reporting purposes. In addition, the Township is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Township’s financial statements.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

The Township implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the Township's financial statements.

The Township implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Impact on the implementation of this Statement has been disclosed in Note 20 of the Township's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the Township's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post- employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 2. Cash and Cash Equivalents

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2016, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 41,291,332.71</u>
Total Deposits	<u>\$ 41,291,332.71</u>
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:	
Current Fund	\$ 13,895,865.42
Animal Control Trust Fund	126,950.36
Open Space Trust Fund	3,591,798.47
Trust - Other Fund	11,866,790.37
General Capital Fund	11,778,536.88
Public Assistance Fund	27,429.12
Payroll Fund	<u>3,962.09</u>
Total Cash and Cash Equivalents	<u>\$ 41,291,332.71</u>

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit

Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2016, the Township's bank balances of \$42,968,336.57 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$16,035,034.61
Insured Under F.D.I.C.	250,000.00
Collateralized Under GUDPA	<u>26,683,301.96</u>
Total	<u>\$42,968,336.57</u>

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 3. Investments

A. Custodial Credit Risk

For an investment, custodial credit risk is a 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 in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township and are held by either the counterparty or the counterparty's trust department or agent but not in the Township's name. All of the Township's investments are held in the name of the Township and are collateralized by GUDPA.

B. Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2016, are provided in the above schedule.

C. Investment Credit Risk

The Township has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 3. Investments (continued):

As of December 31, 2016, the Township had the following investments and maturities:

	Fair Value	Book Value	Total Reported Value
LOSAP	<u>\$ 112,266.48</u>	<u>\$ 112,266.48</u>	<u>\$ 112,266.48</u>
Total	<u>\$ 112,266.48</u>	<u>\$ 112,266.48</u>	<u>\$ 112,266.48</u>

Note 4. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrptrs.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Components of Net Pension Liability - At December 31, 2016, the Municipality reported a liability of \$28,531,851.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .09634%, which was an increase of .00300% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	8,192,632.00	2,973,924.00
Deferred Inflows of Resources	275,289.00	692,214.00
Net Pension Liability	28,531,851.00	20,953,960.00
Municipality's Portion of the Plan's Total		
Net Pension Liability	0.09634%	0.09334%

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 530,606.00	\$ -
Changes of Assumptions	5,910,276.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,087,945.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>663,805.00</u>	<u>275,289.00</u>
	<u><u>\$ 8,192,632.00</u></u>	<u><u>\$ 275,289.00</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

	Year Ending	
	<u>Dec 31,</u>	<u>PERS</u>
2017	\$ 1,753,948.00	
2018	1,753,951.00	
2019	2,010,396.00	
2020	1,738,630.00	
2021	<u>660,418.00</u>	
	<u><u>\$ 7,917,343.00</u></u>	

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

<u>PERS</u>	
Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	<u>5.25%</u>	<u>5.63%</u>
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Decrease (2.98%)	Discount Rate (3.98%)	Increase (4.98%)
---------------------	--------------------------	---------------------

Municipality's proportionate share of the
Net Pension Liability and the State's
Proportionate Share of the Net Pension
Liability associated with the Municipality \$ 34,962,453.00 \$ 28,531,851.00 \$ 23,222,832.00

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrptrs.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Municipality contributions to PFRS amounted to \$2,296,453.00 for 2016.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2016, the Municipality's proportionate share of the PFRS net pension liability is valued to be \$54,953,306.00. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .28768%, which was an increase of .00516% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	13,608,644.00	10,696,984.00
Deferred Inflows of Resources	360,227.00	4,516,747.00
Net Pension Liability	54,953,306.00	47,057,713.00
 Municipality's Portion of the Plan's Total		
Net Pension Liability	0.28768%	0.28252%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 360,227.00
Changes of Assumptions	7,611,484.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,850,468.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>2,146,692.00</u>	<u>-</u>
	<u><u>\$ 13,608,644.00</u></u>	<u><u>\$ 360,227.00</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense as follows:

Year Ending	
<u>Dec 31,</u>	<u>PFRS</u>
2017	\$ 3,223,521.00
2018	3,223,520.00
2019	4,089,780.00
2020	2,393,907.00
2021	<u>317,689.00</u>
	<u><u>\$ 13,248,417.00</u></u>

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the net pension liability attributable to the Municipality is \$4,614,715.00 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State's proportion of the net pension liability associated with the Municipality was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2016 was .28768%, which was an increase of .00516% from its proportion measured as of June 30, 2015, which is the same proportion as the Municipality's.

Municipality's Proportionate Share of the Net Pension Liability	\$ 54,953,306.00
State's Proportionate Share of the Net Pension Liability Associated with the Municipality	<u>4,614,715.00</u>
Total Net Pension Liability	<u>\$ 59,568,021.00</u>

For the year ended December 31, 2016, the Municipality's total allocated pension expense was \$6,465,179.00.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

<u>PFRS</u>	
Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	100.00%	

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

Decrease (4.55%)	Discount Rate (5.55%)	Increase (6.55%)
---------------------	--------------------------	---------------------

Municipality's proportionate share of the
Net Pension Liability and the State's
Proportionate Share of the Net Pension
Liability associated with the Municipality \$ 76,808,596.00 \$ 59,568,021.00 \$ 45,509,370.00

Note 5. 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.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 5. Property Taxes (continued):

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information:

	2016	2015	2014
Total Tax Rate	<u>\$2.192</u>	<u>\$2.154</u>	<u>\$2.097</u>
Apportionment of Tax Rate:			
Municipal	0.462	0.454	0.448
Municipal Open Space	0.020	0.020	0.020
County	0.419	0.411	0.396
Local School	1.291	1.269	1.233

Net Valuation Taxable:

2016	<u><u>\$ 6,687,122,747</u></u>
2015	<u><u>\$ 6,669,174,480</u></u>
2014	<u><u>\$ 6,647,971,808</u></u>

Comparison of Tax Levies and Collection Currently:

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION	
2016	\$ 153,289,434.50	\$ 151,261,683.46		98.67%
2015	149,966,664.00	147,776,001.00		98.53%
2014	145,604,219.00	143,352,211.00		98.45%

Delinquent Taxes and Tax Title Liens:

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2016	\$ 2,737,303.00	\$ 1,777,235.27	\$ 4,514,538.27	2.95%
2015	2,557,868.00	1,841,604.96	4,399,472.96	2.89%
2014	2,335,043.00	1,909,409.00	4,244,452.00	2.92%

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 6. Property Acquired By Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, 2016 on the basis of the last assessed valuation of such properties, for the current and previous two years was as follows:

YEAR	AMOUNT
2016	\$ 6,306,200.00
2015	6,306,200.00
2014	6,306,200.00

Note 7. Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2016	\$ 7,314,403.71	\$ 2,785,000.00	38.08%
2015	5,247,500.51	2,999,000.00	57.15%
2014	3,987,051.00	2,650,000.00	66.47%
2013	2,873,067.00	2,200,000.00	76.57%
2012	2,549,911.00	2,200,000.00	86.28%

Note 8. Interfunds, Receivables and Payables

The composition of interfund balances as of December 31, 2016 is as follows:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 537.93	\$ 723,209.07
Federal and State Grant Fund	720,656.07	-
Trust - Other Fund	<u>2,553.00</u>	<u>537.93</u>
	<u><u>\$ 723,747.00</u></u>	<u><u>\$ 723,747.00</u></u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 1,247,184.85	\$ 889,311.71
Federal and State Grant Fund	342,453.37	699,619.82
Trust - Other Fund	<u>546,858.34</u>	<u>547,565.03</u>
	<u><u>\$ 2,136,496.56</u></u>	<u><u>\$ 2,136,496.56</u></u>

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 8. Interfunds, Receivables and Payables (continued):

The purpose of interfunds transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 9. Long-Term Liabilities & Capital 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.

Summary of Township Debt – Annual Debt Statement:

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
Issued & Outstanding			
General:			
Bonds, Loans & Notes	\$ 28,936,326.00	\$ 24,847,393.00	\$ 26,367,241.00
Deductions:			
Open Space Trust (40A:2-44h)	4,105,000.00	4,830,000.00	5,199,000.00
Funds Temporarily Held to pay Bonds & Notes	<u>7,754,905.79</u>	<u>1,974,184.00</u>	<u>2,025,197.00</u>
Total Deductions	<u>11,859,905.79</u>	<u>6,804,184.00</u>	<u>7,224,197.00</u>
Net Debt Issued	<u>17,076,420.21</u>	<u>18,043,209.00</u>	<u>19,143,044.00</u>
 Authorized But Not Issued			
General - Bonds & Notes	<u>3,357,232.50</u>	<u>3,530,934.00</u>	<u>2,080,152.00</u>
Total Net Debt	<u><u>\$ 20,433,652.71</u></u>	<u><u>\$ 21,574,143.00</u></u>	<u><u>\$ 21,223,196.00</u></u>

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 9. Long-Term Liabilities & Capital Debt (continued):

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 0.391%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 76,235,973.00	\$ 76,235,973.00	\$ -
General Debt	<u>32,293,558.50</u>	<u>11,859,905.79</u>	<u>20,433,652.71</u>
Total	<u>\$ 108,529,531.50</u>	<u>\$ 88,095,878.79</u>	<u>\$ 20,433,652.71</u>

Net Debt, \$26,291,652.71 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$6,719,557,422.33 equals 0.391%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 235,184,509.78
Net Debt	<u>20,433,652.71</u>
 Remaining Borrowing Power	 <u>\$ 214,750,857.07</u>

During the year ended December 31, 2016, the following changes occurred in issued Bonds, Loans, Notes and Other Long-Term Liabilities:

	Balance Decemeber 31, 2015	Issued	Retired	Balance Decemeber 31, 2016	Due Within One Year
Capital Debt:					
Serial Bonds	\$ 20,876,000.00	\$ 12,958,000.00	\$ 10,756,000.00	\$ 23,078,000.00	\$ 3,783,000.00
BAN's	3,971,393.00	5,858,326.00	3,971,393.00	5,858,326.00	5,858,326.00
Other Liabilities:					
Compensated Absences	2,459,488.15	477,935.94	-	2,937,424.09	-
Net Pension Liability	20,953,960.00	7,577,891.00	-	28,531,851.00	-
 Total	 <u>\$ 48,260,841.15</u>	<u>\$ 26,872,152.94</u>	<u>\$ 14,727,393.00</u>	<u>\$ 60,405,601.09</u>	<u>\$ 9,641,326.00</u>

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 9. Long-Term Liabilities & Capital Debt (continued):

As of December 31, 2016, the Township's Long-Term Debt is as follows:

General Serial Bonds:

\$5,918,000 2003 Open Space Bonds due in annual installments of \$400,000 to \$500,000 through 2020 at interest rates ranging from 3.00% to 4.00%.	\$ 1,000,000.00
\$16,102,000 2008 Bonds due in annual installments ranging from \$100,000 to \$2,132,000 through 2020 at interest rates ranging from 3.50% to 4.125%.	4,110,000.00
\$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%.	255,000.00
\$5,485,000 2014 General Obligation Bonds due in annual installments ranging from \$300,000 to \$600,000 through 2025 at interest rates ranging from 2.00% to 3.00%.	4,835,000.00
\$4,210,000 2016 General Refunding Bonds due in annual installments ranging from \$5,000 to \$2,120,000 through 2020 at interest rates ranging from 2.00% to 4.00%.	4,170,000.00
\$2,890,000 2016 Open Space Refunding Bonds due in annual installments ranging from \$20,000 to \$315,000 through 2028 at interest rates ranging from 2.00% to 4.00%.	2,850,000.00
\$5,858,000 2016 General Obligation Bonds due in annual installments ranging from \$608,000 to \$1,100,000 through 2023 at interest rates ranging from 2.00% to 4.00%.	<u>5,858,000.00</u>
 Total	 <u>\$23,078,000.00</u>

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

Fiscal				
Year	Principal	Interest	Total	
2017	\$ 3,783,000.00	\$ 707,466.39	\$ 4,490,466.39	
2018	3,840,000.00	588,225.00	4,428,225.00	
2019	3,485,000.00	446,125.00	3,931,125.00	
2020	3,520,000.00	341,575.00	3,861,575.00	
2021	1,875,000.00	217,275.00	2,092,275.00	
2022-2026	5,950,000.00	421,737.50	6,371,737.50	
2027-2028	<u>625,000.00</u>	<u>28,200.00</u>	<u>653,200.00</u>	
Total	<u>\$ 23,078,000.00</u>	<u>\$ 2,750,603.89</u>	<u>\$ 25,828,603.89</u>	

Refunding Bonds and Deferred Bonds Outstanding

During 2014, the Township of Jackson issued \$5,485,000 in General Obligation Bonds, Series 2014, and dated July 23, 2014. Bonds were issued to fund various bond ordinances duly adopted by the Township Council. Payments are due each June 1st with various interest rates (2.00% to 3.00%).

During 2016, the Township of Jackson issued \$4,210,000 in General Refunding Bonds and \$2,890,000 in Open Space Refunding Bonds, dated February 2, 2016. These two issues refunded \$4,167,000 and

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 9. Long-Term Liabilities & Capital Debt (continued):

\$2,764,000, respectively, in General Obligation and Open Space Bonds from a 2008 issue. Payments for each are due December 1st with various interest rates (2.00% to 4.00%). The General Refunding Bonds mature in 2020 and the Open Space Refunding Bonds mature in 2028. The new issue will reduce debt service payments for the Township by \$395,497.31 with an economic gain of \$373,766.56, or 5.393%.

Note 10. 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. The original notes are dated July 23, 2014 and bear an interest rate of 1.50% with a maturity date of January 27, 2017. The purpose of the Bond Anticipation Notes are to temporarily fund the acquisition, construction, repair and installation of various capital improvements authorized by the Township before the issuance of bonds.

Note 11. Bonds and Notes Authorized But Not Issued

At December 31, 2016 the Township has authorized but not issued bonds and notes as follows:

General Capital Fund - Bonds and Notes \$ 3,357,233.20

Note 12. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the Township had \$0.00 in deferred charges.

Note 13. General Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2016:

	December 31, 2015	Additions	Deletions	December 31, 2016
Fixed Assets not being depreciated:				
Land	\$ 56,970,100.00	\$ -	\$ -	\$ 56,970,100.00
Buildings & Improvements	47,841,902.00	1,581,661.00	-	49,423,563.00
Machinery & Equipment	15,465,626.00	64,174.00	(709,697.00)	14,820,103.00
Capital assets not being depreciated	<u>\$ 120,277,628.00</u>	<u>\$ 1,645,835.00</u>	<u>\$ (709,697.00)</u>	<u>\$ 121,213,766.00</u>

All additions are recorded at cost.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 14. 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 31 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 15. Subsequent Events

The Township has evaluated subsequent events occurring after December 31, 2016 through May 22, 2017, which is the date the financial statements were available to be issued. The following was noted:

During 2017 the Township approved Trust Loan and Fund Loan agreements with the New Jersey Department of Environmental Protection, pursuant to the New Jersey Environmental Infrastructure Trust Financing Program. The Fund Loan agreement was dated March 28, 2017 in the amount of \$444,525.00 and the Trust Loan agreement was dated May 1, 2017 in the amount of \$145,000.00. The purpose of such funds is to purchase a Jet Vac and Sweeper for use by the Township.

Note 16. Deferred Compensation Salary Account

The Township offers its 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 17. 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 accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2016 it is calculated that accrued unused sick and vacation time payable are valued at \$2,937,424.09. The likelihood that this liability would be due and payable all at once is remote since the Township's employees' ages and anticipated retirement dates vary.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2016, the balance of the fund was \$279,782.71.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 17. Contingencies (continued):

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, 2016 was \$259,566.22.

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 known 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, 2016 the Township estimates that no material liabilities will result from such audits.

Note 18. Accounts Receivable

Accounts receivable at December 31, 2016 consisted of intergovernmental grants, taxes, rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

		State & Current Fund	Federal Grant Fund	Trust Other Fund	General Capital Fund	Total
State Aid	\$ 13,462.89	\$ 152,644.10	\$ -	\$ 98,246.25	\$ 264,353.24	
Federal Aid	-	98,089.00	280,655.03	294,738.75		673,482.78
Taxes	10,820,738.27	-	-	-		10,820,738.27
Other	34,883.55	434.00	-	395.00		35,712.55
Total	\$ 10,869,084.71	\$ 251,167.10	\$ 280,655.03	\$ 393,380.00	\$ 11,794,286.84	

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2016

Note 19. Self-Insurance

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disaster. The Township is a member of the Ocean County Municipal Joint Insurance Fund (“JIF”). The Joint Insurance pool is a public entity risk pool currently operating as a common risk management and insurance program for municipalities established for the purpose of insuring against property damage, general liability, and motor vehicles.

Note 20. Tax Abatements

The Township of Jackson is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter “HMFA Law”), and a Resolution of the Council dated March 13, 2007, to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

For the year ended December 31, 2016, the Township abated property taxes totaling \$319,579.50 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

Recipient	Purpose	Amount Abated
Windsor Crescent, LLC	Affordable Housing	\$ 319,579.50

The purpose of the Tax Credit Assistance Program Loan is to assist in the funding of Windsor Crescent, an affordable housing project. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns or by virtue of the provisions the HMFA Law, or any other applicable state law, the Project shall be taxed as an omitted property in accordance with the law.

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SUPPLEMENTAL EXHIBITS

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CURRENT FUND

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TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015	\$ 11,784,506.22
Increased by Receipts:	
Nonbudget Revenues	\$ 694,309.91
2016 Budget Refunds	1,046,564.30
Taxes Receivable	151,685,570.26
Tax Title Liens	130,838.54
Revenue Accounts Receivable	7,082,389.20
Prepaid Taxes	745,206.14
State of New Jersey (Ch.29, P.L.1971)	499,213.69
Interfunds	1,204,929.85
Reserve for Police Cars	52,194.00
Due to State of New Jersey - Construction Fees	79,489.00
Due to State of New Jersey - Marriage Licenses	<u>6,185.00</u>
 Total Receipts	 <u>163,226,889.89</u>
 Subtotal	 <u>175,011,396.11</u>
 Decreased by Disbursements:	
2016 Appropriations	37,033,372.67
2015 Reserved Appropriations	1,045,325.17
Accounts Payable	44,748.70
Tax Overpayments	206,314.77
County Taxes Payable	28,033,049.72
Local School District Tax	86,357,614.00
Special District Taxes	5,839,629.00
Reserve for Master Plan	75.00
Reserve for Hurricane Sandy - PDW	25,234.86
Reserve for Hurricane Sandy - Police	30,249.00
Reserve for Police Cars	98,284.48
Reserve for Road Improvements	113,662.00
Refund of Prior Year Revenue	83.69
Due to State of New Jersey - Construction Fees	89,653.00
Due to State of New Jersey - Marriage Licenses	6,385.00
Due to Municipal Open Space Trust Fund	1,344,844.30
Interfunds	<u>847,005.33</u>
 Total Disbursements	 <u>161,115,530.69</u>
Balance December 31, 2016	 <u>\$ 13,895,865.42</u>

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF DUE FROM STATE - P.L. 1971, C.20
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015	\$ 17,694.40
Increased by:	
Deductions per Tax Duplicate:	
Senior Citizens's	\$ 64,500.00
Veteran's	434,250.00
Deductions Allowed by Tax Collector:	
2016 Senior Citizen Deductions	3,000.00
2016 Veteran Deducations	<u>5,750.00</u>
	<u>507,500.00</u>
	525,194.40
Decreased by:	
Received from State of New Jersey	499,213.69
Deductions Disallowed by Tax Collector:	
Current Year Senior Citizen's & Veteran's	2,731.51
Prior Years Senior Citizen's & Veteran's	<u>9,786.31</u>
	<u>511,731.51</u>
Balance December 31, 2016	<u><u>\$ 13,462.89</u></u>

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2016

YEAR	BALANCE DECEMBER 31, 2015	2016 LEVY	ADDED TAXES	2015		2016		DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS CREATED	OVERPAYMENTS APPLIED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2016
				COLLECTED	2015	COLLECTED	2016						
2011	\$ 7,936.49	\$ -	\$ -	\$ -	\$ -	\$ 10.00	\$ 154.22	\$ -	\$ 13,611.23	\$ -	\$ 13,611.23	\$ -	\$ 7,926.49
2012	8,182.54	\$ -	\$ -	\$ -	\$ -	\$ 9,177.65	\$ -	\$ 17,523.03	\$ -	\$ 17,523.03	\$ -	\$ -	\$ 8,028.32
2013	17,498.19	\$ -	\$ -	\$ -	\$ -	\$ 15,807.79	\$ -	\$ -	\$ 51,862.52	\$ -	\$ 51,862.52	\$ -	\$ 8,320.54
2014	26,851.37	\$ -	\$ 9,406.61	\$ -	\$ 1,708,756.37	\$ (9,786.31)	\$ 169,241.04	\$ 59,133.73	\$ 66,513.16	\$ -	\$ 66,873.16	\$ -	\$ 10,683.58
2015	1,781,136.37	\$ -	\$ 1,841,604.96	\$ 9,406.61	\$ 1,733,906.03	\$ (9,786.31)	\$ 318,750.98	\$ 59,133.73	\$ 269,428.08	\$ 35,482.30	\$ 35,482.30	\$ 81,598.72	
Total			Total										
2016	\$ 1,841,604.96	\$ 152,451,745.92	\$ 837,688.58	\$ 793,410.69	\$ 149,951,664.23	\$ 504,768.49	\$ 496,143.93	\$ 507,983.98	\$ 66,839.83	\$ 265,274.66	\$ 265,274.66	\$ 1,695,636.55	
Total	\$ 1,841,604.96	\$ 152,451,745.92	\$ 847,095.19	\$ 793,410.69	\$ 151,685,570.26	\$ 494,982.18	\$ 814,894.91	\$ 567,117.71	\$ 336,267.91	\$ 300,756.96	\$ 300,756.96	\$ 1,777,235.27	

ANALYSIS OF 2016 PROPERTY TAX LEVY

General Purpose	\$ 146,612,116.92
Special District Tax	\$ 5,839,629.00
Added Taxes (54:4-63.1 et seq)	\$ 837,688.58
Total	<u><u>\$ 153,289,434.50</u></u>

TAX LEVY:

Local School Tax	\$ 86,357,614.00
County Taxes (Abstract)	\$ 27,940,271.01
County Added & Omitted Taxes	\$ 154,601.76
Special District Taxes	\$ 28,094,872.77
Municipal Open Space	\$ 5,839,629.00
Local Tax for Municipal Purposes	\$ 1,344,844.30
Add: Additional Taxes Levied	\$ 30,927,427.63
	\$ 725,046.80
Total	<u><u>\$ 153,289,434.50</u></u>

EXHIBIT A-7

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 2,554,719.00
Increased by:	
Transfer from Taxes Receivable	\$ 300,756.96
Interest & Costs on Taxes	<u>12,665.58</u>
	<u>313,422.54</u>
	2,868,141.54
Decreased by:	
Cash Collections	<u>130,838.54</u>
Balance December 31, 2016	<u>\$ 2,737,303.00</u>

EXHIBIT A-8

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	<u>\$ 6,306,200.00</u>
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TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	ACCRUED IN 2016	COLLECTED	BALANCE DECEMBER 31, 2016
Clerk:				
Alcoholic Beverage Licenses	\$ -	\$ 37,050.00	\$ 37,050.00	\$ -
Other Licenses	- -	32,152.00	32,152.00	-
Fees & Permits	- -	188,589.09	188,589.09	-
Municipal Court:				
Fines & Costs	34,638.32	487,824.57	487,579.34	34,883.55
Tax Collector:				
Interest & Costs on Taxes	- -	567,478.20	567,478.20	-
Interest on Investments & Deposits	- -	113,839.45	113,839.45	-
Housing and Commercial CCO's	- -	197,225.00	197,225.00	-
Consolidated Municipal Property				
Tax Relief	- -	85,462.00	85,462.00	-
Energy Receipts Tax	- -	3,266,687.00	3,266,687.00	-
Garden State Trust Fund	- -	56,290.00	56,290.00	-
Uniform Construction Code Fees	- -	1,535,086.12	1,535,086.12	-
Cablevision Franchise Fee	- -	244,951.00	244,951.00	-
Shared Service Agreement - BOE	- -	170,000.00	170,000.00	-
Capital Fund Balance	- -	100,000.00	100,000.00	-
Total	\$ 34,638.32	\$ 7,082,634.43	\$ 7,082,389.20	\$ 34,883.55

Cash Receipts	<u>\$ 7,082,389.20</u>
Total	<u>\$ 7,082,389.20</u>

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:					
Administrative Executive:					
Salaries and Wages	\$ 5,860.03	\$ 795.96	\$ 5,860.03	\$ 2,221.88	\$ 3,638.15
Other Expenses	8,380.80	-	9,176.76	9,176.76	-
Human Services:					
Salaries and Wages	8,872.34	-	8,872.34	691.87	8,180.47
Other Expenses	1,650.23	909.03	2,559.26	798.63	1,760.63
Township Council:					
Salaries and Wages	0.12	-	0.12	-	0.12
Other Expenses	647.12	-	647.12	-	647.12
Election:					
Salaries and Wages	187.32	-	187.32	-	187.32
Other Expenses	121.75	-	121.75	-	121.75
Municipal Clerk:					
Salaries and Wages	7,851.23	-	7,851.23	-	7,851.23
Other Expenses	5,983.95	-	5,983.95	65.25	5,918.70
Mayor Office:					
Salaries and Wages	0.04	-	0.04	-	0.04
Other Expenses	3,634.50	-	3,634.50	3,495.63	138.87
Financial Administration:					
Salaries and Wages	20,781.84	-	20,781.84	-	20,781.84
Other Expenses	11,107.73	5,779.77	14,887.50	4,631.92	10,255.58
Audit Services:					
Other Expenses	-	42,000.00	42,000.00	42,000.00	-
Data Processing:					
Salaries and Wages	32,083.93	-	27,083.93	-	27,083.93
Other Expenses	1,154.81	3,504.00	4,658.81	3,504.00	1,154.81
Collection of Taxes:					
Salaries and Wages	499.69	-	499.69	15,344.87	499.69
Other Expenses	465.27	14,879.60	15,344.87	-	-
Assessment of Taxes:					
Salaries and Wages	21,764.86	-	14,664.86	-	14,664.86
Other Expenses	218.78	11,499.73	11,718.51	11,473.00	245.51
Purchasing:					
Salaries and Wages	3,419.13	-	3,419.13	-	3,419.13
Other Expenses	1,785.60	1,036.46	2,822.06	1,036.46	1,785.60

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Legal Services & Costs:					
Other Expenses	9,760.48	-	19,760.48	15,023.80	4,736.68
Engineering Services & Costs:					
Salaries and Wages	8,590.45	-	8,590.45	-	8,590.45
Other Expenses	18,833.22	68,091.13	86,924.35	85,471.49	1,452.86
Historical Commission:					
Other Expenses	125.00	-	125.00	-	125.00
Community Alliance-Alcoholism & Drugs:					
Salaries and Wages	1,140.00	-	1,140.00	-	1,140.00
Other Expenses	100.00	-	100.00	-	100.00
Mayor's Community Advisory Board:					
Other Expenses	50.00	-	50.00	-	50.00
Economic Development Advisory Board:					
Other Expenses	1,175.00	-	1,175.00	-	1,175.00
Planning/Zoning Boards:					
Salaries and Wages	491.98	-	491.98	222.60	269.38
Other Expenses	587.62	24.48	8,612.10	5,636.90	2,975.20
Maintenance of Tax Maps:					
Other Expenses	8,097.00	2,372.50	10,469.50	10,312.75	156.75
Rent Leveling Board:					
Salaries and Wages	1,645.00	-	1,645.00	87.12	1,557.88
Other Expenses	412.80	-	6,912.80	2,424.75	4,488.05
Code Enforcement - Other:					
Salaries and Wages	61,059.50	-	56,059.50	4,482.59	51,576.91
Other Expenses	2,718.74	240.90	2,959.64	12.00	2,947.64
Community Development & Enforcement:					
Salaries and Wages	4,823.42	-	4,823.42	-	4,823.42
Other Expenses	1,874.44	758.24	2,632.68	732.41	1,900.27
Commercial Building Standards:					
Salaries and Wages	3,500.00	-	3,500.00	-	3,500.00
Other Expenses	299.48	-	299.48	-	299.48
Unsafe Structures Committee:					
Other Expenses	20,415.00	-	20,415.00	-	20,415.00

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Insurance:					
General Liability	61,991.50	61,991.50			61,991.50
Employee Group Health	245,835.42	106,205.08	352,040.50	98,405.24	253,635.26
Health Benefit Waiver	12,560.00	-	12,560.00	480.00	12,080.00
Police Department:					
Salaries and Wages	240,584.61	79,093.05	240,584.61	42,818.69	197,765.92
Other Expenses	24,118.89	-	103,211.94	91,869.50	11,342.44
Police Dispatch/911:					
Salaries and Wages	48,842.92	-	48,842.92	8,453.63	40,389.29
Emergency Management:					
Salaries and Wages	559.38	-	559.38	90.00	469.38
Other Expenses	9,705.43	1,172.71	10,878.14	1,232.30	9,645.84
Aid to Volunteer Ambulance:					
Other Expenses	-	15,000.00	15,000.00	15,000.00	-
Municipal Prosecutor:					
Other Expenses	3,772.52	0.01	3,772.53	3,333.37	439.16
Juvenile Conference Committee:					
Salaries and Wages	800.00	-	800.00	100.00	700.00
Other Expenses	25.00	-	25.00	-	25.00
Streets & Roads Maintenance:					
Salaries and Wages	134,556.17	82,058.76	131,556.17	2,805.34	128,750.83
Other Expenses	16,950.79	-	99,009.55	57,239.18	41,770.37
Show Removal:					
Other Expenses	-	22,351.85	22,351.85	16,363.26	5,988.59
Shade Tree Commission:					
Salaries and Wages	415.00	-	415.00	32.10	382.90
Other Expenses	3,471.00	-	3,471.00	1,344.00	2,127.00
Solid Waste Collection:					
Salaries and Wages	2,470.13	-	2,470.13	-	2,470.13
Other Expenses	1,504.00	45,708.00	47,212.00	45,935.50	1,276.50
Buildings & Grounds:					
Salaries and Wages	49,272.41	-	49,272.41	1,217.22	48,055.19
Other Expenses	11,691.66	29,055.52	46,747.18	37,044.55	9,702.63

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Vehicle Maintenance:					
Salaries and Wages	18,095.51	-	18,095.51	-	18,095.51
Other Expenses	64,786.21	62,705.88	121,992.09	31,083.00	90,909.09
Community Services Act:	-	171,350.00	171,350.00	-	-
Other Expenses					
Public Health Services:					
Salaries and Wages	3,603.00	-	3,603.00	778.00	2,825.00
Other Expenses	642.30	170.00	812.30	170.00	642.30
Environmental Health Services-Environmental Commission:					
Salaries and Wages	355.00	-	355.00	105.00	250.00
Other Expenses	500.00	-	500.00	44.75	455.25
Animal Control Services:					
Salaries and Wages	8,934.09	-	8,934.09	1,018.17	7,915.92
Other Expenses	25,339.29	1,121.87	21,961.16	4,162.33	17,798.83
Going Green Committee:					
Other Expenses	25.00	-	25.00	-	25.00
Recreation Services & Programs:					
Salaries and Wages	1,143.91	-	1,143.91	-	1,143.91
Other Expenses	2,294.91	4,566.89	6,861.80	3,115.66	3,746.14
Office for the Golden Age:					
Salaries and Wages	1,128.18	-	8,128.18	7,060.84	1,067.34
Other Expenses	661.54	2,500.66	3,162.20	2,305.89	856.31
Handicapped Committee:					
Salaries and Wages	173.78	-	273.78	186.15	87.63
Other Expenses	6,430.21	-	6,430.21	-	6,430.21
Municipal Court:					
Salaries and Wages	26,094.35	-	26,094.35	3,288.07	22,806.28
Other Expenses	8,319.29	694.39	9,013.68	205.73	8,807.95
Public Defender:					
Other Expenses	12,000.00	-	12,000.00	-	12,000.00
Salary & Wage Adjustment					
Salaries and Wages	22,426.33	-	22,426.33	-	22,426.33
Postage & Photocopy:					
Other Expenses	13,555.79	7,881.98	21,437.77	8,647.46	12,790.31

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Utility Expenses & Bulk Purchases:					
Electricity	117,826.05	25,680.75	143,506.80	86,913.95	56,592.85
Street Lighting	63,076.82	35,664.66	98,741.48	30,769.86	67,971.62
Telecommunication Costs	1,608.45	2,701.71	4,310.16	-	4,310.16
Telecommunication Costs - Lease Obligations	21,715.00	-	21,715.00	5,400.07	16,314.93
Natural Gas	28,035.95	14,377.38	42,413.33	18,519.74	23,893.59
Heating Oil	2,750.00	-	2,750.00	-	2,750.00
Fuel & Petroleum Products	155,619.81	58,176.23	213,796.04	41,142.82	172,653.22
Water	1,000.00	-	1,000.00	-	1,000.00
Landfill/Solid Waste Disposal Costs:					
Other Expenses	66,443.16	16,064.16	82,507.32	29,704.42	52,802.90
Legler Landfill - Postclosure Monitoring:					
Other Expenses	10,473.00	1,200.33	11,673.33	8,413.35	3,259.98
Uniform Construction Code:					
Construction Code Department:					
Salaries and Wages	55,710.14	-	50,210.14	8,321.48	41,888.66
Other Expenses	16,562.13	16,988.77	33,550.90	18,902.85	14,648.05
Statutory Expenditures:					
Social Security System (O.A.S.I.)	108,663.13	-	108,663.13	1,922.04	106,741.09
Defined Contribution Retirement Program	545.10	-	545.10	-	545.10
Service Contracts:					
Sewer & Water Purposes - MUA	-	300.00	300.00	300.00	-
Relocation Assistance	2,000.00	-	2,000.00	-	2,000.00
Recycling Tax	2,690.98	588.90	3,279.88	1,170.84	2,109.04
LOSAP	-	29,000.00	29,000.00	29,000.00	-
Matching Funds for Grants	15,576.50	-	15,576.50	-	15,576.50
Judgements	3,123.11	-	3,123.11	-	3,123.11
Total General Appropriations	\$ 2,041,225.05	\$ 984,271.34	\$ 3,025,496.39	\$ 1,156,613.03	\$ 1,868,883.36
Cash Disbursements				\$ 1,045,325.17	
Accounts Payable					111,287.86
Total				\$ 1,156,613.03	

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 296,001.69
Increased by:	
Appropriation Reserves Charged	<u>111,287.86</u>
	407,289.55
Decreased by:	
Cash Disbursed	\$ 44,748.70
Cancelled	<u>92,212.07</u>
	<u>136,960.77</u>
Balance December 31, 2016	<u><u>\$ 270,328.78</u></u>

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 984,271.34
Increased by:	
2016 Budget Appropriations	<u>743,169.93</u>
Subtotal	1,727,441.27
Decreased by:	
Transfer to Appropriation Reserves	<u>984,271.34</u>
Balance December 31, 2016	<u><u>\$ 743,169.93</u></u>

EXHIBIT A-13

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 793,410.69
Increased by:	
2016 Tax Collections on 2017 Taxes	\$ 745,206.14
Overpayments Transferred to 2017 Taxes	<u>74,809.78</u>
	1,613,426.61
Decreased by:	
Applied to 2016 Taxes Receivable	<u>793,410.69</u>
Balance December 31, 2016	<u><u>\$ 820,015.92</u></u>

EXHIBIT A-14

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 163,340.21
Increased by:	
Overpayments Created	<u>814,894.91</u>
	978,235.12
Decreased by:	
Overpayments Applied	\$ 567,117.71
Overpayments Transferred to Prepaid Taxes	74,809.78
Cash Refunds	<u>206,314.77</u>
	848,242.26
Balance December 31, 2016	<u><u>\$ 129,992.86</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 92,778.70
Increased by:	
County Tax	\$ 23,668,963.62
County Library Tax	2,548,164.53
County Health Tax	918,820.02
County Open Space Preservation Tax	804,322.84
Due County for Added & Omitted Taxes	<u>154,601.76</u>
	<u>28,094,872.77</u>
Decreased by:	
Payments	<u>28,187,651.47</u>
	<u>28,033,049.72</u>
Balance December 31, 2016	<u>\$ 154,601.75</u>

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
Levy - Calendar Year 2016	<u>86,357,614.00</u>
Decreased by:	
Disbursed	<u>86,357,614.00</u>
Balance December 31, 2016	<u>\$ -</u>

EXHIBIT A-17

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
Fire Districts Levy:	
Cassville Fire District #2	\$ 1,479,875.00
Hulses Corner Fire District #3	2,830,580.00
Jackson Mills Fire District #4	<u>1,529,174.00</u>
	<u>5,839,629.00</u>
Decreased by:	
Disbursed	<u>5,839,629.00</u>
Balance December 31, 2016	<u>\$ -</u>

EXHIBIT A-18

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - CONSTRUCTION FEES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 25,678.00
Increased by:	
Collections	<u>79,489.00</u>
	105,167.00
Decreased by:	
Disbursed	<u>89,653.00</u>
Balance December 31, 2016	<u>\$ 15,514.00</u>

EXHIBIT A-19

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 1,275.00
Increased by:	
Collections	<u>6,185.00</u>
	7,460.00
Decreased by:	
Disbursed	<u>6,385.00</u>
Balance December 31, 2016	<u>\$ 1,075.00</u>

EXHIBIT A-20

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	\$ <u>5,743.40</u>
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EXHIBIT A-21

**SCHEDULE OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
Open Space Tax	\$ 1,337,424.55
Added & Omitted Taxes	<u>7,419.75</u>
	<u>1,344,844.30</u>
Decreased by:	1,344,844.30
Cash Disbursed	<u>1,344,844.30</u>
Balance December 31, 2016	<u>\$ -</u>

EXHIBIT A-22

**SCHEDULE OF RESERVE FOR GARDEN STATE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	\$ <u>0.95</u>
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EXHIBIT A-23

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR STATE BOARD OF TAXATION APPEALS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	\$ <u>313,782.95</u>
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EXHIBIT A-24

**SCHEDULE OF RESERVE FOR MASTER PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 24,086.23
Decreased by:	
Disbursements	<u>75.00</u>
Balance December 31, 2016	<u>\$ 24,011.23</u>

EXHIBIT A-25

**SCHEDULE OF RESERVE FOR SKATE PARK
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	\$ <u>2,118.00</u>
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EXHIBIT A-26

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR COAH STATE PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	\$ <u>915,250.00</u>
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EXHIBIT A-27

**SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 180,862.12
Decreased by:	
Anticipated in Current Year Budget	<u>136,250.00</u>
Balance December 31, 2016	<u>\$ 44,612.12</u>

EXHIBIT A-28

**SCHEDULE OF RESERVE FOR HURRICANE SANDY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 53,663.16
Decreased by:	
Cancellation to Surplus	<u>53,663.16</u>
Balance December 31, 2016	<u>\$ -</u>

EXHIBIT A-29

**TOWNSHIP OF JACKSON
CURRENT FUND**
SCHEDEULE OF RESERVE FOR SCIBAL REIMBURSEMENTS - HURRICANE SANDY - DPW
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015	\$ 25,234.86
Decreased by:	
Cash Disbursements	<u>25,234.86</u>

Balance December 31, 2016	<u><u>\$ -</u></u>
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EXHIBIT A-30

SCHEDEULE OF RESERVE FOR SCIBAL REIMBURSEMENTS - HURRICANE SANDY - POLICE
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015	\$ 30,249.00
Decreased by:	
Cash Disbursements	<u>30,249.00</u>

Balance December 31, 2016	<u><u>\$ -</u></u>
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EXHIBIT A-31

SCHEDEULE OF RESERVE FOR POLICE CARS
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015	\$ 129,296.93
Increased by:	
Cash Receipts	<u>52,194.00</u>
	181,490.93
Decreased by:	
Cash Disbursements	<u>98,284.48</u>
Balance December 31, 2016	<u><u>\$ 83,206.45</u></u>

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF INTERFUNDS - OTHER FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	FEDERAL & STATE GRANT FUND	TRUST OTHER	TOTAL
Balance December 31, 2015 (Interfunds Payable)	<u>\$ (363,489.62)</u>	<u>\$ (1,308.38)</u>	<u>\$ (364,798.00)</u>
Subtotal	<u>(363,489.62)</u>	<u>(1,308.38)</u>	<u>(364,798.00)</u>
Increased by:			
Anticipated Revenue	359,878.25	-	359,878.25
Cash Disbursements	300,146.99	546,858.34	847,005.33
Cancellation of Appropriation Reserves	<u>42,306.38</u>	<u>-</u>	<u>42,306.38</u>
Subtotal	<u>702,331.62</u>	<u>546,858.34</u>	<u>1,249,189.96</u>
Decreased by:			
Cash Collections:			
Grants Receivable	624,006.85	-	624,006.85
Unappropriated Funds	33,357.97	-	33,357.97
Interfunds Liquidated	-	547,565.03	547,565.03
Grant Appropriations	368,159.25	-	368,159.25
Cancellation of Grant Receivables	<u>33,974.00</u>	<u>-</u>	<u>33,974.00</u>
Subtotal	<u>1,059,498.07</u>	<u>547,565.03</u>	<u>1,607,063.10</u>
Balance December 31, 2016 (Interfunds Payable)	<u>\$ (720,656.07)</u>	<u>\$ (2,015.07)</u>	<u>\$ (722,671.14)</u>
Due From Developers Escrow	\$ 537.93		
Due to General Trust	(2,148.00)		
Due To Parks & Recreation	<u>(405.00)</u>		
Total	<u>\$ (2,015.07)</u>		

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2016

DATE AUTHORIZED	PURPOSE	1/5 OF			REDUCED IN 2016 BUDGET	BALANCE DECEMBER 31, 2016
		NET AMOUNT	AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2014		
2011	Codification of Ordinances (N.J.S. 40A:4-53)	\$ 20,130.00	\$ 4,026.00	\$ 4,026.00	\$ 4,026.00	\$ -
	Total			\$ 4,026.00	\$ 4,026.00	\$ -

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR ROAD IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 113,662.00
Decreased by:	
Disbursed by Current Fund:	
Cash Disbursement	<u>113,662.00</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015	\$ 363,489.62
Increased by:	
Deposited in Current Fund:	
Unappropriated Reserves	\$ 33,357.97
Grants Receivable	624,006.85
Cancellation of Grants Receivable	33,974.00
2016 Budget Appropriations	<u>368,159.25</u>
	<u>1,059,498.07</u>
	1,422,987.69
Decreased by:	
Disbursed by Current Fund:	
Appropriated Reserves	300,146.99
Cancellation of Appropriated Reserves	42,306.38
2016 Anticipated Revenue	<u>359,878.25</u>
	<u>702,331.62</u>
Balance December 31, 2016	<u><u>\$ 720,656.07</u></u>

TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	2016 ANTICIPATED REVENUE	CASH RECEIVED	TRANSFER FROM UNAPPROPRIATED RESERVE	CANCELLED	BALANCE DECEMBER 31, 2016
State Grants:						
Municipal Alliance Alcohol & Drug Alliance - 2015	\$ 33,124.00	\$ -	\$ 15,000.00	\$ -	\$ 33,124.00	\$ -
NJ Handicapped Recreational Opportunities - 2015	15,000.00	- -	15,000.00	- -	- -	- -
Safe & Secure Neighborhood - 2015	15,602.91	- -	15,602.91	- -	- -	- -
OC Cultural & Heritage Comm - 2015	250.00	- -	250.00	- -	- -	- -
NJ-DOT Municipal Aid-Wright Debow '14	328,967.00	- -	246,725.25	- -	- -	82,241.75
NJ-DOT Municipal Aid-Brewers Bridge	81,250.00	- -	81,250.00	- -	- -	- -
Safe & Secure Neighborhood - 2016	- -	28,805.00	- -	- -	- -	28,805.00
Municipal Alliance Alcohol & Drug Alliance - 2016	- -	33,124.00	- -	- -	- -	33,124.00
966 Emergency Grant - 2016	- -	25,053.35	16,580.00	- -	- -	8,473.35
Clean Communities - 2016	- -	131,181.92	131,181.92	- -	- -	- -
Recycling Tomnage - 2016	- -	76,648.12	76,648.12	- -	- -	- -
Alcohol Education and Rehabilitation Fund - 2016	- -	2,534.13	2,534.13	- -	- -	- -
Body Armor Replacement Grant - 2016	- -	7,319.73	7,319.73	- -	- -	- -
Total State	474,193.91	304,666.25	583,238.20	9,853.86	33,124.00	152,644.10
Federal Grants:						
Cops in Shops Fall Initiative - 2016	- -	5,600.00	2,800.00	- -	- -	2,800.00
Cops in Shops Summer/Shore Initiative - 2016	- -	3,000.00	3,000.00	- -	- -	- -
Click It or Ticket - 2016	- -	5,000.00	5,000.00	- -	- -	- -
Drive Sober or Get Pulled Over - 2015	5,000.00	- -	4,400.00	- -	600.00	- -
Drive Sober or Get Pulled Over - 2016	- -	10,000.00	4,750.00	- -	250.00	5,000.00
Federal Bureau of Justice - Bulletproof Vest	1,400.65	- -	1,400.65	- -	- -	- -
Federal Bureau of Justice - Bulletproof Vest - 2016	- -	11,760.00	- -	- -	- -	11,760.00
FEMA Hazard Mitigation - Townhall Generator	78,529.00	- -	18,552.00	18,552.00	- -	78,529.00
OC Office of Senior Services - Information Assistance Grant	- -	- -	- -	- -	- -	- -
Total Federal	84,929.65	53,912.00	39,902.65	- -	850.00	98,089.00
Local Grants:						
ANJEC - Open Space Stewardship 2016	- -	1,300.00	866.00	- -	- -	434.00
Total	\$ 559,123.56	\$ 359,878.25	\$ 624,006.85	\$ 9,853.86	\$ 33,974.00	\$ 251,167.10

TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	TRANSFERRED FROM 2016 BUDGET	PRIOR YEAR ENCUMBRANCES	EXPENDED	ENCUMBRANCES	RESERVE FOR ENCUMBRANCES	REFUND	CANCELLED	BALANCE DECEMBER 31, 2016
State Grants:									
Handicapped Recreation Opportunities - 2015	\$ 14,397.31	\$ -	\$ 666.92	\$ 15,064.23	\$ -	\$ -	\$ -	\$ -	\$ -
Recycling Tonnage Grant - 2009	34,748.21	-	-	-	-	-	-	-	34,748.21
Recycling Tonnage Grant - 2010	44,674.71	-	-	-	-	-	-	-	44,674.71
Recycling Tonnage Grant - 2011	66,707.04	-	-	-	-	-	-	-	66,707.04
Recycling Tonnage Grant - 2012	49,031.10	-	-	-	-	-	-	-	49,031.10
Recycling Tonnage Grant - 2013	2,168.87	-	-	-	-	-	-	-	2,168.87
Recycling Tonnage Grant - 2014	34,388.18	-	-	4,000.00	-	-	-	-	30,388.18
Recycling Tonnage Grant - 2015	100,249.26	-	-	-	-	-	-	-	100,249.26
Body Armor Replacement Grant - 2012	-	-	2,206.51	2,206.51	884.75	-	-	-	-
Body Armor Replacement Grant - 2013	21.75	-	3,296.84	2,433.84	9,404.88	-	-	-	-
Body Armor Replacement Grant - 2014	9,404.88	-	-	-	5,438.32	-	-	-	-
Body Armor Replacement Grant - 2015	7,332.46	-	-	1,726.00	-	-	-	-	168.14
Drunk Driving Enforcement Fund -2013	1,214.06	-	-	1,214.06	-	-	-	-	-
Drunk Driving Enforcement Fund -2014	8,386.50	-	-	3,426.34	-	-	-	-	4,960.16
Drunk Driving Enforcement Fund -2015	9,787.09	-	-	-	-	57.25	-	-	9,844.34
Alcohol Education & Rehabilitation - 2009	350.18	-	-	-	350.18	-	-	-	-
Alcohol Education & Rehabilitation - 2010	3,093.89	-	-	-	3,093.89	-	-	-	-
Alcohol Education & Rehabilitation - 2012	1,495.94	-	-	-	1,495.94	-	-	-	-
Alcohol Education & Rehabilitation - 2013	4,850.00	-	2,534.13	-	259.99	500.00	-	-	4,090.01
Alcohol Education & Rehabilitation - 2016	-	-	-	-	-	-	-	-	2,534.13
Municipal Alliance - 2015/2016	41,405.00	-	-	-	-	-	-	41,405.00	-
Safe & Secure Communities Program 2015	8,401.66	-	-	8,401.66	-	-	-	-	-
Clean Communities Program - 2012	21.87	-	-	21.87	-	-	-	-	-
Clean Communities Program - 2013	63.80	-	533.00	616.80	-	-	-	-	-
Clean Communities Program - 2014	118.85	-	3,103.80	2,947.63	260.00	-	-	-	15.02
Clean Communities Program - 2015	112,249.11	-	-	86,756.53	1,711.04	-	-	-	23,781.54
Green Communities-2013	2,269.48	-	-	-	-	-	-	-	2,269.48
Recycling Mini Grant	2,906.35	-	-	-	-	-	-	-	2,906.35
Stormwater Management	371.60	-	-	-	-	-	-	-	371.60
Going Green Sustainable/Small Cities 2012	1,000.00	-	-	-	-	-	-	-	1,000.00
NJ-DOT Municipal Aid-Wright Debow '14	328,967.00	-	76,648.12	-	-	-	-	-	328,967.00
Recycling Tonnage Grant - 2016	-	25,053.35	-	-	-	-	-	-	76,648.12
966 Emergency Management Grant - 2016	-	-	7,319.73	-	4,519.05	-	-	-	-
State Body Armor Grant - 2016	-	-	33,124.00	-	-	-	-	-	33,124.00
Municipal Alliance - 2016/2017	-	-	28,805.00	-	13,202.09	-	-	-	15,602.91
Safe and Secure Neighborhood - 2016	-	-	-	93,571.65	7,680.00	-	-	-	29,930.27
Clean Communities - 2016	-	131,181.92	-	-	-	-	-	-	-
Total State Grants	890,076.15	304,666.25	9,827.07	257,369.21	38,871.39	57.25	41,405.00	866,981.12	

TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	TRANSFERRED FROM 2016 BUDGET	PRIOR YEAR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	REFUND	CANCELLED	BALANCE DECEMBER 31, 2016
Federal Grants:								
Ocean County Office of Senior Services -								
Information Systems Grant 2015	1.38	-	18,552.00	-	18,551.94	-	-	1.38
Information Systems Grant 2016	-							0.06
FEMA Hazard Mitigation Grant -	6,454.07	-	-	-	-	-	-	6,454.07
Townhall Generator	-	-	-	1,400.65	1,400.65	-	-	-
Federal Bureau of Justice -	-	-	11,760.00	-	11,760.00	-	-	-
Bulleproof Vest Partnership	-	-	5,000.00	-	5,000.00	-	-	-
Bulleproof Vest Partnership - 2016	-	-	5,600.00	-	2,800.00	-	-	-
Click It or Ticket - 2016	-	-	3,000.00	-	3,000.00	-	-	-
Cops in Shops Fall Initiative - 2016	-	-	-	4,400.00	-	-	-	2,800.00
Cops in Shops Summer/Shore Initiative - 2016	-	-	-	7,500.00	-	-	-	-
Drive Sober Y/E Crackdown - 2015	5,000.00	-	10,000.00	-	-	-	-	600.00
Drive Sober or Get Pulled Over - 2016	-	-	-	-	-	-	-	300.00
Total Federal Grants	11,455.45	53,912.00	1,400.65	42,652.59	11,760.00	-	901.38	11,454.13
Local Grants:								
ANJEC - Open Space Stewardship 2016	-	1,300.00	-	182.44	-	-	-	1,117.56
Municipal Alliance - 2016/2017 - Local Match	-	8,281.00	-	-	-	-	-	8,281.00
Totals	\$ 901,531.60	\$ 368,159.25	\$ 11,227.72	\$ 300,204.24	\$ 50,631.39	\$ 57.25	\$ 42,306.38	\$ 887,833.81

TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	RECEIVED 2016	ANTICIPATED AS REVENUE	BALANCE DECEMBER 31, 2016
State Grants:				
Alcohol Education & Rehabilitation	\$ 2,534.13	\$ 3,142.43	\$ 2,534.13	\$ 3,142.43
NJ Body Armor	7,319.73	7,798.07	7,319.73	7,798.07
Drunk Driving Enforcement Fund	-	22,417.47	-	22,417.47
Total	\$ 9,853.86	\$ 33,357.97	\$ 9,853.86	\$ 33,357.97

SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015	\$ 11,227.72
Increased by:	
Charged to Appropriation Reserves	<u>50,631.39</u>
Decreased by:	
Applied to Appropriated Reserves	<u>11,227.72</u>
Balance December 31, 2016	<u>\$ 50,631.39</u>

TRUST FUND

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**TOWNSHIP OF JACKSON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	ANIMAL CONTROL TRUST FUND	OPEN SPACE TRUST FUND	TRUST OTHER FUND
Balance December 31, 2015	\$ 124,254.04	\$ 3,101,776.72	\$ 11,203,743.10
Increased by Receipts:			
Reserve for Animal Control Trust Fund	\$ 57,604.82	\$ -	\$ 546,858.34
Expenditures	- -	- -	6,302,288.58
Interfund Due Current	- -	- -	235,552.25
Various Reserves	- -	- -	- -
Due from Ocean County Community Development Block Grant	- -	1,357,051.00	- -
Reserve for Open Space	- -	- -	- -
Due to State of New Jersey	7,083.00	- -	- -
Total Receipts	<u>64,687.82</u>	<u>1,357,051.00</u>	<u>7,084,699.17</u>
	<u>188,941.86</u>	<u>4,458,827.72</u>	<u>18,288,442.27</u>
Decreased by Disbursements:			
Due to State of New Jersey	7,095.00	- -	- -
Animal Control Trust Fund Expenditures (R.S.4:19015.11)	54,896.50	- -	547,565.03
Interfund - Current Fund	- -	- -	194,678.63
Community Development Block Grant	- -	- -	5,679,408.24
Various Reserves	- -	867,029.25	- -
Reserve for Open Space	- -	- -	- -
Total Disbursements	<u>61,991.50</u>	<u>867,029.25</u>	<u>6,421,651.90</u>
Balance December 31, 2016	<u><u>\$ 126,950.36</u></u>	<u><u>\$ 3,591,798.47</u></u>	<u><u>\$ 11,866,790.37</u></u>

EXHIBIT B-2

**TOWNSHIP OF JACKSON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 19.20
Increased by:	
Cash Receipts	<u>7,083.00</u>
Subtotal	7,102.20
Decreased by:	
Cash Disbursements	<u>7,095.00</u>
Balance December 31, 2016	<u><u>\$ 7.20</u></u>

EXHIBIT B-3

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 124,234.84
Increased by:	
2016 Dog License Fees Collected	<u>57,604.82</u>
Subtotal	181,839.66
Decreased by:	
Expenditures Under R.S.4:19-15:11 - Cash	<u>54,896.50</u>
Balance December 31, 2016	<u><u>\$ 126,943.16</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2015	\$ 57,519.00
2014	<u>76,603.00</u>
Total	<u><u>\$ 134,122.00</u></u>

EXHIBIT B-4

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ (1,308.38)
Increased by:	
Cash Receipts	<u>546,858.34</u>
	545,549.96
Decreased by:	
Cash Disbursements	<u>547,565.03</u>
Balance December 31, 2016	<u><u>\$ (2,015.07)</u></u>

EXHIBIT B-5

**SCHEDULE OF DUE FROM COUNTY OF OCEAN COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 380,207.28
Increased by:	
Grant Awards 2016	<u>136,000.00</u>
	516,207.28
Decreased by:	
Cash Receipts	<u>235,552.25</u>
Balance December 31, 2016	<u><u>\$ 280,655.03</u></u>

Analysis of Balance, December 31, 2016

CT-1512-13	\$ 5,271.75
CT-1512-15	139,383.28
CT-1512-16	<u>136,000.00</u>
	<u><u>\$ 280,655.03</u></u>

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF RESERVE FOR COMMUNITY
DEVELOPMENT BLOCK GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 339,333.66
Increased by:	
Community Development Block Grants	<u>136,000.00</u>
	475,333.66
Decreased by:	
Cash Disbursed	<u>194,678.63</u>
Balance December 31, 2016	<u>\$ 280,655.03</u>

**TOWNSHIP OF JACKSON
TRUST OTHER FUND**
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2015	INCREASES	DECREASES	BALANCE DECEMBER 31, 2016
Reserve for:				
Municipal Alliance	\$ 1,419.27	\$ 20.00	\$ 20.00	\$ 1,419.27
Developer Escrow	4,718,143.51	1,360,451.20	1,621,255.21	4,457,339.50
Recreation Trust	249,564.19	612,606.03	602,476.22	259,694.00
Handicapped Commission	18,564.39	6,023.79	8,897.72	15,690.46
Tax Title Liens Premiums/ Redemptions	1,714,849.18	2,639,529.40	2,344,689.94	2,009,688.64
Unemployment Trust	263,018.81	24,993.22	28,445.81	259,566.22
Parking Offense Adjudication Act	2,188.00	120.00	-	2,308.00
Recycling Trust	447,730.37	66,014.51	111,595.53	402,149.35
Harmony Trust	474.00	-	-	474.00
Special Law Enforcement Fund	88,415.79	20,730.84	4,144.78	105,001.85
Public Defender Fees	24,990.26	23,938.50	25,800.00	23,128.76
Tree Escrow	608,120.09	9,795.00	56,877.94	561,037.15
Sick Leave Trust Fund	298,171.95	100,000.00	118,389.24	279,782.71
Off Duty Police	138,648.69	563,240.00	582,427.50	119,461.19
Youth Advisory	71.87	-	-	71.87
Management of Feral Cats	47.44	-	-	47.44
Snow Removal	303,663.55	577,223.64	44,809.84	836,077.35
C.O.A.H.	1,757,308.36	231,592.01	42,012.47	1,946,887.90
Clean Communities Donation	2,698.99	-	2,692.07	6.92
Developers Contribution Curbs & Sidewalks	128,239.80	64,245.00	-	192,484.80
Detention Basin	479,432.39	1,764.77	84,873.97	396,323.19
Section 125 Flex Spending	164.20	0.67	-	164.87
Total	\$ 11,245,925.10	\$ 6,302,288.58	\$ 5,679,408.24	\$ 11,868,805.44

**TOWNSHIP OF JACKSON
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 3,101,776.72
Increased by:	
Open Space Tax levy	\$ 1,337,424.55
Open Space Added/Omitted Levy	7,419.75
Interest Earned	<u>12,206.70</u>
	<u>1,357,051.00</u>
Subtotal	4,458,827.72
Decreased by:	
Payment of Bond Principal	640,000.00
Interest on Bonds	135,351.94
Purchases	<u>91,677.31</u>
	<u>867,029.25</u>
Balance December 31, 2016	<u><u>\$ 3,591,798.47</u></u>

EXHIBIT B-9

**TOWNSHIP OF JACKSON
LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP") (Unaudited)
SCHEDULE OF FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 115,452.61
Increased by:	
Appreciation	<u>6,939.57</u>
	122,392.18
Decreased by:	
Account Fees	\$ 500.00
Participant Withdrawals	<u>9,625.70</u>
	10,125.70
Balance December 31, 2016	<u>\$ 112,266.48</u>

EXHIBIT B-10

**SCHEDULE OF RESERVE FOR LOSAP (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 115,452.61
Increased by:	
Appreciation	<u>6,939.57</u>
	122,392.18
Decreased by:	
Account Fees	\$ 500.00
Participant Withdrawals	<u>9,625.70</u>
	10,125.70
Balance December 31, 2016	<u>\$ 112,266.48</u>

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GENERAL CAPITAL FUND

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**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 6,770,627.13
Increased by:	
Bond Anticipation Notes	\$ 5,858,326.00
General Obligation Bonds Issued	5,858,000.00
Premium on Bonds Issued	99,586.00
Receipts on Grants Receivable	199,715.00
Reserve for Debt Service - Other	18,572.00
Reserve for Issuance Costs - Refunding Bonds 2016	67,226.99
Capital Improvement Fund	<u>110,000.00</u>
	<u>12,211,425.99</u>
	18,982,053.12
Decreased by:	
Bond Anticipation Notes	3,971,393.00
Reserve for Debt Service - Other	100,000.00
Reserve for Issuance Costs - Refunding Bonds 2016	52,850.00
Improvement Authorizations	<u>3,079,273.24</u>
	<u>7,203,516.24</u>
Balance December 31, 2016	<u>\$ 11,778,536.88</u>

TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

	BALANCE DECEMBER 31, 2016
Capital Improvement Fund	\$ 600.08
Reserve for Encumbrances	1,425,306.39
Capital Fund Balance	114,061.99
Reserve for Debt Service - Open Space Bonds	1,853,770.57
Reserve for Building Department Facilities	10,589.48
Reserve for Debt Service - Other	43,135.22
Reserve for NJEIT Loan Advance	199,715.00
Reserve to Pay Notes	5,858,000.00
MUA Shared Services Agreement Receivable	(395.00)
Improvement Authorizations:	
Ordinance Number:	DESCRIPTION
27-04(ii)	Various Improvements to Justice Complex
09-07(i)	Municipal Park Facilities (Recreation Fields)
09-07(iii)	Construction of Public Works Storage Building
09-07(iv)/28-07	Acquisition of Security, Telecommunications & GPS Equipment
29-08(ii)	Telephone/Data System Upgrade
19-09(ii)	Public Water Service Installation
19-09(iii)	Acquisition of Office Equipment
19-09(iv)	Implementation of Recycling Center
19-09(vi)	Acquisition of Equipment for Public Works
19-09(vii)	Acquisition of Passenger Bus for Senior Center
25-10	Municipal Capital Improvements
25-10	Township Recycling Center
25-10	Technology Upgrades
25-10	Police Department Equipment
25-10	Public Works Equipment
403R-10	DOT Municipal Aid 2011 - Patterson Road
03-12	DPW Equipment
03-12	Ambulance
03-12	Non-Passenger Vehicles
18-13(i)	Acquisition of DPW Equipment
18-13(iii)	Record Retention/Microfilming
18-13(vi)	Various Road/Drainage and Sidewalk Improvements
20-14(i)	Acquisition of DPW Equipment
20-14(ii)	Various Road/Drainage and Sidewalk Improvements
20-14(iii)	Acquisition of Senior Center Bus
20-14(iv)	Acquisition of UCC non-passenger Vehicles
20-14	Section 20 Costs
21-15	DPW Equipment/Road Repair
21-15	Roads/Sidewalks/Drainage
21-15	Police Equipment
21-15	Various Park Improvements
21-15	Various Building Improvements
21-15	Municipal Court Equipment
21-15	Section 20 Costs
23-15	JetVac and Sweeper
17-16	DPW Equipment/Gas Boy - Cap Project
17-16	Misc. Public Works Projects/Repairs
17-16	Justice Complex
17-16	Police CAD/Vehicles
17-16	Roads/Sidewalks/Drainage
17-16	Section 20 Costs
Total	<u>\$ 11,778,536.88</u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND**
SCHEDULE OF DUE FROM JACKSON MUA FOR SHARED SERVICES AGREEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2016 & 2015	<u>\$ 395.00</u>
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SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015	\$ 20,876,000.00
Increased by:	
Bonds Issued in the Current Year	<u>12,958,000.00</u>
Subtotal	33,834,000.00
Decreased by:	
Budget Appropriation to Pay Bonds	\$ 3,185,000.00
Paid by Open Space Trust Fund	640,000.00
General Obligation Bonds Refunded	<u>6,931,000.00</u> <u>10,756,000.00</u>
Balance December 31, 2016	<u><u>\$ 23,078,000.00</u></u>

TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT OF ISSUE	ORIGINAL DATE OF ISSUE	OUTSTANDING DECEMBER 31, 2016		INTEREST RATE	BALANCE DECEMBER 31, 2015	ISSUED	PAID	REFUNDED	BALANCE DECEMBER 31, 2016
			PAYOUT DATE	AMOUNT						
Open Space Bonds	\$ 5,918,000.00	12/01/2003	12/01/2017	\$ 500,000.00	4.00%	\$ 1,500,000.00	\$ -	\$ 500,000.00	\$ -	\$ 1,000,000.00
General Improvements	16,102,000.00	12/01/2008	12/01/2017	2,025,000.00	3.75%	10,302,000.00	\$ -	2,025,000.00	4,1167,000.00	4,110,000.00
Open Space Bonds	3,739,000.00	12/01/2008	12/01/2017	125,000.00	3.75%	3,119,000.00	\$ -	100,000.00	2,764,000.00	255,000.00
Refunding Bonds	8,010,000.00	4/30/2009	N/A	N/A	N/A	770,000.00	\$ -	770,000.00	\$ -	\$ -
General Obligation - Series 2014	5,485,000.00	7/23/2014	6/1/2017	500,000.00	3.00%	5,185,000.00	\$ -	350,000.00	\$ -	4,835,000.00
			6/1/2018	500,000.00	3.00%					
			6/1/2019	500,000.00	3.00%					
			6/1/2020	500,000.00	2.00%					
			6/1/2021	515,000.00	2.00%					
			6/1/2022	520,000.00	2.00%					
			6/1/2023	600,000.00	2.125%					
			6/1/2024	600,000.00	2.25%					
			6/1/2025	600,000.00	2.375%					
Refunding Bonds - General - Series 2016	4,210,000.00	2/2/2016	12/1/2017	5,000.00	2.00%			4,210,000.00	40,000.00	4,170,000.00
			12/1/2018	5,000.00	2.00%					
			12/1/2019	2,040,000.00	3.00%					
			12/1/2020	2,120,000.00	4.00%					
Refunding Bonds - Open Space - Series 2016	2,890,000.00	2/2/2016	12/1/2017	20,000.00	2.00%			2,890,000.00	40,000.00	2,850,000.00
			12/1/2018	20,000.00	2.00%					
			12/1/2019	245,000.00	3.00%					
			12/1/2020	250,000.00	4.00%					
			12/1/2021	260,000.00	2.50%					
			12/1/2022	270,000.00	2.50%					
			12/1/2023	280,000.00	2.50%					
			12/1/2024	285,000.00	2.75%					
			12/1/2025	295,000.00	2.75%					
			12/1/2026	300,000.00	3.00%					
			12/1/2027	310,000.00	3.00%					
			12/1/2028	315,000.00	3.00%					

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND**
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015		2016		RECLASS PRIOR YEAR ENCUMBRANCES	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2016	
		FUNDED	UNFUNDED	AUTHORIZATIONS	ENCUMBRANCES				FUNDED	UNFUNDED
13-03	Improvements to Recreational Facilities	\$ 50,143.56	\$ -	\$ -	\$ -	\$ 2,401.92	\$ 2,401.92	\$ -	\$ 18,913.87	\$ -
27-04(ii)	Various Improvements to the Justice Complex	-	-	-	-	21,760.48	52,840.47	1,172.90	-	-
09-07(i)	Municipal Park Facilities (Recreation Fields)	-	-	-	-	-	-	-	-	1,637.08
09-07(iii)	Construction of Public Works Storage Building	1,637.08	-	-	-	-	-	-	-	32,649.43
28-07A	Telecommunications & GPS Equipment	32,649.43	-	-	-	-	-	-	-	19,906.24
09-07(vi)	Improvements to Library & Municipal Facilities	19,906.24	-	-	-	-	-	-	-	63,120.62
29-08(ii)	Telephone/Data System Upgrade	100,036.32	-	-	-	35,282.94	-	-	1,632.76	15,408.83
29-08(iv)	Hydraulic System Transfer Station	15,055.51	-	-	-	132,413.32	132,060.00	-	-	-
19-09(ii)	Public Water Service Installation	81,039.70	-	-	-	-	-	-	81,039.70	-
19-09(iii)	Acquisition of Office Equipment	22,430.38	-	-	-	-	-	-	4,677.07	-
19-09(iv)	Implementation of Recycling Center	32,309.71	-	-	-	-	-	-	7,718.54	-
19-09(v)	Acquisition of Equipment for Police Department	8,028.08	-	-	-	-	8,028.08	-	-	-
10-09(vi)	Acquisition of Equipment for Public Works	25,728.71	-	-	-	-	-	-	-	25,728.71
10-09(vii)	Acquisition of Passenger Bus for Senior Center	4,861.73	-	-	-	-	-	-	-	4,861.73
25-10	Road & Drainage Improvements	-	-	65,656.30	65,656.30	-	-	-	-	-
25-10	Municipal Capital Improvements	198,259.73	-	-	-	28,552.79	-	-	110,120.56	59,586.38
25-10	Township Recycling Center	27,419.90	-	-	-	-	-	-	-	27,419.90
25-10	Technology Upgrades	49,005.93	-	-	-	-	-	-	-	43,910.93
25-10	Police Department Equipment	67,491.24	-	-	-	10,479.37	43,884.37	-	-	34,086.24
25-10	DPW Equipment	90,863.74	-	-	-	-	-	-	-	71,955.62
403R-10	DOT Municipal Aid 2011 - Patterson Road	4,732.20	-	-	-	147,939.19	-	101,943.03	-	4,732.20
03-12	Road Improvements	35,974.19	-	-	-	-	-	-	-	81,970.35
03-12	DPW Equipment	35,154.39	-	-	-	-	-	-	-	35,154.39
03-12	Ambulance	8,522.42	-	-	-	-	-	-	-	8,522.42
03-12	Non-Passenger Vehicles	11,263.48	-	-	-	-	-	-	-	11,263.48
18-13(i)	Acquisition of DPW Equipment	-	270,936.88	-	-	21,842.92	-	270,936.88	-	-
18-13(ii)	Acquisition of Pool Equipment	-	26.15	-	-	-	-	-	26.15	-
18-13(iii)	Record Retention/Microfinning	-	123,400.00	-	-	26,600.00	22,189.73	-	-	127,810.27
18-13(vi)	Various Road/Drainage and Sidewalk Improvements	-	-	-	-	900,000.00	900,000.00	-	-	-
18-13(vii)	Section 20 Costs	-	169,549.03	-	-	-	10,205.50	3,833.33	155,510.20	-
20-14(i)	Acquisition of DPW Equipment	-	761,702.02	-	-	-	226,443.00	382,523.85	152,635.17	-
20-14(ii)	Various Road/Drainage and Sidewalk Improvements	-	-	-	-	-	-	-	-	-
20-14(iii)	Acquisition of Senior Center Bus	-	5,257.70	-	-	-	-	-	5,317.70	-
20-14(iv)	Acquisition of UCC non-passenger Vehicles	-	3,989.58	-	-	-	-	-	3,989.58	-
20-14(v)	Various Park Improvements	-	7,455.26	-	-	-	-	-	-	-
						25,416.29	32,871.55			

TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS	RECLASS PRIOR YEAR ENCUMBRANCES	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2016	
		FUNDED	UNFUNDED					FUNDED	UNFUNDED
20-14	Section 20 Costs	-	196,595.00	-	-	10,205.50	3,833.33	182,556.17	-
21-15	DPW Equipment/Road Repair	14,260.00	283,740.00	-	-	-	228,451.96	69,548.04	-
21-15	Roads/Sidewalks/Drainage	60,375.00	939,625.00	-	-	33,352.43	-	966,647.57	-
21-15	Police Equipment	-	217,802.06	-	14,119.94	66,089.68	10,532.00	155,300.32	-
21-15	Various Park Improvements	2,817.50	46,182.50	-	-	7,434.40	-	41,565.60	-
21-15	Various Building Improvements	2,530.00	41,470.00	-	-	-	-	44,000.00	-
21-15	Municipal Court Equipment	-	38,268.06	-	13,731.94	13,970.94	-	38,029.06	-
21-15	Section 20 Costs	-	259,076.00	-	-	10,205.50	3,833.34	244,710.46	326.70
23-15	JetVac and Sweeper	-	1,075,000.00	-	-	592,700.00	-	-	482,300.00
17-16	DPW Equipment/Gas Boy - Cap Project	-	-	574,000.00	-	7,799.00	-	20,901.00	545,300.00
17-16	Misc. Public Works Projects/Repairs	-	-	-	70,000.00	-	-	3,500.00	66,500.00
17-16	Justice Complex	-	-	-	115,000.00	-	-	5,750.00	109,250.00
17-16	Police CAD/Vehicles	-	-	-	330,000.00	-	-	123,226.72	206,773.28
17-16	Roads/Sidewalks/Drainage	-	-	-	1,000,000.00	-	-	50,000.00	950,000.00
17-16	Section 20 Costs	-	-	313,350.00	-	-	-	15,667.50	297,682.50
Total		\$ 1,002,496.17	\$ 4,440,075.24	\$ 2,402,350.00	\$ 2,290,644.57	\$ 3,079,273.24	\$ 1,425,306.39	\$ 2,972,853.87	\$ 2,658,132.48

EXHIBIT C-9

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 2,290,644.57
Increased by:	
Charged to Improvement Authorizations	<u>1,425,306.39</u>
	3,715,950.96
Decreased by:	
Prior Year Encumbrance Canceled	<u>2,290,644.57</u>
Balance December 31, 2016	<u><u>\$ 1,425,306.39</u></u>

EXHIBIT C-10

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 10,717.58
Increased by:	
2015 Budget Appropriation	<u>110,000.00</u>
	120,717.58
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>120,117.50</u>
Balance December 31, 2016	<u><u>\$ 600.08</u></u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE - OPEN SPACE BONDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	\$ <u>1,853,770.57</u>
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**SCHEDULE OF RESERVE FOR DEBT SERVICE - OTHER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 120,413.22
Increased by:	
Premium from Bond Anticipation Notes & Bonds Issued	\$ 18,572.00
Transfer from Fund Balance	4,150.00
	<u>22,722.00</u>
	143,135.22
Decreased by:	
Cash Disbursements	<u>100,000.00</u>
Balance December 31, 2016	<u>\$ 43,135.22</u>

**SCHEDULE OF RESERVE FOR FIRE DAMAGE - ANNEX BUILDING
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 & 2015	\$ <u>10,589.48</u>
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**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ISSUANCE COSTS - REFUNDING BONDS 2016
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
Cash Receipts	<u>67,226.99</u>
Subtotal	67,226.99
Decreased by:	
Cancelled to Fund Balance	\$ 14,376.99
Cash Disbursements	<u>52,850.00</u>
	<u>67,226.99</u>
Balance December 31, 2016	<u>\$ -</u>

**SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
Current Year Expenditures	<u>592,700.00</u>
Subtotal	592,700.00
Decreased by:	
Cash Receipts	<u>199,715.00</u>
Balance December 31, 2016	<u>\$ 392,985.00</u>

Analysis of Balance:

Ordinance 23-15	<u>\$ 392,985.00</u>
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**SCHEDULE OF RESERVE FOR NJEIT LOAN ADVANCE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ -
Increased by:	
Current Advancement on NJEIT Loan Receivable	<u>199,715.00</u>
Balance December 31, 2016	<u>\$ 199,715.00</u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS	BANS ISSUED	CANCELLED	BALANCE DECEMBER 31, 2016
		\$	\$				
21-15	DPW Equipment/Road Repair	\$ 283,740.00	\$ 283,740.00	-	\$ 283,740.00	\$ 283,740.00	\$ -
21-15	Roads Sidewalks and Drainage Projects	939,625.00	-	-	939,625.00	-	-
21-15	Police Equipment	267,578.00	-	-	267,578.00	-	-
21-15	Various Park Improvements	46,182.00	-	-	46,182.00	-	-
21-15	Various Building Improvements	41,470.00	-	-	41,470.00	-	-
21-15	Municipal Court Equipment	49,263.00	-	-	49,263.00	-	-
21-15	Section 20 Costs	259,075.70	-	-	259,075.00	-	0.70
23-15	JetVac and Sweeper	1,075,000.00	-	-	-	-	1,075,000.00
05-15	Refunding 2008 Bond Issuance	569,000.00	-	-	569,000.00	-	-
17-16	DPW Equipment/Gas Boy - Cap Project	-	-	545,300.00	-	-	545,300.00
17-16	Misc. Public Works Projects/Repairs	-	-	66,500.00	-	-	66,500.00
17-16	Justice Complex	-	-	109,250.00	-	-	109,250.00
17-16	Police CAD/Vehicles	-	-	313,500.00	-	-	313,500.00
17-16	Roads/Sidewalks/Drainage	-	-	950,000.00	-	-	950,000.00
17-16	Section 20 Costs	-	-	297,682.50	-	-	297,682.50
Total		\$ 3,530,933.70	\$ 2,282,232.50	\$ 1,886,933.00	\$ 569,000.00	\$ 3,357,233.20	

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PUBLIC ASSISTANCE FUND

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EXHIBIT D-1

**TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 27,319.62
Increased by:	
Interest Earned	<u>109.50</u>
Balance December 31, 2016	<u>\$ 27,429.12</u>

EXHIBIT D-2

**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 27,319.62
Increased by:	
Interest Earned	<u>109.50</u>
Balance December 31, 2016	<u>\$ 27,429.12</u>

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GENERAL FIXED ASSETS

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TOWNSHIP OF JACKSON
GENERAL FIXED ASSETS GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

GENERAL FIXED ASSETS	BALANCE DECEMBER 31,		ADDITIONS	DELETIONS	BALANCE DECEMBER 31,	
	2015	2016				
Land	\$ 56,970,100.00	\$ -	\$ -	\$ -	\$ 56,970,100.00	
Building & Building Improvements	47,841,902.00	1,581,661.00		-	49,423,563.00	
Machinery & Equipment	15,465,626.00	64,174.00		709,697.00	14,820,103.00	
Total	\$ 120,277,628.00	\$ 1,645,835.00		\$ 709,697.00	\$ 121,213,766.00	

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SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited Township of Jackson's, in the County of Ocean, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of the Township of Jackson's major federal programs for the year ended December 31, 2016. The Township of Jackson's major federal 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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Jackson's major federal 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 the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, the Uniform Guidance, 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 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 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 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 programs for the year ended December 31, 2016.

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 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
May 22, 2017

TOWNSHIP OF JACKSON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S #/ FEDERAL GRANT #	PROGRAM EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
Department of Justice:				
Direct Award:				
Bulletproof Vest Partnership Grant	16.607	N/A	\$ (1,400.65)	\$ -
Total Department of Justice			<u>(1,400.65)</u>	<u>-</u>
Department of Homeland Security:				
Pass-through Program From:				
State of NJ Department of Law & Safety:				
Disaster Grants - Public Assistance Grants	97.036	FEMA-4264-PA-NJ	<u>(188,906.69)</u>	<u>-</u>
DR4264PA Severe Winter Storm & Snow Storm 1/22/16			<u>(188,906.69)</u>	<u>-</u>
Total Department of Homeland Security			<u>(188,906.69)</u>	<u>-</u>
Environmental Protection Agency:				
Pass-through Program From:				
State of NJ Department of Environmental Protection:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	S344050-02	<u>(444,525.00)</u>	<u>-</u>
Total Environmental Protection Agency			<u>(444,525.00)</u>	<u>-</u>
Department of Transportation:				
Pass-through Program From:				
State of NJ Department of Highway Traffic Safety:				
Click It or Ticket	20.616	OP-16-45-01-MC-164	<u>(5,000.00)</u>	<u>-</u>
Cops in Shops - Fall Initiative	20.616	AL-16-45-05-01	<u>(2,800.00)</u>	<u>-</u>
Cops in Shops - Summer/Shore Initiative	20.616	AL-16-45-05-02	<u>(3,000.00)</u>	<u>-</u>
Drive Sober or Get Pulled Over - 2015	20.616	AL-16-45-04-MH-63	<u>(4,400.00)</u>	<u>-</u>
Drive Sober or Get Pulled Over - 2016	20.616	AL-16-45-04-MS-69	<u>(7,500.00)</u>	<u>-</u>
Total Department of Transportation			<u>(22,700.00)</u>	<u>-</u>
Department of Health & Human Services:				
Pass-through Program From:				
County of Ocean Office of Senior Services:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services & Senior Centers:				
Information Systems Grant - 2016	93.044	15-085 IIIB	<u>(18,551.94)</u>	<u>-</u>
Total Department of Health & Human Services			<u>(18,551.94)</u>	<u>-</u>
Department of Housing & Urban Development				
Pass-through Program From:				
County of Ocean Planning Board:				
Community Development Block Grant				
Senior Center Improvements/HC Curb Cutouts - 2013	14.218	CT-1512-13	<u>(48,095.63)</u>	<u>-</u>
Parks & Rec. Facilities/Justice Complex Improvements - 2014	14.218	CT-1512-14	<u>(146,583.00)</u>	<u>-</u>
Total Department of Housing & Urban Development			<u>(194,678.63)</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ (870,762.91)</u>	<u>\$ -</u>

* See Note 3

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TOWNSHIP OF JACKSON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activity of federal financial assistance of the Township of Jackson, County of Ocean, State of New Jersey. The Township is defined in Note 1 to the Township's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule of expenditures of federal awards.

Note 2. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is 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. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal expenditures presented in the schedule of expenditures of federal awards, the Township of Jackson did not provide any federal awards to sub-recipients.

The Township of Jackson has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance, as discussed in 2 CFR 200.414.

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 statement as follows:

*FEMA Cash Receipts –	
2015 Expenditures	\$ 188,906.69
Grant Fund Expenditures	42,652.59
Trust Fund Expenditures	194,678.63
General Capital Fund	
Expenditures	<u>444,525.00</u>
 Total Federal Expenditures	 <u>\$ 870,762.91</u>

*Expenditures on the SEFA for FEMA are actual cash receipts received during 2016 for expenditures of the Township in the 2015 year. In accordance with the Federal Emergency Management Agency, expenditures for Disaster Grants are recorded only when FEMA funds have been released to the Municipality.

TOWNSHIP OF JACKSON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 4. Relationship to Federal Financial Report

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial report.

Note 5. Federal Loans Outstanding

The Township of Jackson had no loan balances outstanding as of December 31, 2016.

**TOWNSHIP OF JACKSON
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Qualified – Regulatory Basis</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Dollar threshold used to distinguish between type A programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported

Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200 (Uniform Guidance)	No

Federal CFDA Number	Name of Federal Program
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66.458	Capitalization Grants for Clean Water State Revolving Funds
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**TOWNSHIP OF JACKSON
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

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 through 5.20 of *Government Auditing Standards*.

No Current Year Findings

Section III – Federal Awards Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 Section .516(a) of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards* and USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (.511(a)(b)).

No Prior Year Findings

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**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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HOLMAN | FRENIA
ALLISON, P.C.

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The Honorable Mayor and Members
of the Township Council
Township of Jackson
County of Ocean
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, 2016, 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 \$40,000 for the period of January 1, 2016 to December 31, 2016, except by contract or agreement.

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.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

A test was conducted to determine that expenditures greater than \$6,000 for the period of January 1, 2016 to December 31, 2016, obtained solicitation of quotes. No exceptions were noted.

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 5, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“NOW, THEREFORE BE IT RESOLVED by the Mayor and Township Committee of the Township of Lacey, County of Ocean, State of New Jersey, as follows:

1. That the Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of any amount of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date, subject to any abatement or discount for the late payment of taxes as provided by law; and, if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st of the tax year, an additional penalty of 6% shall be charged against the delinquency.
2. There will be a (10) ten-day grace period for payment of quarterly tax payments made by cash, check or money order.”

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

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2016 with the governing body.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2016 included real estate taxes for 2016 and 2015.

The last tax sale was held on September 30, 2016 and was complete.

Inspection of 2016 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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
2016	155
2015	149
2014	160

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get properties back on a taxpaying basis.

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 part payment or estimate.

Deposit of Funds Paid to Local Unit

N.J.S.40A:5-15 States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our testing revealed no exceptions.

Payroll Fund

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.

Municipal Court

A separate report for 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.

Follow Up on Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year findings. There were no prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2016:

NAME	POSITION
Michael Reina	Mayor
Robert Nixon	Council President
Kenneth Bressi	Council Vice President
Barry Calogero	Councilman
Scott Martin	Councilman
Ann Updegrave	Councilwoman
Helene Schlegel	Administrator
Sharon Pinkava	Chief Financial Officer
Ann Marie Eden	Township Clerk/Search Officer
Daniel Sahin	Magistrate
Cheryl Borzek	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 Joint Insurance Fund.

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Medford, New Jersey
May 22, 2017

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