

TOWNSHIP OF JACKSON

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2017**

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**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, 2017**

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INDEPENDENT AUDITOR'S REPORT

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

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 as of December 31, 2017 and 2016, 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, 2017 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 Township'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, the financial statements are prepared by the Township of Jackson on the basis of the financial reporting provisions 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 U.S. Generally Accepted Accounting Principles” 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, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township, as of December 31, 2017 and 2016, 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, 2017 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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental schedules presented for the various funds and letter of comments and recommendations section 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 are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are 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 June 26, 2018 on our consideration of the Township'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'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 No. 498

Toms River, New Jersey
June 26, 2018

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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

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, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 26, 2018. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of financial statement findings to be significant deficiencies as Finding No. 2017-001.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of financial statement findings as Finding No. 2017-001.

Township of Jackson's Response to Findings

The Township of Jackson's response to the findings identified in our audit is described in the accompanying schedule of financial statement findings. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 No. 498

Toms River, New Jersey
June 26, 2018

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REFERENCE	2017	2016
ASSETS			
Regular Fund:			
Cash -Treasurer	A-4	\$ 19,832,132.40	\$ 13,895,865.42
Cash - Change Fund	A	1,135.00	1,135.00
Due from State of New Jersey:			
Senior Citizen & Veteran Deductions	A-5	15,297.14	13,462.89
Total Regular Fund		19,848,564.54	13,910,463.31
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	1,732,507.60	1,777,235.27
Tax Title Liens Receivable	A-7	2,995,943.38	2,737,303.00
Property Acquired for Taxes at Assessed Valuation	A-8	6,306,200.00	6,306,200.00
Revenue Accounts Receivable	A-9	37,857.26	34,883.55
Interfunds Receivable	A-29	17,599.48	537.93
Total Receivables & Other Assets With Full Reserves		11,090,107.72	10,856,159.75
Total Regular Fund, Receivables & Other Assets With Full Reserves		30,938,672.26	24,766,623.06
State & Federal Grants:			
Grants Receivable	A-31	147,049.02	251,167.10
Due from Current Fund	A-30	471,796.36	720,656.07
Total State & Federal Grants		618,845.38	971,823.17
Total Assets		\$ 31,557,517.64	\$ 25,738,446.23

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

TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

	REFERENCE	2017	2016
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-10	\$ 2,062,135.87	\$ 2,347,309.31
Reserves for Encumbrances	A-12	1,243,167.54	743,169.93
Accounts Payable	A-11	419,909.75	270,328.78
Prepaid Taxes	A-13	3,767,751.28	820,015.92
Tax Overpayments	A-14	502,605.91	129,992.86
County Taxes Payable	A-15	148,672.62	154,601.75
Due State of New Jersey - Construction Fees	A-18	12,980.00	15,514.00
Due State of New Jersey - Marriage License Fees	A-19	1,450.00	1,075.00
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	23,106.23	24,011.23
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	66,933.15	44,612.12
Reserve for Police Cars	A-28	112,113.95	83,206.45
Reserve Other	A	2,742.88	2,117.88
Interfund Payable	A-29	472,121.36	723,209.07
Total Liabilities		10,072,585.84	6,596,059.60
Reserve for Receivables & Other Assets	A	11,090,107.72	10,856,159.75
Fund Balance	A-1	9,775,978.70	7,314,403.71
Total Regular Funds		30,938,672.26	24,766,623.06
Federal & State Grants:			
Appropriated Reserves	A-32	546,184.90	887,833.81
Unappropriated Reserves	A-33	60,816.52	33,357.97
Reserves for Encumbrances	A-34	11,843.96	50,631.39
Total State & Federal Grants		618,845.38	971,823.17
Total Liabilities, Reserves & Fund Balance		\$ 31,557,517.64	\$ 25,738,446.23

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

**TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

		2017	2016
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,785,000.00	\$ 2,999,000.00
Miscellaneous Revenue Anticipated	A-2	7,108,161.00	7,578,517.45
Receipts From Delinquent Taxes	A-2	1,339,819.32	1,605,127.32
Receipts From Current Taxes	A-2	154,686,183.07	151,261,683.46
Nonbudget Revenue	A-2	1,679,640.77	694,309.91
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	2,000,360.70	1,868,883.36
Cancelled Accounts Payable	A-11	8,193.13	92,212.07
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	33,331.38	42,306.38
Cancellation of Reserve for Hurricane Sandy	A-28	-	53,663.16
Total Revenue & Other Income Realized		169,640,939.37	166,196,180.13
Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	A-3	18,694,113.11	18,300,855.57
Other Expenses	A-3	12,044,354.42	11,808,511.85
Deferred Charges & Statutory Expenditures Within "CAPS"	A-3	4,677,830.64	4,566,730.69
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	368,212.50	357,400.45
Other Expenses	A-3	349,430.59	437,532.75
Capital Improvements - Excluded from "CAPS":	A-3	110,000.00	110,000.00
Municipal Debt Service Excluded From "CAPS"	A-3	3,763,135.55	3,759,415.55
Deferred Charges - Municipal - Excluded From "CAPS"	A-3	326.70	4,026.00
Judgements	A-3	-	105,000.00
Local District School Taxes	A-16	87,640,356.00	86,357,614.00
Fire District Taxes	A-17	6,160,152.00	5,839,629.00
County Taxes	A-15	29,046,948.97	27,940,271.01
Amount Due County for Added & Omitted Taxes	A-15	148,672.63	154,601.76
Municipal Open Space Taxes	A-21	1,352,748.88	1,344,844.30
Prior Year Interfunds Advanced	A-1	1,999.88	-
Prior Year Senior Citizen Deductions Disallowed	A-5	10,032.19	9,786.31
Refund of Prior Year Revenue	A-4	-	83.69
Cancellation of Grant Receivable	A-32	26,050.32	33,974.00
Total Expenditures		164,394,364.38	161,130,276.93
Statutory Excess to Fund Balance		5,246,574.99	5,065,903.20
Fund Balance January 1	A	7,314,403.71	5,247,500.51
Total		12,560,978.70	10,313,403.71
Decreased by: Utilized as Revenue	A-2	2,785,000.00	2,999,000.00
Balance December 31	A	\$ 9,775,978.70	\$ 7,314,403.71

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, 2017

	ANTICIPATED BUDGET	ADDED PER N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 2,785,000.00	\$ -	\$ 2,785,000.00	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	37,050.00	-	37,050.00	-
Other	32,000.00	-	31,406.00	(594.00)
Fees & Permits	150,000.00	-	269,035.10	119,035.10
Fines & Costs:				
Municipal Court	470,000.00	-	507,111.14	37,111.14
Interest & Cost on Taxes	380,000.00	-	403,100.12	23,100.12
Interest on Investments & Deposits	55,000.00	-	170,970.99	115,970.99
Housing & Commercial CCO's	120,000.00	-	-	(120,000.00)
Consolidated Municipal Property Tax Relief Aid	68,606.00	-	68,606.00	-
Energy Receipts Taxes	3,283,543.00	-	3,283,543.00	-
Garden State Trust	56,290.00	-	56,290.00	-
Uniform Construction Code Fees	1,350,000.00	-	1,442,103.56	92,103.56
Shared Service Agreement-BOE	102,000.00	68,000.00	170,000.00	-
Clean Communities Program	-	111,447.28	111,447.28	-
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	7,798.07	-	7,798.07	-
Cops in Shops/College Fall Initiative	-	4,840.00	4,840.00	-
Cops in Shops	-	3,000.00	3,000.00	-
Alcohol Education and Rehabilitation Fund	3,142.43	-	3,142.43	-
Drunk Driving Enforcement Fund	22,417.47	-	22,417.47	-
Drive Sober or Get Pulled Over - Statewide Crackdown	-	11,000.00	11,000.00	-
Distracted Driving Crackdown - Text	-	5,500.00	5,500.00	-
Click It or Ticket	-	5,500.00	5,500.00	-
966 Emergency Management Grant	-	1,796.84	1,796.84	-
Handicapped Recreation Opportunities Grant	15,000.00	-	15,000.00	-
OC Office of Senior Services Information Assistance	22,710.00	5,090.00	27,800.00	-
Reserve for Debt Service - General Capital Fund	100,000.00	-	100,000.00	-
Reserve for Recycling - Trust Other Fund	50,000.00	-	50,000.00	-
Cablevision Franchise Fee	237,774.00	-	237,774.00	-
Total	6,563,330.97	278,103.12	7,108,161.00	266,726.91
Receipts from Delinquent Taxes	1,250,000.00	-	1,339,819.32	89,819.32
Amount to be Raised by Support of Municipal Budget:				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes	31,800,458.30	-	33,001,233.17	1,200,774.87
Budget Totals	42,398,789.27	278,103.12	44,234,213.49	1,557,321.10
Nonbudget Revenues	-	-	1,679,640.77	1,679,640.77
Total	\$ 42,398,789.27	\$ 278,103.12	\$ 45,913,854.26	\$ 3,236,961.87

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, 2017**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 154,686,183.07
Net Revenue From Collections	154,686,183.07
Allocated to School, County, Municipal Open Space & Special Districts	124,348,878.48
Balance for Support of Municipal Budget Appropriations	30,337,304.59
Increased by Appropriation for Uncollected Taxes	2,663,928.58
Amount for Support of Municipal Budget Appropriations	\$ 33,001,233.17
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 1,273,626.12
Tax Title Lien Collections	66,193.20
Total	\$ 1,339,819.32
Construction Code Official:	
Construction Code Official:	
Plumbing Fees & Permits	\$ 251,642.00
Electrical Fees & Permits	312,551.00
Building Inspector Fees & Permits	497,847.00
Fire Inspection Fees & Permits	81,102.00
TCO, CCO & COMM	27,557.00
Building Fines & Penalties	25,100.00
Misc Other	246,304.56
Total Construction Code Official	\$ 1,442,103.56
Other Fees & Permits:	
Public Works	\$ 97,036.00
Forester	4,420.00
Tax	10.00
Police Department	21,464.75
Zoning Board	33,356.00
Planning Board	88,751.35
Vital Statistics	23,997.00
Total Other Fees & Permits	\$ 269,035.10

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2017**

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:

Administration Fees	\$ 375.00
Administrative Fee - Senior Citizen's & Veteran's	9,263.32
Auction Proceeds	87,929.73
Bid Fees	575.00
County of Ocean 10% Reimbursement	538,247.71
Clerk	361,727.21
Gas & Fuel Reimbursements	27,364.80
Insurance Reimbursement	7,402.36
Miscellaneous	18,236.96
Motor Vehicle Inspection Fines	10,223.50
Non Sufficient Funds	140.00
Ocean County Rent of Polling Places	1,400.00
Ocean County Joint Insurance Fund 2014 Dividend	56,763.03
Planning & Zoning	674.77
Police Alarm Fines	4,275.00
Rental Registration	64,600.00
Resolution Fees	3,300.00
Restitution	325.00
Shared Services	19,762.00
Subdivision Fees	7,762.00
Surcharge O/S Employment	154,625.00
Tax Collector Fees	83,968.22
Telephone Revenue	37,451.05
Tower Rental	93,263.17
Vacant Property Registration	89,750.00
Vending Machines	235.94
	<hr/>
Total Miscellaneous Revenue Not Anticipated	<u><u>\$ 1,679,640.77</u></u>

TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
OPERATIONS - Within "CAPS"						
General Government:						
Administrative Executive:						
Salaries and Wages	\$ 252,813.00	\$ 263,950.90	\$ 259,309.60	\$ -	\$ 4,641.30	\$ -
Other Expenses	67,355.00	67,355.00	13,337.05	1,171.76	52,846.19	-
Township Council:						
Salaries and Wages	44,340.00	44,340.00	44,339.88	-	0.12	-
Other Expenses	850.00	850.00	152.92	-	697.08	-
Mayor:						
Salaries and Wages	29,500.00	29,500.00	29,499.96	-	0.04	-
Other Expenses	5,950.00	5,950.00	2,584.50	-	3,365.50	-
Human Services:						
Salaries and Wages	96,467.00	99,467.00	99,134.37	-	332.63	-
Other Expenses	8,551.00	9,301.00	8,552.64	368.80	379.56	-
Municipal Clerk:						
Salaries and Wages	235,599.00	248,788.38	238,682.22	-	10,106.16	-
Other Expenses	29,600.00	29,600.00	25,689.68	1,589.09	2,321.23	-
Election:						
Salaries and Wages	3,500.00	3,500.00	3,092.77	-	407.23	-
Other Expenses	6,000.00	6,000.00	5,763.16	-	236.84	-
Financial Administration:						
Salaries and Wages	334,595.00	340,437.66	312,928.27	-	27,509.39	-
Other Expenses	38,025.00	37,275.00	18,592.55	13,172.57	5,509.88	-
Audit Services:						
Other Expenses	44,500.00	44,500.00	-	44,500.00	-	-
Data Processing:						
Salaries and Wages	118,872.00	131,926.52	130,426.27	-	1,500.25	-
Other Expenses	31,000.00	31,000.00	22,087.87	2,312.41	6,599.72	-
Collection of Taxes:						
Salaries and Wages	293,790.61	301,703.88	290,600.25	2,097.42	9,006.21	-
Other Expenses	38,335.00	38,335.00	21,970.31	11,951.27	4,413.42	-

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, 2017**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Assessment of Taxes:						
Salaries and Wages	351,429.00	354,861.66	319,652.65	2,027.61	33,181.40	-
Other Expenses	17,085.00	17,085.00	6,351.66	1,169.56	9,563.78	-
Purchasing:						
Salaries and Wages	99,849.00	99,849.00	87,759.37	1,269.11	10,820.52	-
Other Expenses	34,721.88	34,721.88	34,132.46	424.48	164.94	-
Legal Services & Costs:						
Other Expenses	500,000.00	500,000.00	309,484.65	23,458.86	167,056.49	-
Engineering Services & Costs:						
Salaries and Wages	216,370.00	205,137.97	175,300.42	2,364.10	27,473.45	-
Other Expenses	141,560.00	161,560.00	80,373.59	48,357.73	32,828.68	-
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	220,307.00	227,169.60	225,445.20	1,572.87	151.53	-
Other Expenses	64,200.00	64,200.00	40,299.26	819.13	23,081.61	-
Maintenance of Tax Maps:						
Other Expenses	22,000.00	22,000.00	8,971.81	-	13,028.19	-
Code Enforcement - Other:						
Rent Leveling Board:						
Salaries and Wages	3,145.00	3,145.00	1,300.00	-	1,845.00	-
Other Expenses	50,100.00	50,100.00	22,307.20	-	27,792.80	-

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, 2017

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Code Enforcement - Other:						
Salaries and Wages	305,405.00	309,051.98	293,627.62	1,326.00	14,098.36	-
Other Expenses	13,925.00	13,925.00	7,036.38	1,911.75	4,976.87	-
Commercial Building Standards:						
Salaries and Wages	12,000.00	12,000.00	7,850.00	-	4,150.00	-
Other Expenses	1,000.00	1,000.00	479.44	-	520.56	-
Unsafe Structures Committee						
Other Expenses	21,000.00	21,000.00	-	-	21,000.00	-
Insurance:						
General Liability	733,400.00	733,400.00	718,975.41	-	14,424.59	-
Workers Compensation	516,641.98	516,641.98	516,641.98	-	-	-
Employee Group Health	4,290,771.00	4,290,771.00	4,125,018.32	9,620.41	156,132.27	-
Health Benefit Waiver	38,400.00	38,400.00	33,280.00	-	5,120.00	-
Unemployment Trust Fund	10,000.00	10,000.00	-	-	10,000.00	-
Public Safety Functions:						
Police Department:						
Salaries and Wages	11,069,851.00	10,827,113.52	10,684,848.29	-	142,265.23	-
Other Expenses	625,322.52	875,322.52	537,461.59	283,339.15	54,521.78	-
Police Dispatch/911:						
Salaries and Wages	528,007.50	535,374.15	468,889.88	-	66,484.27	-
Emergency Management:						
Salaries and Wages	12,759.00	12,759.00	12,469.71	-	289.29	-
Other Expenses	21,750.00	21,750.00	4,281.30	4,653.25	12,815.45	-
Municipal Prosecutor:						
Other Expenses	40,000.00	40,000.00	33,333.30	6,666.66	0.04	-
Juvenile Conference Committee:						
Salaries and Wages	1,300.00	1,300.00	-	-	1,300.00	-
Other Expenses	25.00	25.00	-	-	25.00	-
Public Works Functions:						
Streets & Roads Maintenance:						
Salaries and Wages	1,493,884.00	1,511,104.74	1,410,997.26	3,757.43	96,350.05	-
Other Expenses	234,300.00	234,300.00	150,000.92	47,308.50	36,990.58	-

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, 2017

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Snow Removal:						
Other Expenses	457,000.00	457,000.00	373,482.18	79,567.82	3,950.00	-
Shade Tree Commission:						
Salaries and Wages	1,250.00	1,250.00	905.00	-	345.00	-
Other Expenses	9,450.00	9,450.00	6,446.00	-	3,004.00	-
Solid Waste Collection:						
Salaries and Wages	51,123.00	51,853.79	48,140.54	-	3,713.25	-
Other Expenses	560,300.00	560,300.00	513,488.63	46,622.00	189.37	-
Buildings & Grounds:						
Salaries and Wages	800,453.00	812,281.03	788,976.00		23,305.03	-
Other Expenses	209,500.00	239,500.00	189,753.40	31,944.70	17,801.90	-
Vehicle Maintenance:						
Salaries and Wages	395,288.00	402,379.83	377,186.85	-	25,192.98	-
Other Expenses	280,650.00	272,650.00	183,329.92	69,867.84	19,452.24	-
Community Services Act:						
Other Expenses	175,000.00	175,000.00	-	175,000.00	-	-
Health & Human Services Functions:						
Public Health Services:						
Salaries and Wages	14,566.00	14,566.00	8,169.06	-	6,396.94	-
Other Expenses	1,700.00	1,700.00	589.57	-	1,110.43	-
Environmental Health Services-						
Environmental Commission:						
Salaries and Wages	1,300.00	1,300.00	1,155.00	-	145.00	-
Other Expenses	425.00	425.00	-	-	425.00	-
Animal Control Services:						
Salaries and Wages	129,770.00	131,729.77	131,313.60	-	416.17	-
Other Expenses	47,250.00	47,250.00	31,625.67	911.62	14,712.71	-
Going Green Committee:						
Other Expenses	100.00	100.00	-	-	100.00	-

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, 2017**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Parks & Recreation Functions:						
Recreation Services & Programs:						
Salaries and Wages	97,075.00	98,911.02	93,277.36	-	5,633.66	-
Other Expenses	7,450.00	7,450.00	4,606.91	1,581.76	1,261.33	-
Office for the Golden Age:						
Salaries and Wages	291,937.00	286,345.22	243,862.23		42,482.99	-
Other Expenses	24,971.04	24,971.04	20,469.82	1,105.02	3,396.20	-
Handicapped Committee:						
Salaries and Wages	15,757.00	15,757.00	5,855.32	-	9,901.68	-
Other Expenses	7,500.00	7,500.00	870.47	-	6,629.53	-
Park Maintenance:						
Other Expenses	22,000.00	22,000.00	18,199.86	3,590.00	210.14	-
Municipal Court Functions:						
Municipal Court:						
Salaries and Wages	358,476.00	356,439.09	308,459.45	-	47,979.64	-
Other Expenses	28,840.00	28,840.00	18,619.43	1,256.76	8,963.81	-
Public Defender:						
Other Expenses	8,000.00	8,000.00	8,000.00	-	-	-
Other Common Operating Functions:						
Salary & Wage Adjustment:						
Salaries and Wages	168,158.00	10,890.10	-	-	10,890.10	-
Postage & Photocopy:						
Other Expenses	69,300.00	69,300.00	59,209.82	4,293.75	5,796.43	-
Accumulated Leave Compensation-Sick Trust:						
Other Expenses	185,000.00	185,000.00	185,000.00	-	-	-
Utility Expenses & Bulk Purchases:						
Electricity	494,000.00	494,000.00	319,727.78	96,561.64	77,710.58	-
Street Lighting	335,000.00	335,000.00	314,392.63	18,862.50	1,744.87	-
Telecommunication Costs	77,284.92	77,284.92	53,417.69	17,773.47	6,093.76	-
Telecommunication Costs-Lease Obligation	21,715.08	21,715.08	-	-	21,715.08	-
Natural Gas	120,000.00	120,000.00	73,665.66	32,046.38	14,287.96	-
Fuel & Petroleum Products	565,000.00	560,000.00	235,035.31	55,611.72	269,352.97	-
Water	1,000.00	1,000.00	-	-	1,000.00	-

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, 2017**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Landfill/Solid Waste:						
Landfill/Solid Waste Disposal Costs:						
Other Expenses	230,000.00	230,000.00	180,002.30	15,077.18	34,920.52	-
Legler Landfill - Postclosure Monitoring:						
Other Expenses	34,000.00	34,000.00	28,283.59	5,716.41	-	-
Uniform Construction Code-Appropriations Offset by Dedicated Revenues(NJAC5:23-4.17):						
Construction Code Department:						
Salaries and Wages	931,037.00	946,789.30	827,708.43	7,781.78	111,299.09	-
Other Expenses	137,100.00	137,100.00	57,008.34	17,911.97	62,179.69	-
Total Operations Including Contingent Within "CAPS"	30,738,467.53	30,738,467.53	27,553,547.76	1,200,294.24	1,984,625.53	-
Detail:						
Salaries and Wages	18,981,113.11	18,694,113.11	17,931,162.83	22,196.32	740,753.96	-
Other Expenses	11,757,354.42	12,044,354.42	9,622,384.93	1,178,097.92	1,243,871.57	-
Deferred Charges & Statutory Expenditures Municipal Within "CAPS":						
Statutory Expenditures:						
Public Employees' Retirement System	857,862.00	857,862.00	857,862.00	-	-	-
Social Security System (O.A.S.I.)	1,456,076.23	1,456,076.23	1,396,017.91	1,698.02	58,360.30	-
Police & Firemen's Retirement System	2,345,532.00	2,345,532.00	2,345,532.00	-	-	-
Defined Contribution Retirement Program	11,000.00	11,000.00	7,096.75	-	3,903.25	-
Public Employees' Retirement System						
Delayed Appropriation	7,105.83	7,105.83	7,105.83	-	-	-
Police and Firemen's Retirement System						
Delayed Appropriation	254.58	254.58	254.58	-	-	-

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, 2017**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Total Deferred Charges & Statutory Expenditures Within "CAPS"	4,677,830.64	4,677,830.64	4,613,869.07	1,698.02	62,263.55	-
Total General Appropriations for Municipal Purposes Within "CAPS"	35,416,298.17	35,416,298.17	32,167,416.83	1,201,992.26	2,046,889.08	-
OPERATIONS - EXCLUDED FROM "CAPS"						
Employee Group Health Insurance	-	-	-	-	-	-
Service Contracts:						
Sewer & Water Purposes - MUA	3,600.00	3,600.00	3,000.00	600.00	-	-
Implementation of 911 Emergency:						
Salaries & Wages	176,002.50	176,002.50	176,002.50	-	-	-
Relocation Assistance:						
Other Expenses	2,000.00	2,000.00	-	-	2,000.00	-
LOSAP	40,000.00	40,000.00	-	40,000.00	-	-
Recycling Tonnage Tax	10,000.00	10,000.00	6,740.43	575.28	2,684.29	-
Shared Service Agreement-BOE/Police SRO	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	-	-	-
Public & Private Programs Offset by Revenues:						
OC Office of Senior Services-Information Assistance:						
Salaries and Wages	22,210.00	22,210.00	22,210.00	-	-	-
Other Expenses	500.00	5,590.00	5,590.00	-	-	-
Safe & Secure Communities Program	-	28,805.00	28,805.00	-	-	-
Municipal Alliance on Alcohol & Drug Abuse:						
County Grant	-	33,124.00	33,124.00	-	-	-
Local Matching Funds	-	8,281.00	8,281.00	-	-	-
State of NJ Body Armor Grant	7,798.07	7,798.07	7,798.07	-	-	-
Clean Communities Grant	-	111,447.28	111,447.28	-	-	-
Drunk Driving Enforcement Fund	22,417.47	22,417.47	22,417.47	-	-	-
Matching Funds for Grants	18,843.50	10,562.50	-	-	10,562.50	-
Click It or Ticket	-	5,500.00	5,500.00	-	-	-

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, 2017

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Distracted Driving Crackdown	-	5,500.00	5,500.00	-	-	-
Alcohol Education and Rehabilitation	3,142.43	3,142.43	3,142.43	-	-	-
COPS in Shops Summer Shore Initiative	-	3,000.00	3,000.00	-	-	-
966 Emergency Management Grant	-	1,796.84	1,796.84	-	-	-
Cops in Shops - Fall Initiative	-	4,840.00	4,840.00	-	-	-
Drive Sober or Get Pulled Over	-	11,000.00	11,000.00	-	-	-
Handicapped Recreation Opportunities Grant:						
State Share	15,000.00	15,000.00	15,000.00	-	-	-
Local Share	3,000.00	3,000.00	3,000.00	-	-	-
Total Operations Excluded from "CAPS"	439,539.97	717,643.09	661,221.02	41,175.28	15,246.79	-
Detail:						
Salaries and Wages	300,212.50	368,212.50	368,212.50	-	-	-
Other Expenses	139,327.47	349,430.59	293,008.52	41,175.28	15,246.79	-
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	110,000.00	110,000.00	110,000.00	-	-	-
Total Capital Improvement Excluded from "CAPS"	110,000.00	110,000.00	110,000.00	-	-	-
Municipal Debt Service - Excluded from "CAPS":						
Payment of Bond Principal	3,138,000.00	3,138,000.00	3,138,000.00	-	-	-
Interest on Bonds	567,978.89	567,978.89	567,978.88	-	-	0.01
Interest on Notes	42,716.96	42,716.96	42,716.95	-	-	0.01
Loan Repayment for Principal and Interest						
Jet Vac/Sweeper	20,000.00	20,000.00	14,439.72	-	-	5,560.28
Deferred Charges to future Taxation - Unfunded						
Bond Issue	326.70	326.70	326.70	-	-	-

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, 2017**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Total Capital Improvements, Municipal Debt Service, Deferred Charges & Judgements Excluded from "CAPS"	3,769,022.55	3,769,022.55	3,763,462.25	-	-	5,560.30
Total General Appropriations Excluded from "CAPS"	4,318,562.52	4,596,665.64	4,534,683.27	41,175.28	15,246.79	5,560.30
Subtotal General Appropriations	39,734,860.69	40,012,963.81	36,702,100.10	1,243,167.54	2,062,135.87	5,560.30
Reserve For Uncollected Taxes	2,663,928.58	2,663,928.58	2,663,928.58	-	-	-
Total General Appropriations	\$ 42,398,789.27	\$ 42,676,892.39	\$ 39,366,028.68	\$ 1,243,167.54	\$ 2,062,135.87	\$ 5,560.30
Budget Added by N.J.S. 40A:4-87	\$ 42,398,789.27	278,103.12				
Total	\$ 42,676,892.39					
Reserve for Uncollected Taxes			\$ 2,663,928.58			
Appropriated Reserves for Federal & State Grants			292,452.09			
Refunds			(1,152,789.52)			
Cash Disbursements			37,562,437.53			
Total			\$ 39,366,028.68			

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

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**TOWNSHIP OF JACKSON
TRUST FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REFERENCE	<u>2017</u>	<u>2016</u>
ASSETS			
Animal Control Trust Fund:			
Cash	B-1	<u>\$ 130,250.89</u>	<u>\$ 126,950.36</u>
Total Animal Control Trust Fund		<u>130,250.89</u>	<u>126,950.36</u>
Open Space Trust Fund:			
Cash	B-1	<u>4,172,884.03</u>	<u>3,591,798.47</u>
Total Open Space Trust Fund		<u>4,172,884.03</u>	<u>3,591,798.47</u>
Trust Other Funds:			
Cash	B-1	12,360,836.48	11,866,790.37
Interfund - Current Fund	B-4	-	2,015.07
Due from County of Ocean - Community Development Block Grant	B-5	<u>221,374.20</u>	<u>280,655.03</u>
Total Trust Other Funds		<u>12,582,210.68</u>	<u>12,149,460.47</u>
Length of Service Awards Program (LOSAP)			
Investments Held by Trustee	B-9	<u>116,553.25</u>	<u>112,266.48</u>
Total Assets		<u><u>\$ 17,001,898.85</u></u>	<u><u>\$ 15,980,475.78</u></u>

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

**TOWNSHIP OF JACKSON
TRUST FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

	REFERENCE	<u>2017</u>	<u>2016</u>
LIABILITIES & RESERVES			
Animal Control Trust Fund:			
Due to State of New Jersey	B-2	\$ 65.40	\$ 7.20
Due to Current Fund	A-29	15,061.67	-
Reserve for Animal Control Expenditures	B-3	<u>115,123.82</u>	<u>126,943.16</u>
Total Animal Control Trust Fund		<u>130,250.89</u>	<u>126,950.36</u>
Open Space Trust Fund:			
Reserve for Open Space	B-8	<u>4,172,884.03</u>	<u>3,591,798.47</u>
Total Open Space Trust Fund		<u>4,172,884.03</u>	<u>3,591,798.47</u>
Trust Other Funds:			
Various Reserves	B-7	12,387,177.52	11,868,805.44
Interfund - Current Fund	B-4	2,212.81	-
Reserve for Community Development Block Grant Expenditures	B-6	<u>192,820.35</u>	<u>280,655.03</u>
Total Trust Other Funds		<u>12,582,210.68</u>	<u>12,149,460.47</u>
Length of Service Awards Program (LOSAP)			
Reserve for LOSAP	B-10	<u>116,553.25</u>	<u>112,266.48</u>
Total Liabilities & Reserves		<u><u>\$ 17,001,898.85</u></u>	<u><u>\$ 15,980,475.78</u></u>

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

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Cash & Cash Equivalents	C-2	\$ 2,407,348.64	\$ 11,778,536.88
MUA Shared Services Agreement Receivable	C-4	395.00	395.00
NJEIT Grant Receivable	C-14	-	392,985.00
Deferred Charges to Future Taxation:			
Funded	C-5	19,581,439.78	23,078,000.00
Unfunded	C-6	4,372,731.50	3,357,559.20
Total Assets		<u>\$ 26,361,914.92</u>	<u>\$ 38,607,476.08</u>
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bond	C-7	\$ 19,295,000.00	\$ 23,078,000.00
Bond Anticipation Notes	C-17	-	5,858,326.00
NJEIT Loans Payable	C-16	286,439.78	-
Improvement Authorizations:			
Funded	C-8	1,660,977.58	2,972,853.87
Unfunded	C-8	2,240,052.36	2,658,132.48
Reserve for Encumbrances	C-9	964,677.31	1,425,306.39
Capital Improvement Fund	C-10	574.08	600.08
Reserve for Debt Service - Open Space Bonds	C-11	1,753,770.57	1,853,770.57
Reserve for Debt Service - Other	C-12	43,135.22	43,135.22
Reserve for Fire Damage - Annex Building	C-13	3,226.03	10,589.48
Reserve for NJEIT Receivable	C-14	-	392,985.00
Reserve for NJEIT Loan Funds Advanced	C-15	-	199,715.00
Fund Balance	C-1	114,061.99	114,061.99
Total Liabilities, Reserves & Fund Balance		<u>\$ 26,361,914.92</u>	<u>\$ 38,607,476.08</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$4,372,731.50 and on December 31, 2016 there was \$3,357,233.20.

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016

\$ 114,061.99

**TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
COMPARATIVE STATEMENTS OF ASSETS
AND RESERVES - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	<u>2017</u>	<u>2016</u>
Cash & Cash Equivalents	D-1	<u>\$ 27,582.93</u>	<u>\$ 27,429.12</u>
Total Assets		<u><u>\$ 27,582.93</u></u>	<u><u>\$ 27,429.12</u></u>
RESERVES			
Reserve for Public Assistance	D-2	<u>\$ 27,582.93</u>	<u>\$ 27,429.12</u>
Total Reserves		<u><u>\$ 27,582.93</u></u>	<u><u>\$ 27,429.12</u></u>

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

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**TOWNSHIP OF JACKSON
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Land	E-1	\$ 56,970,100.00	\$ 56,970,100.00
Building & Building Improvements	E-1	49,798,905.00	49,423,563.00
Machinery & Equipment	E-1	15,316,240.00	14,820,103.00
Total		<u>\$ 122,085,245.00</u>	<u>\$ 121,213,766.00</u>
INVESTMENT IN FIXED ASSETS			
Investment in Fixed Assets	E	<u>\$ 122,085,245.00</u>	<u>\$ 121,213,766.00</u>

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

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**TOWNSHIP OF JACKSON
PAYROLL FUND
COMPARATIVE STATEMENTS OF ASSETS
AND LIABILITIES - REGULATORY BASIS
DECEMBER 31, 2017 AND 2016**

ASSETS	<u>2017</u>	<u>2016</u>
Cash	<u>\$ 5,114.73</u>	<u>\$ 3,962.09</u>
Total Assets	<u><u>\$ 5,114.73</u></u>	<u><u>\$ 3,962.09</u></u>
LIABILITIES		
Payroll Deductions Payable	<u>\$ 5,114.73</u>	<u>\$ 3,962.09</u>
Total Liabilities	<u><u>\$ 5,114.73</u></u>	<u><u>\$ 3,962.09</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, 2017**

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TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 appointed 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 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Township contain all funds and account groups in accordance with the “Requirements of Audit” as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these “Requirements”. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the “Requirements”, the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund – This fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Township.

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 1. Summary of Significant Accounting Policies (continued)

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

Budgets and Budgetary Accounting - The Township 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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore unrealized gains or losses on investments have not been recorded.

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 requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" 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 Township 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
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

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.

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 July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July I to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and 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 – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township’s financial statements.

Note 2. Deposits and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by 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 below.

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 2. Deposits and Investments (continued)

As of December 31, 2017, the Township's bank balance of \$38,247,220.46 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 21,212,558.65
NJ Cash Management Fund	59.49
Uninsured and Uncollateralized	<u>17,034,602.32</u>
	<u><u>\$ 38,247,220.46</u></u>

Investments

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Township's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Township's fair value, hierarchy level and maturities of its investments at December 31, 2017 would be as followed:

	Carrying Value	Fair Value as of December 31, 2017			Investment Maturities (in Years)
		Level 1	Level 3	Total	Less Than 1 Year
<u>Investment type</u>					
Mutual Funds	\$ 85,902.97	\$ 85,902.97	\$ -	\$ 85,902.97	\$ 85,902.97
Fixed Account					
Investment Contract	<u>30,650.27</u>	<u>-</u>	<u>30,650.27</u>	<u>30,650.27</u>	<u>30,650.27</u>
	<u><u>\$ 116,553.24</u></u>	<u><u>\$ 85,902.97</u></u>	<u><u>\$ 30,650.27</u></u>	<u><u>\$116,553.24</u></u>	<u><u>\$ 116,553.24</u></u>
<u>Fund</u>					
Trust Fund - LOSAP	<u>\$ 116,553.24</u>	<u>\$ 85,902.97</u>	<u>\$ 30,650.27</u>	<u>\$116,553.24</u>	<u>\$ 116,553.24</u>
	<u><u>\$ 116,553.24</u></u>	<u><u>\$ 85,902.97</u></u>	<u><u>\$ 30,650.27</u></u>	<u><u>\$116,553.24</u></u>	<u><u>\$ 116,553.24</u></u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 2. Deposits and Investments (continued)

regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Township's investment policies place no limit in the amount the Township may invest in any one issuer. More than 5% of the Township's investments are in mutual funds and fixed account investment contract. These investments represent 100% of the Township's total investments.

Note 3. Property Taxes

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 Schedule of Tax Rates

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 2.227</u>	<u>\$ 2.192</u>	<u>\$ 2.154</u>
Apportionment of Tax Rate:			
Municipal	0.473	0.462	0.454
Municipal Open Space	0.020	0.020	0.020
County General	0.431	0.419	0.411
Local School	1.303	1.291	1.269

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 3. Property Taxes (continued)

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2017	\$ 6,729,001,558.00
2016	6,687,122,747.00
2015	6,669,174,480.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 156,848,375.95	\$ 154,686,163.07	98.62%
2016	153,289,434.50	151,261,683.46	98.67%
2015	149,966,664.00	147,776,001.00	98.53%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2017	\$ 2,995,943.38	\$ 1,732,507.60	\$ 4,728,450.98	3.01%
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	2.93%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2017	163
2016	155
2015	149

The last tax sale was held on October 4, 2017.

Note 4. Property Acquired By Tax Title Lien Liquidation

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 4. Property Acquired By Tax Title Lien Liquidation (continued)

<u>Year</u>	<u>Amount</u>
2017	\$ 6,306,200.00
2016	6,306,200.00
2015	6,306,200.00

Note 5. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2017	\$ 9,775,978.70	\$ 3,703,000.00	37.88%
2016	7,314,403.71	2,785,000.00	38.08%
2015	5,247,500.51	2,999,000.00	57.15%

Note 6. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2017:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 17,599.48	\$ 472,121.36
State and Federal Grant Fund	471,796.36	-
Animal Control Trust	-	15,061.67
Trust Other Fund	325.00	2,537.81
	<u>\$ 489,720.84</u>	<u>\$ 489,720.84</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.

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 7. Interfund Receivables, Payables and Transfers (continued)

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 1,184,079.75	\$ 1,452,229.01
State and Federal Grant Fund	682,394.36	433,534.65
Animal Control Trust	15,061.67	-
Trust Other Fund	755,921.62	751,693.74
	<u>\$ 2,637,457.40</u>	<u>\$ 2,637,457.40</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2017</u>
Land	\$ 56,970,100.00	\$ -	\$ -	\$ 56,970,100.00
Buildings and Improvements	49,423,563.00	375,342.00	-	49,798,905.00
Machinery & Equipment	14,820,103.00	1,339,391.00	(843,254.00)	15,316,240.00
	<u>\$ 121,213,766.00</u>	<u>\$ 1,714,733.00</u>	<u>\$ (843,254.00)</u>	<u>\$ 122,085,245.00</u>

Note 9. 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 <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued)

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

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.

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 2017, 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

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

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. For the year ended December 31, 2017, the Township's contractually required contribution to PERS plan was \$923,465.

Components of Net Pension Liability - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$23,204,822. The net pension liability was measured as of June 30, 2017. 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, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.0996839138% which was an increase of 0.0033482812% from its proportion measured as of June 30, 2016.

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 6,485,889	\$ 8,192,632
Deferred Inflows of Resources	4,853,096	275,289
Net Pension Liability	23,204,822	28,531,851
Township's portion of the Plan's total net pension Liability	0.09968%	0.09634%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$1,889,787. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$923,465 to the plan in 2017.

At December 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 546,393	\$ -
Changes of Assumptions	4,674,972	4,657,833
Net Difference between Projected and Actual Earnings on Pension Plan Investments	158,009	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>1,106,515</u>	<u>195,263</u>
	<u><u>\$ 6,485,889</u></u>	<u><u>\$ 4,853,096</u></u>

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
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	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between 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
June 30, 2017	5.48	5.48

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2018	\$ 689,648
2019	946,096
2020	674,330
2021	(279,942)
2022	<u>(397,339)</u>
	<u><u>\$ 1,632,793</u></u>

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:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
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

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

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, 2016 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 (7.00% at June 30, 2017) 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 PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Township's Proportionate Share of the Net Pension Liability	\$ 28,787,156	\$ 23,204,822	\$ 18,554,045

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 <http://www.nj.gov/treasury/pensions/financial-reports.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

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9. Pension Obligations (continued)

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

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.

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 2017, 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. For the year ended December 31, 2017, the Township's contractually required contributions to PFRS plan was \$2,530,291.

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

Net Pension Liability and Pension Expense - At December 31, 2017 the Township's proportionate share of the PFRS net pension liability was \$44,137,838. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.2859026246%, which was a decrease of 0.0017724918% from its proportion measured as of June 30, 2016.

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

Collective Balances at December 31, 2017 and December 31, 2016

	<u>12/31/2017</u>	<u>12/31/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 8,132,992	\$ 13,608,644
Deferred Inflows of Resources	7,709,393	360,227
Net Pension Liability	44,137,838	54,953,306
Township's portion of the Plan's total net pension Liability	0.28590%	0.28768%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2017, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$4,540,174. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$2,530,291 to the plan in 2017.

At December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 286,340	\$ 259,052
Changes of Assumptions	5,442,687	7,228,487
Net Difference between Projected and Actual Earnings on Pension Plan Investments	842,253	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>1,561,712</u>	<u>221,854</u>
	<u>\$ 8,132,992</u>	<u>\$ 7,709,393</u>

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
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	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between 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
June 30, 2017	5.59	5.59

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2018	\$	1,078,246
2019		1,944,506
2020		248,633
2021		(1,926,922)
2022		(920,864)
		<hr/>
	\$	<u>423,599</u>

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 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 PFRS net pension liability attributable to the Township is \$4,943,810 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township'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, 2017 was 0.2859026245%, which was a decrease of 0.0017724918% from its proportion measured as of June 30, 2016, which is the same proportion as the Township's. At December 31, 2017, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

Township's Proportionate Share of Net Pension Liability	\$ 44,137,838
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>4,943,810</u>
	<u><u>\$ 49,081,648</u></u>

At December 31, 2017, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2017 measurement date was \$604,740.

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:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
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. 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).

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

The actuarial assumptions used in the July 1, 2016 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 (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 9. Pension Obligations (continued)

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

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 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

	1% Decrease (<u>5.14%</u>)	Current Discount Rate (<u>6.14%</u>)	1% Increase (<u>7.14%</u>)
Township's Proportionate Share of the Net Pension Liability	\$ 58,155,236	\$ 44,137,838	\$ 32,620,951
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>6,513,877</u>	<u>4,943,810</u>	<u>3,653,822</u>
	<u>\$ 64,669,113</u>	<u>\$ 49,081,648</u>	<u>\$ 36,274,773</u>

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 10. Municipal Debt

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Municipal Debt (continued)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 19,581,439.78	\$ 28,936,326.00	\$ 24,847,393.00
Total Debt Issued	19,581,439.78	28,936,326.00	24,847,393.00
Authorized but not issued:			
General:			
Bonds, Notes and Loans	4,372,731.50	3,357,232.50	3,530,934.00
Total Authorized But Not Issued	4,372,731.50	3,357,232.50	3,530,934.00
Total Gross Debt	<u>\$ 23,954,171.28</u>	<u>\$ 32,293,558.50</u>	<u>\$ 28,378,327.00</u>
Deductions:			
General:			
Funds Temporarily Held			
to pay Bonds & Notes	1,796,905.79	7,757,905.79	1,974,184.00
Open Space Trust (40A:2-44h)	3,460,000.00	4,105,000.00	4,830,000.00
Total Deductions	5,256,905.79	11,862,905.79	6,804,184.00
Total Net Debt	<u>\$ 18,697,265.49</u>	<u>\$ 20,430,652.71</u>	<u>\$ 21,574,143.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 67,040,973.00	\$ 67,040,973.00	\$ -
General Debt	23,954,171.28	5,256,905.79	18,697,265.49
	<u>\$ 90,995,144.28</u>	<u>\$ 72,297,878.79</u>	<u>\$ 18,697,265.49</u>

Net Debt \$18,697,265.49 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$7,016,529,443, equals 0.266% New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2017 is calculated as follows:

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 10. Municipal Debt (continued)

Borrowing Power Under N.J.S. 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 245,578,530.51
Net Debt	<u>18,697,265.49</u>
Remaining Borrowing Power	<u>\$ 226,881,265.02</u>

General Debt

A. Serial Bonds Payable

On July 23, 2014, the Township issued \$5,845,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00% to 3.00% and mature in 2020.

On February 2, 2016, the Township issued \$7,100,000 of General Bonds. The General Refunding Bonds were issued at interest rates varying from 2.00% to 4.00% and mature in 2028.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,890,000.00	156,475.00	2,046,475.00
2023-2027	4,370,000.00	284,012.50	4,654,012.50
2028	315,000.00	9,450.00	324,450.00
	<u>\$ 19,295,000.00</u>	<u>\$ 2,043,137.50</u>	<u>\$ 21,338,137.50</u>

B. Bond Anticipation Notes Payable – Short Term Debt

The Township had no bond anticipation notes outstanding in the General Capital Fund at December 31, 2017.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2017, the Township had \$4,372,731.50 in various General Capital bonds and notes authorized but not issued.

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10. Municipal Debt (continued)

D. Loans Payable

New Jersey Environmental Infrastructure Trust

In 2017 the Township finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2017A-1 New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$145,000 to be repaid over a 14 year period at interest rates ranging from 3.00% to 5.00%, and a no interest Fund Loan Agreement of \$148,175 to be repaid over a 14 year period. The proceeds of the loans are to provide for the acquisition of a Jet Vac and Sweeper for use by the Township.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	15,102.83	5,850.00	20,952.83
2019	20,102.83	5,600.00	25,702.83
2020	20,102.83	5,100.00	25,202.83
2021	20,102.83	4,600.00	24,702.83
2022	20,102.83	4,100.00	24,202.83
2023-2027	100,514.15	13,200.00	113,714.15
2028-2031	90,411.48	4,050.00	94,461.48
	<u>\$ 286,439.78</u>	<u>\$ 42,500.00</u>	<u>\$ 328,939.78</u>

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Township is as follows:

	Balance December 31, <u>2016</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2017</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 23,078,000.00	\$ -	\$ 3,783,000.00	\$ 19,295,000.00	\$ 3,840,000.00
Bond Anticipation Notes	5,858,326.00	-	5,858,326.00	-	-
Loans	-	293,175.00	6,735.22	286,439.78	15,102.83
Other Liabilities:					
Compensated Absences	2,937,424.09	-	383,579.92	2,553,844.17	-
Net Pension Liability	28,531,851.00	-	5,327,029.00	23,204,822.00	-
	<u>\$ 60,405,601.09</u>	<u>\$ 293,175.00</u>	<u>\$ 15,358,670.14</u>	<u>\$ 45,340,105.95</u>	<u>\$ 3,855,102.83</u>

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11. 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 the Division 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 benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 12. 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. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$2,704,532.89 at December 31, 2017.

The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2017, the Township has reserved in the Other Trust Fund \$330,939.70 to fund compensated absences in accordance with NJSA 40A:4-39.

Note 13. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Joint Insurance Pool

The Township is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Township with the following coverage

Worker's Compensation	\$ 1,700,000
General Liability	\$20,000,000
Employer's Liability	\$ 1,700,000
Auto Liability	\$ 300,000
Flood	\$ 100,000,000
Property/Boiler and Machinery	\$ 125,000,000
Public Officials Liability	\$ 2,000,000
Environmental Impairment Liability	\$ 1,000,000

Contributions to the Funds are payable in one installment and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2017 which can be obtained on the Fund's website.

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 13. Risk Management (continued)

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 26,451.98	\$ 5,830.69	\$ 280,187.51
2016	24,993.22	28,445.81	259,566.22
2015	23,764.00	13,383.19	263,018.81

Note 14. Contingencies

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government 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 repayment to the grantor agency. As of December 31, 2017 the Township estimates that no material liabilities will result from such audits.

Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses.

As of December 31, 2017 there were certain tax appeals on file against the Township related to 2015 through 2017 tax years. The Township has estimated the potential exposure to the Township from such appeals is approximately \$313,782.95

**TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 15. Tax Abatements

The Township 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, 2017, the Township abated property taxes totaling \$244,064.60 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:

<u>Recipient</u>	<u>Purpose</u>	<u>Amount Abated</u>	<u>Pilot Billings</u>
Windsor Crescent LLC	Affordable Housing	\$ 244,064.60	\$75,514.88
		<u>\$ 244,064.60</u>	<u>\$75,514.88</u>

Note 16. Length of Service Awards Program

The Township's length of service awards program ("LOSAP") is reported in the Township's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents the of the Township come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Township elected to contribute \$0.00 for the year ended December 31, 2017 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2017, the Township contributed a total of \$0.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the

TOWNSHIP OF JACKSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 16. Length of Service Awards Program (continued)

Township's creditors until distributed as benefit payments, are not available for funding the operations of the Township. The funds may also be used to pay the administrative fees charged by the Plan Administrator. Lincoln Financial Group ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2017 payouts of \$9,488.17 were made to vested participants.

Forfeited Accounts – During the year ended December 31, 2017, no accounts were forfeited.

Plan Information - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

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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, 2017**

Balance December 31, 2016		\$ 13,895,865.42
Increased by Receipts:		
Nonbudget Revenues	\$ 1,679,640.77	
2017 Budget Refunds	1,152,789.52	
Taxes Receivable	155,107,797.98	
Tax Title Liens	66,193.20	
Revenue Accounts Receivable	6,826,989.91	
Prepaid Taxes	4,242,546.24	
State of New Jersey (Ch.29, P.L.1971)	458,736.30	
Interfunds	863,373.57	
Reserve for FEMA Reimbursements	22,321.03	
Reserve for Police Cars	68,907.50	
Reserve Other	625.00	
Due to State of New Jersey - Construction Fees	64,798.00	
Due to State of New Jersey - Marriage Licenses	6,100.00	
		<hr/>
Total Receipts		170,560,819.02
		<hr/>
Subtotal		184,456,684.44
		<hr/>
Decreased by Disbursements:		
2017 Appropriations	37,562,437.53	
2016 Reserved Appropriations	926,776.49	
Accounts Payable	5,567.95	
Tax Overpayments	540,539.36	
County Taxes Payable	29,201,550.73	
Local School District Tax	87,640,356.00	
Special District Taxes	6,160,152.00	
Reserve for Master Plan	905.00	
Reserve for Police Cars	40,000.00	
Due to State of New Jersey - Construction Fees	67,332.00	
Due to State of New Jersey - Marriage Licenses	5,725.00	
Due to Municipal Open Space Trust Fund	1,352,748.88	
Interfunds	1,120,461.10	
		<hr/>
Total Disbursements		164,624,552.04
		<hr/>
Balance December 31, 2017		\$ 19,832,132.40
		<hr/>

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF DUE FROM STATE - P.L. 1971, C.20
FOR THE YEAR ENDED DECEMBER 31, 2017

Balance December 31, 2016		\$	13,462.89
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens	\$	59,000.00	
Veterans		406,750.00	
Deductions Allowed by Tax Collector:			
2017 Senior Citizen Deductions		5,500.00	
2017 Veteran Deductions		8,500.00	
Prior Years Senior Citizens & Veterans		250.00	480,000.00
			<hr/>
			493,462.89
Decreased by:			
Received from State of New Jersey		458,736.30	
Deductions Disallowed by Tax Collector:			
Current Year Senior Citizens & Veterans		9,397.26	
Prior Years Senior Citizens & Veterans		10,032.19	478,165.75
			<hr/>
Balance December 31, 2017		\$	<u><u>15,297.14</u></u>

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2017

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS CREATED	OVERPAYMENTS APPLIED	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2017
				2016	2017						
2011	\$ 7,926.49	\$ -	\$ -	\$ -	1.00	\$ -	45,801.95	\$ -	45,801.95	\$ -	\$ 7,925.49
2012	8,028.32	-	-	-	83.82	-	61,042.83	-	60,959.01	-	8,028.32
2013	8,320.54	-	-	-	139.09	-	65,915.96	-	65,776.87	-	8,320.54
2014	10,683.58	-	-	-	4,023.48	-	60,752.30	-	60,208.83	-	7,203.57
2015	46,639.79	-	-	-	35,978.60	70.55	89,601.28	2,451.15	86,782.78	-	10,957.99
2016	1,695,636.55	-	7,428.85	-	1,658,425.31	(9,852.74)	175,918.53	71,556.52	105,245.74	28,378.10	25,231.00
Total	1,777,235.27	-	7,428.85	-	1,698,651.30	(9,782.19)	499,032.85	74,007.67	424,775.18	28,378.10	67,666.91
2017	-	156,010,687.37	837,688.58	820,015.92	153,409,146.68	470,352.74	284,788.45	271,456.18	210,829.07	286,523.12	1,664,840.69
Total	\$ 1,777,235.27	\$ 156,010,687.37	\$ 845,117.43	\$ 820,015.92	\$ 155,107,797.98	\$ 460,570.55	\$ 783,821.30	\$ 345,463.85	\$ 635,604.25	\$ 314,901.22	\$ 1,732,507.60

ANALYSIS OF 2017 PROPERTY TAX LEVY

General Purpose	\$ 149,850,535.37
Special District Tax	6,160,152.00
Added Taxes (54-4-63.1 et seq)	837,688.58
Total	<u>\$ 156,848,375.95</u>
TAX LEVY:	
Local School Tax	\$ 87,640,356.00
County Taxes (Abstract)	
County Added & Omitted Taxes	\$ 29,046,948.97
Special District Taxes	148,672.63
Municipal Open Space	29,195,621.60
Local Tax for Municipal Purposes	6,160,152.00
Add: Additional Taxes Levied	1,352,748.88
	31,800,458.30
	<u>699,039.17</u>
Total	<u>\$ 156,848,375.95</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 2,737,303.00
Increased by:		
Transfer from Taxes Receivable	\$ 314,901.22	
Interest & Costs on Taxes	9,932.36	324,833.58
		<u>3,062,136.58</u>
Decreased by:		
Cash Collections		<u>66,193.20</u>
Balance December 31, 2017		<u><u>\$ 2,995,943.38</u></u>

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**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016	<u><u>\$ 6,306,200.00</u></u>
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**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	ACCRUED IN 2017	COLLECTED	BALANCE DECEMBER 31, 2017
Clerk:				
Alcoholic Beverage Licenses	\$ -	\$ 37,050.00	\$ 37,050.00	\$ -
Other Licenses	-	31,406.00	31,406.00	-
Fees & Permits	-	269,035.10	269,035.10	-
Municipal Court:				
Fines & Costs	34,883.55	510,084.85	507,111.14	37,857.26
Tax Collector:				
Interest & Costs on Taxes	-	403,100.12	403,100.12	-
Interest on Investments & Deposits	-	170,970.99	170,970.99	-
Consolidated Municipal Property				
Tax Relief	-	68,606.00	68,606.00	-
Energy Receipts Tax	-	3,283,543.00	3,283,543.00	-
Garden State Trust Fund	-	56,290.00	56,290.00	-
Uniform Construction Code Fees	-	1,442,103.56	1,442,103.56	-
Cablevision Franchise Fee	-	237,774.00	237,774.00	-
Shared Service Agreement - BOE	-	170,000.00	170,000.00	-
Reserve for Debt Service - General Capital Fund	-	100,000.00	100,000.00	-
Reserve for Recycling - Trust Other Fund	-	50,000.00	50,000.00	-
Total	<u>\$ 34,883.55</u>	<u>\$ 6,829,963.62</u>	<u>\$ 6,826,989.91</u>	<u>\$ 37,857.26</u>

Cash Receipts \$ 6,826,989.91

Total \$ 6,826,989.91

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:					
Administrative Executive:					
Salaries and Wages	\$ 675.96	\$ -	\$ 1,675.96	\$ 1,506.84	\$ 169.12
Other Expenses	3,169.69	3,727.28	6,896.97	6,234.26	662.71
Human Services:					
Salaries and Wages	0.74	-	800.74	509.54	291.20
Other Expenses	2,171.72	173.00	2,344.72	173.00	2,171.72
Township Council:					
Salaries and Wages	0.12	-	0.12	-	0.12
Other Expenses	575.00	-	575.00	-	575.00
Election:					
Salaries and Wages	209.30	-	209.30	-	209.30
Other Expenses	189.64	-	189.64	-	189.64
Municipal Clerk:					
Salaries and Wages	499.54	-	499.54	-	499.54
Other Expenses	3,076.27	264.00	3,340.27	366.00	2,974.27
Mayor Office:					
Salaries and Wages	0.04	-	0.04	-	0.04
Other Expenses	3,664.50	100.00	3,764.50	100.00	3,664.50
Financial Administration:					
Salaries and Wages	35,247.01	-	30,447.01	-	30,447.01
Other Expenses	10,617.55	6,092.88	16,710.43	1,826.12	14,884.31
Audit Services:					
Other Expenses	-	43,200.00	43,200.00	43,200.00	-
Data Processing:					
Salaries and Wages	12,137.84	-	11,637.84	-	11,637.84
Other Expenses	2,925.55	3,665.62	6,591.17	5,406.33	1,184.84
Collection of Taxes:					
Salaries and Wages	3,786.95	-	3,786.95	-	3,786.95
Other Expenses	1,473.67	9,441.94	10,915.61	9,432.52	1,483.09
Assessment of Taxes:					
Salaries and Wages	17,371.87	-	16,871.87	-	16,871.87
Other Expenses	10,964.03	2,423.27	13,387.30	2,503.29	10,884.01

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Purchasing:					
Salaries and Wages	3,370.46	-	3,370.46	-	3,370.46
Other Expenses	4,226.05	2,094.10	6,320.15	2,937.75	3,382.40
Legal Services & Costs:					
Other Expenses	15,005.07	30,340.68	92,645.75	92,559.22	86.53
Engineering Services & Costs:					
Salaries and Wages	10,119.17	-	10,119.17	-	10,119.17
Other Expenses	43,319.64	59,265.51	97,585.15	57,749.76	39,835.39
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	594.47		594.47	-	594.47
Other Expenses	19,516.96	9,438.71	28,955.67	22,636.19	6,319.48
Maintenance of Tax Maps:					
Other Expenses	1,416.50	-	1,416.50	-	1,416.50
Rent Leveling Board:					
Salaries and Wages	1,270.00	-	1,270.00	121.00	1,149.00
Other Expenses	6,631.37	1,862.80	8,494.17	2,112.80	6,381.37
Code Enforcement - Other:					
Salaries and Wages	42,033.29	-	37,533.29	1,442.56	36,090.73
Other Expenses	850.24	810.30	1,660.54	796.63	863.91
Commercial Building Standards:					
Other Expenses	7.32	-	7.32	-	7.32
Unsafe Structures Committee:					
Other Expenses	20,000.00	-	20,000.00	-	20,000.00
Insurance:					
General Liability	33,349.49	10,629.60	43,979.09	10,629.60	33,349.49
Workers Compensation	1.40	-	1.40	-	1.40

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Insurance (continued):					
Employee Group Health	53,670.59	1,606.88	55,277.47	1,552.42	53,725.05
Health Benefit Waiver	4,400.00	-	4,400.00	-	4,400.00
Unemployment Trust Fund	10,000.00	-	10,000.00	-	10,000.00
Police Department:					
Salaries and Wages	418,078.37	-	412,078.36	25,955.50	386,122.86
Other Expenses	8,475.05	67,074.63	75,549.68	73,894.92	1,654.76
Police Dispatch/911:					
Salaries and Wages	91,157.22	-	91,157.22	5,081.68	86,075.54
Emergency Management:					
Salaries and Wages	460.01	-	460.01	12.10	447.91
Other Expenses	7,318.86	5,581.32	12,900.18	8,088.05	4,812.13
Aid to Volunteer Ambulance:					
Other Expenses	15,000.00	-	15,000.00	-	15,000.00
Municipal Prosecutor:					
Other Expenses	13,605.86	-	13,605.86	6,666.70	6,939.16
Juvenile Conference Committee:					
Salaries and Wages	985.48	-	985.48	9.68	975.80
Other Expenses	25.00	-	25.00	-	25.00
Streets & Roads Maintenance:					
Salaries and Wages	51,846.33	-	49,846.34	1,920.51	47,925.83
Other Expenses	86,457.91	43,233.52	125,391.43	44,983.37	80,408.06
Snow Removal:					
Other Expenses	-	53,465.53	53,465.53	40,977.09	12,488.44
Shade Tree Commission:					
Salaries and Wages	110.00	-	110.00	-	110.00
Other Expenses	2,168.00	-	2,168.00	1,077.50	1,090.50
Solid Waste Collection:					
Salaries and Wages	5,873.87	-	5,873.87	-	5,873.87
Other Expenses	88,725.74	210.00	88,935.74	88,933.75	1.99
Buildings & Grounds:					
Salaries and Wages	36,554.40		34,554.40	2,196.94	32,357.46
Other Expenses	42,409.51	19,672.20	60,581.71	38,555.37	22,026.34
Vehicle Maintenance:					
Salaries and Wages	45,902.55	-	42,902.55	739.31	42,163.24
Other Expenses	81,202.30	17,776.07	95,478.37	18,118.37	77,360.00

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Community Services Act:					
Other Expenses	-	170,000.00	170,000.00	170,000.00	-
Public Health Services:					
Salaries and Wages	4,230.00	-	4,230.00	663.00	3,567.00
Other Expenses	552.70	-	552.70	-	552.70
Environmental Health Services-					
Environmental Commission:					
Salaries and Wages	40.00	-	40.00	-	40.00
Other Expenses	429.75	-	429.75	-	429.75
Animal Control Services:					
Salaries and Wages	5,133.03		5,133.03	482.28	4,650.75
Other Expenses	4,694.65	4,483.87	9,178.52	5,086.77	4,091.75
Going Green Committee:					
Other Expenses	100.00	-	100.00	-	100.00
Recreation Services & Programs:					
Salaries and Wages	11,585.56		11,585.56	129.60	11,455.96
Other Expenses	5,385.85	1,200.72	6,586.57	1,161.63	5,424.94
Office for the Golden Age:					
Salaries and Wages	21,897.33		21,897.33	2,836.83	19,060.50
Other Expenses	2,405.31	570.97	2,976.28	1,450.97	1,525.31
Handicapped Committee:					
Salaries and Wages	445.33	-	445.33	121.16	324.17
Other Expenses	3,471.77	604.00	4,075.77	526.68	3,549.09
Park Maintenance:					
Other Expenses	19,351.21	3,986.95	21,338.16	3,987.95	17,350.21
Municipal Court:					
Salaries and Wages	24,778.59	-	24,778.59	695.11	24,083.48
Other Expenses	3,370.24	4,155.19	7,525.43	4,155.19	3,370.24
Public Defender:					
Other Expenses	5,000.00	7,000.00	12,000.00	7,000.00	5,000.00
Salary & Wage Adjustment					
Salaries and Wages	12,387.77	-	12,387.77	-	12,387.77
Postage & Photocopy:					
Other Expenses	1,999.06	6,944.35	8,943.41	6,944.35	1,999.06

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Utility Expenses & Bulk Purchases:					
Electricity	91,207.46	37,351.48	128,558.94	56,041.80	72,517.14
Street Lighting	31,449.95	28,300.00	59,749.95	33,833.59	25,916.36
Telecommunication Costs	24,770.22	8,790.31	33,560.53	7,222.54	26,337.99
Natural Gas	24,847.19	17,000.00	41,847.19	33,966.68	7,880.51
Fuel & Petroleum Products	371,577.00	-	367,077.00	50,107.50	316,969.50
Water	1,000.00	-	1,000.00	-	1,000.00
Landfill/Solid Waste Disposal Costs:					
Other Expenses	56,321.68	4,517.36	60,839.04	35,096.19	25,742.85
Legler Landfill - Postclosure Monitoring:					
Other Expenses	30,829.33	-	30,829.33	-	30,829.33
Uniform Construction Code:					
Construction Code Department:					
Salaries and Wages	59,609.57	-	54,609.57	3,943.36	50,666.21
Other Expenses	3,173.80	21,194.89	24,368.69	3,738.00	20,630.69
Statutory Expenditures:					
Social Security System (O.A.S.I.)	121,198.83	-	121,198.83	3,196.46	118,002.37
Defined Contribution Retirement Program	2,821.30	-	2,821.30	-	2,821.30
Service Contracts:					
Sewer & Water Purposes - MUA	600.00	300.00	900.00	900.00	-
Relocation Assistance	2,000.00	-	2,000.00	-	2,000.00
Recycling Tax	2,406.57	-	2,406.57	1,204.23	1,202.34
LOSAP	-	34,620.00	34,620.00	34,620.00	-
Matching Funds for Grants	14,762.50	-	14,762.50	-	14,762.50
Judgements	3,990.29	-	3,990.29	-	3,990.29

Total General Appropriations	\$ 2,347,309.31	\$ 743,169.93	\$ 3,090,479.24	\$ 1,090,118.54	\$ 2,000,360.70
			Cash Disbursements	\$ 926,776.49	
			Accounts Payable	163,342.05	
			Total	\$ 1,090,118.54	

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	270,328.78
Increased by:			
Appropriation Reserves Charged			<u>163,342.05</u>
			433,670.83
Decreased by:			
Cash Disbursed	\$	5,567.95	
Cancelled		<u>8,193.13</u>	<u>13,761.08</u>
Balance December 31, 2017		\$	<u><u>419,909.75</u></u>

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	743,169.93
Increased by:			
2017 Budget Appropriations			<u>1,243,167.54</u>
Subtotal			1,986,337.47
Decreased by:			
Transfer to Appropriation Reserves			<u>743,169.93</u>
Balance December 31, 2017		\$	<u><u>1,243,167.54</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	820,015.92
Increased by:			
2017 Tax Collections on 2018 Taxes	\$	4,242,546.24	
Overpayments Transferred to 2018 Taxes		19,252.65	4,261,798.89
			<hr/>
			5,081,814.81
Decreased by:			
Transfer to Overpayment		494,047.61	
Applied to 2017 Taxes Receivable		820,015.92	1,314,063.53
			<hr/>
Balance December 31, 2017		\$	<u><u>3,767,751.28</u></u>

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	129,992.86
Increased by:			
Overpayments Created			1,277,868.91
			<hr/>
			1,407,861.77
Decreased by:			
Overpayments Applied	\$	345,463.85	
Overpayments Transferred to Prepaid Taxes		19,252.65	
Cash Refunds		540,539.36	905,255.86
			<hr/>
Balance December 31, 2017		\$	<u><u>502,605.91</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 154,601.75
Increased by:		
County Tax	\$ 24,598,465.33	
County Library Tax	2,649,929.88	
County Health Tax	960,238.98	
County Open Space Preservation Tax	838,314.78	
Due County for Added & Omitted Taxes	<u>148,672.63</u>	
		<u>29,195,621.60</u>
		29,350,223.35
Decreased by:		
Payments		<u>29,201,550.73</u>
Balance December 31, 2017		<u><u>\$ 148,672.62</u></u>

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ -
Increased by:		
Levy - Calendar Year 2017		<u>87,640,356.00</u>
		87,640,356.00
Decreased by:		
Disbursed		<u>87,640,356.00</u>
Balance December 31, 2017		<u><u>\$ -</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ -
Increased by:	
Fire Districts Levy:	
Cassville Fire District #2	\$ 1,644,914.00
Hulsers Corner Fire District #3	2,957,854.00
Jackson Mills Fire District #4	1,557,384.00
	<u>6,160,152.00</u>
	6,160,152.00
Decreased by:	
Disbursed	<u>6,160,152.00</u>
Balance December 31, 2017	<u><u>\$ -</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - CONSTRUCTION FEES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 15,514.00
Increased by:	
Collections	<u>64,798.00</u>
	80,312.00
Decreased by:	
Disbursed	<u>67,332.00</u>
Balance December 31, 2017	<u><u>\$ 12,980.00</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 1,075.00
Increased by:	
Collections	<u>6,100.00</u>
	7,175.00
Decreased by:	
Disbursed	<u>5,725.00</u>
Balance December 31, 2017	<u><u>\$ 1,450.00</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016	<u><u>\$ 5,743.40</u></u>
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**SCHEDULE OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ -
Increased by:	
Open Space Tax	\$ 1,345,833.37
Added & Omitted Taxes	<u>6,915.51</u>
	<u>1,352,748.88</u>
	1,352,748.88
Decreased by:	
Cash Disbursed	<u>1,352,748.88</u>
Balance December 31, 2017	<u><u>\$ -</u></u>

**SCHEDULE OF RESERVE FOR GARDEN STATE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016	<u><u>\$ 0.95</u></u>
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**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR STATE BOARD OF TAXATION APPEALS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016	<u><u>\$ 313,782.95</u></u>
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**SCHEDULE OF RESERVE FOR MASTER PLAN
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 24,011.23
Decreased by:	
Disbursements	<u>905.00</u>
Balance December 31, 2017	<u><u>\$ 23,106.23</u></u>

**SCHEDULE OF RESERVE FOR SKATE PARK
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016	<u><u>\$ 2,118.00</u></u>
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**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR COAH STATE PLAN
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016	<u><u>\$ 915,250.00</u></u>
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**SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 44,612.12
Increased by:	
FEMA Reimbursements	<u>22,321.03</u>
Balance December 31, 2017	<u><u>\$ 66,933.15</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR POLICE CARS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 83,206.45
Increased by:	
Cash Receipts	<u>68,907.50</u>
	152,113.95
Decreased by:	
Cash Disbursements	<u>40,000.00</u>
Balance December 31, 2017	<u><u>\$ 112,113.95</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF INTERFUNDS - OTHER FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	FEDERAL & STATE GRANT FUND	DOG TRUST	TRUST OTHER	TOTAL
Balance December 31, 2016 (Interfunds Payable)	<u>\$ (720,656.07)</u>	<u>\$ -</u>	<u>\$ (2,015.07)</u>	<u>\$ (364,798.00)</u>
Subtotal	<u>(720,656.07)</u>	<u>-</u>	<u>(2,015.07)</u>	<u>(364,798.00)</u>
Increased by:				
Anticipated Revenue	281,171.09	-	-	281,171.09
Cash Disbursements	639,557.05	-	480,904.05	1,120,461.10
Statutory Excess	-	15,061.67	-	15,061.67
Cancellation of Appropriation Reserves	<u>33,331.38</u>	<u>-</u>	<u>-</u>	<u>33,331.38</u>
Subtotal	<u>954,059.52</u>	<u>15,061.67</u>	<u>480,904.05</u>	<u>1,450,025.24</u>
Decreased by:				
Cash Collections:				
Grants Receivable	208,758.60	-	-	208,758.60
Unappropriated Funds	177,938.80	-	-	177,938.80
Interfunds Liquidated	-	-	476,676.17	476,676.17
Grant Appropriations	292,452.09	-	-	292,452.09
Cancellation of Grant Receivables	<u>26,050.32</u>	<u>-</u>	<u>-</u>	<u>26,050.32</u>
Subtotal	<u>705,199.81</u>	<u>-</u>	<u>476,676.17</u>	<u>1,181,875.98</u>
Balance December 31, 2017 (Interfunds Payable)	<u>\$ (471,796.36)</u>	<u>\$ 15,061.67</u>	<u>\$ 2,212.81</u>	<u>\$ (454,521.88)</u>
Due From Developers Escrow			\$ 1,368.38	
Due to General Trust			1,169.43	
Due To Parks & Recreation			<u>(325.00)</u>	
Total			<u>\$ 2,212.81</u>	

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 720,656.07
Increased by:		
Deposited in Current Fund:		
Unappropriated Reserves	\$ 177,938.80	
Grants Receivable	208,758.60	
Cancellation of Grants Receivable	26,050.32	
2017 Budget Appropriations	292,452.09	
		<u>705,199.81</u>
		1,425,855.88
Decreased by:		
Disbursed by Current Fund:		
Appropriated Reserves	639,557.05	
Cancellation of Appropriated Reserves	33,331.38	
2017 Anticipated Revenue	281,171.09	
		<u>954,059.52</u>
Balance December 31, 2017		<u><u>\$ 471,796.36</u></u>

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	2017 ANTICIPATED REVENUE	CASH RECEIVED	TRANSFER FROM UNAPPROPRIATED RESERVE	CANCELLED	BALANCE DECEMBER 31, 2017
State Grants:						
NJ-DOT Municipal Aid-Wright Debow '14	\$ 82,241.75	\$ -	\$ -	\$ -	\$ -	\$ 82,241.75
Safe & Secure Neighborhood - 2016	28,805.00	-	28,805.00	-	-	-
Municipal Alliance Alcohol & Drug Alliance - 2016	33,124.00	-	7,214.45	-	25,909.55	-
966 Emergency Grant - 2016	8,473.35	-	8,473.35	-	-	-
966 Emergency Grant - 2017	-	1,796.84	-	-	-	1,796.84
NJ Handicapped Recreational Opportunities - 2017	-	15,000.00	15,000.00	-	-	-
Municipal Alliance Alcohol & Drug Alliance - 2017	-	33,124.00	-	-	-	33,124.00
Safe & Secure Neighborhood - 2017	-	28,805.00	13,202.09	-	-	15,602.91
Alcohol Education and Rehabilitation Fund - 2017	-	3,142.43	-	3,142.43	-	-
Clean Communities - 2016	-	111,447.28	-	111,447.28	-	-
Body Armor Replacement Grant - 2017	-	7,798.07	-	7,798.07	-	-
Drunk Driving Enforcement Fund - 2017	-	22,417.47	-	22,417.47	-	-
Total State	152,644.10	223,531.09	72,694.89	144,805.25	25,909.55	132,765.50
Federal Grants:						
Cops in Shops Fall Initiative - 2016	2,800.00	-	2,800.00	-	-	-
Drive Sober or Get Pulled Over - 2016	5,000.00	-	4,900.00	-	100.00	-
Federal Bureau of Justice - Bulletproof Vest - 2016	11,760.00	-	11,760.00	-	-	-
FEMA Hazard Mitigation - Townhall Generator	78,529.00	-	74,585.48	-	-	3,943.52
Drive Sober or Get Pulled Over - 2017	-	11,000.00	5,500.00	-	-	5,500.00
OC Office of Senior Services - Information Assistance G	-	27,800.00	22,125.00	5,675.00	-	-
Cops in Shops Fall Initiative - 2017	-	4,840.00	-	-	-	4,840.00
Cops in Shops Summer/Shore Initiative - 2017	-	3,000.00	2,997.50	-	2.50	-
Click It or Ticket - 2017	-	5,500.00	5,500.00	-	-	-
Distracted Drive Crackdown - 2017	-	5,500.00	5,500.00	-	-	-
Total Federal	98,089.00	57,640.00	135,667.98	5,675.00	102.50	14,283.52
Local Grants:						
ANJEC - Open Space Stewardship 2016	434.00	-	395.73	-	38.27	-
Total	\$ 251,167.10	\$ 281,171.09	\$ 208,758.60	\$ 150,480.25	\$ 26,050.32	\$ 147,049.02

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	TRANSFERRED FROM 2017 BUDGET	PRIOR YEAR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	CANCELLED	BALANCE DECEMBER 31, 2017
State Grants:	\$	\$	\$	\$	\$	\$	\$
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	30,388.18	-	-	4,000.00	-	-	26,388.18
Recycling Tonnage Grant - 2015	100,249.26	-	-	-	-	-	100,249.26
Recycling Tonnage Grant - 2016	76,648.12	-	-	-	-	-	76,648.12
Body Armor Replacement Grant - 2013	-	-	884.75	-	-	-	884.75
Body Armor Replacement Grant - 2014	-	-	9,404.88	9,404.88	-	-	-
Body Armor Replacement Grant - 2015	168.14	-	5,438.32	5,606.46	-	-	-
Body Armor Replacement Grant - 2016	2,800.68	-	4,519.05	7,319.73	-	-	-
Body Armor Replacement Grant - 2017	-	7,798.07	-	7,791.87	-	-	6.20
Drunk Driving Enforcement Fund - 2014	4,960.16	-	-	1,971.31	-	-	2,988.85
Drunk Driving Enforcement Fund - 2015	9,844.34	-	-	210.00	-	-	9,634.34
Drunk Driving Enforcement Fund - 2017	-	22,417.47	-	-	-	-	22,417.47
Alcohol Education & Rehabilitation - 2013	4,090.01	-	500.00	1,800.00	-	-	2,790.01
Alcohol Education & Rehabilitation - 2016	2,534.13	-	-	-	-	-	2,534.13
Alcohol Education & Rehabilitation - 2017	-	3,142.43	-	-	-	-	3,142.43
Clean Communities Program - 2014	15.02	-	260.00	275.02	-	-	-
Clean Communities Program - 2015	23,781.54	-	1,711.04	25,492.58	-	-	-
Clean Communities Program - 2016	29,930.27	-	7,680.00	37,610.27	-	-	-
Clean Communities Program - 2017	-	111,447.28	-	79,157.63	4,801.36	-	27,488.29
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
NI-DOT Municipal Aid-Wright Debow '14	328,967.00	-	-	-	-	-	-
966 Emergency Management Grant - 2016	-	-	8,473.35	328,967.00	-	-	-
966 Emergency Management Grant - 2017	-	-	-	8,473.35	-	-	-
Municipal Alliance - 2016/2017	-	1,796.84	-	1,731.41	-	-	65.43
Municipal Alliance - 2017/2018	33,124.00	-	-	8,214.45	-	24,909.55	-
Safe and Secure Neighborhood - 2016	-	33,124.00	-	2,804.30	1,453.26	-	28,866.44
Safe and Secure Neighborhood - 2017	15,602.91	-	-	15,602.91	-	-	-
Handicapped Recreation Opportunities - 2017	-	28,805.00	-	13,202.09	-	-	15,602.91
	-	15,000.00	-	15,000.00	-	-	-
Total State Grants	866,981.12	223,531.09	38,871.39	574,635.26	6,254.62	24,909.55	523,584.17

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	TRANSFERRED FROM 2017 BUDGET	PRIOR YEAR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	CANCELLED	BALANCE DECEMBER 31, 2017
Federal Grants:							
Ocean County Office of Senior Services -							
Information Systems Grant 2016	0.06	-	-	-	-	0.06	-
Information Systems Grant 2017	-	27,800.00	-	22,210.00	5,589.34	-	0.66
FEMA Hazard Mitigation Grant -							
Townhall Generator	6,454.07	-	-	-	-	-	6,454.07
Federal Bureau of Justice -							
Bulletproof Vest Partnership - 2016	-	-	11,760.00	11,760.00	-	-	-
Click It or Ticket - 2017	-	5,500.00	-	5,500.00	-	-	-
Cops in Shops Fall Initiative - 2016	2,800.00	-	-	2,800.00	-	-	-
Cops in Shops Fall Initiative - 2017	-	4,840.00	-	-	-	-	4,840.00
Cops in Shops Summer/Shore Initiative - 2017	-	3,000.00	-	2,997.50	-	2.50	-
Drive Sober or Get Pulled Over - 2016	2,200.00	-	-	2,100.00	-	100.00	-
Drive Sober or Get Pulled Over - 2017	-	11,000.00	-	7,975.00	-	-	3,025.00
Distracted Driving Crackdown	-	5,500.00	-	5,500.00	-	-	-
Total Federal Grants	11,454.13	57,640.00	11,760.00	60,842.50	5,589.34	102.56	14,319.73
Local Grants:							
ANJEC - Open Space Stewardship 2016	1,117.56	-	-	1,079.29	-	38.27	-
Municipal Alliance - 2016/2017 - Local Match	8,281.00	-	-	-	-	8,281.00	-
Municipal Alliance - 2017/2018 - Local Match	-	8,281.00	-	-	-	-	8,281.00
Handicapped Recreation Opportunities - 2017	-	3,000.00	-	3,000.00	-	-	-
Totals	9,398.56	11,281.00	-	4,079.29	-	8,319.27	8,281.00
	\$ 887,833.81	\$ 292,452.09	\$ 50,631.39	\$ 639,557.05	\$ 11,843.96	\$ 33,331.38	\$ 546,184.90

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	RECEIVED 2017	ANTICIPATED AS REVENUE	BALANCE DECEMBER 31, 2017
State Grants:				
Alcohol Education & Rehabilitation	\$ 3,142.43	\$ 4,889.83	\$ 3,142.43	\$ 4,889.83
NJ Body Armor	7,798.07	7,811.40	7,798.07	7,811.40
Clean Communities	-	111,447.28	111,447.28	-
Drunk Driving Enforcement Fund	22,417.47	-	22,417.47	-
Recycling Tonnage	-	48,115.29	-	48,115.29
OC Office of Senior Services				-
Information Assistance Grant	-	5,675.00	5,675.00	-
Total	<u>\$ 33,357.97</u>	<u>\$ 177,938.80</u>	<u>\$ 150,480.25</u>	<u>\$ 60,816.52</u>

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 50,631.39
Increased by:	
Charged to Appropriation Reserves	<u>11,843.96</u>
	62,475.35
Decreased by:	
Applied to Appropriated Reserves	<u>50,631.39</u>
Balance December 31, 2017	<u>\$ 11,843.96</u>

TRUST FUND

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TOWNSHIP OF JACKSON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2017

	ANIMAL CONTROL TRUST FUND	OPEN SPACE TRUST FUND	TRUST OTHER FUND
Balance December 31, 2016	\$ 126,950.36	\$ 3,591,798.47	\$ 11,866,790.37
Increased by Receipts:			
Reserve for Animal Control Trust Fund			
Expenditures	\$ 58,379.00	\$ -	\$ -
Interfund Due Current	-	-	480,904.05
Various Reserves	-	-	6,671,029.25
Due from Ocean County Community			
Development Block Grant	-	-	202,280.83
Reserve for Open Space	-	1,372,616.31	-
Due to State of New Jersey	6,974.40	-	-
Total Receipts	<u>65,353.40</u>	<u>1,372,616.31</u>	<u>7,354,214.13</u>
Total	<u>192,303.76</u>	<u>4,964,414.78</u>	<u>19,221,004.50</u>
Decreased by Disbursements:			
Due to State of New Jersey	6,916.20	-	-
Animal Control Trust Fund Expenditures			
(R.S.4:19015.11)	55,136.67	-	-
Interfund - Current Fund	-	-	476,676.17
Community Development Block Grant	-	-	230,834.68
Various Reserves	-	-	6,152,657.17
Reserve for Open Space	-	791,530.75	-
Total Disbursements	<u>62,052.87</u>	<u>791,530.75</u>	<u>6,860,168.02</u>
Balance December 31, 2017	<u>\$ 130,250.89</u>	<u>\$ 4,172,884.03</u>	<u>\$ 12,360,836.48</u>

**TOWNSHIP OF JACKSON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 7.20
Increased by:	
Cash Receipts	<u>6,974.40</u>
Subtotal	6,981.60
Decreased by:	
Cash Disbursements	<u>6,916.20</u>
Balance December 31, 2017	<u><u>\$ 65.40</u></u>

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 126,943.16
Increased by:	
2017 Dog License Fees Collected	<u>58,379.00</u>
Subtotal	185,322.16
Decreased by:	
Statutory Excess Due to Current	15,061.67
Expenditures Under R.S.4:19-15:11 - Cash	<u>55,136.67</u>
	<u>70,198.34</u>
Balance December 31, 2017	<u><u>\$ 115,123.82</u></u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2016	\$ 57,604.82
2015	<u>57,519.00</u>
Total	<u><u>\$ 115,123.82</u></u>

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ (2,015.07)
Increased by:	
Cash Receipts	<u>480,904.05</u>
	478,888.98
Decreased by:	
Cash Disbursements	<u>476,676.17</u>
Balance December 31, 2017	<u><u>\$ 2,212.81</u></u>

**SCHEDULE OF DUE FROM COUNTY OF OCEAN COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 280,655.03
Increased by:	
Grant Awards 2017	<u>143,000.00</u>
	423,655.03
Decreased by:	
Cash Receipts	<u>202,280.83</u>
Balance December 31, 2017	<u><u>\$ 221,374.20</u></u>
<u>Analysis of Balance, December 31, 2017</u>	
CT-1512-16	\$ 78,374.20
CT-1512-17	<u>143,000.00</u>
	<u><u>\$ 221,374.20</u></u>

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF RESERVE FOR COMMUNITY
DEVELOPMENT BLOCK GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 280,655.03
Increased by:	
Community Development Block Grants	<u>143,000.00</u>
	423,655.03
Decreased by:	
Cash Disbursed	<u>230,834.68</u>
Balance December 31, 2017	<u><u>\$ 192,820.35</u></u>

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	INCREASES	DECREASES	BALANCE DECEMBER 31, 2017
Reserve for:				
Municipal Alliance	\$ 1,419.27	\$ 100.00	\$ -	\$ 1,519.27
Developer Escrow	4,457,339.50	1,194,452.11	1,114,449.71	4,537,341.90
Recreation Trust	259,694.00	550,484.31	595,186.61	214,991.70
Handicapped Commission	15,690.46	19,926.01	21,698.60	13,917.87
Tax Title Liens Premiums/ Redemptions	2,009,688.64	2,723,525.84	3,038,422.31	1,694,792.17
Unemployment Trust	259,566.22	26,451.98	5,830.69	280,187.51
Parking Offense Adjudication Act	2,308.00	102.00	-	2,410.00
Recycling Trust	402,149.35	154,391.27	184,050.67	372,489.95
Harmony Trust	474.00	-	-	474.00
Special Law Enforcement Fund	105,001.85	25,172.21	13,833.63	116,340.43
Public Defender Fees	23,128.76	27,759.38	29,000.00	21,888.14
Tree Escrow	561,037.15	40,390.15	72,032.87	529,394.43
Sick Leave Trust Fund	279,782.71	185,000.00	133,843.01	330,939.70
Off Duty Police	119,461.19	588,815.00	622,697.50	85,578.69
Youth Advisory	71.87	-	-	71.87
Management of Feral Cats	47.44	-	-	47.44
Snow Removal	836,077.35	386,117.14	12,039.65	1,210,154.84
C.O.A.H.	1,946,887.90	450,231.78	251,199.50	2,145,920.18
Clean Communities Donation	6.92	-	-	6.92
Developers Contribution Curbs & Sidewalks	192,484.80	42,400.00	-	234,884.80
Detention Basin	396,323.19	255,709.14	58,372.42	593,659.91
Section 125 Flex Spending	164.87	0.93	-	165.80
Total	<u>\$ 11,868,805.44</u>	<u>\$ 6,671,029.25</u>	<u>\$ 6,152,657.17</u>	<u>\$ 12,387,177.52</u>

**TOWNSHIP OF JACKSON
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016			\$ 3,591,798.47
Increased by:			
Open Space Tax levy	\$	1,345,833.37	
Open Space Added/Omitted Levy		6,915.51	
Interest Earned		19,867.43	
			<u>1,372,616.31</u>
Subtotal			4,964,414.78
Decreased by:			
Payment of Bond Principal		645,000.00	
Interest on Bonds		131,987.50	
Purchases		14,543.25	
			<u>791,530.75</u>
Balance December 31, 2017			<u><u>\$ 4,172,884.03</u></u>

**TOWNSHIP OF JACKSON
LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")
SCHEDULE OF FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	112,266.48
Increased by:			
Appreciation			<u>14,274.94</u>
			126,541.42
Decreased by:			
Account Fees	\$	500.00	
Participant Withdrawals		<u>9,488.17</u>	<u>9,988.17</u>
Balance December 31, 2017		\$	<u><u>116,553.25</u></u>

**SCHEDULE OF RESERVE FOR LOSAP
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	112,266.48
Increased by:			
Appreciation			<u>14,274.94</u>
			126,541.42
Decreased by:			
Account Fees	\$	500.00	
Participant Withdrawals		<u>9,488.17</u>	<u>9,988.17</u>
Balance December 31, 2017		\$	<u><u>116,553.25</u></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, 2017**

Balance December 31, 2016		\$ 11,778,536.88
Increased by:		
Receipts on Grants Receivable	\$ 392,985.00	
Reserve for Fire Damage - Annex Building	112.06	
Deferred Charges Unfunded Budget Appropriation	326.70	
Capital Improvement Fund	<u>110,000.00</u>	
		<u>503,423.76</u>
		12,281,960.64
Decreased by:		
Bond Anticipation Notes	5,858,326.00	
Reserve for Fire Damage - Annex Building	7,475.51	
Reserve for Debt Service - Open Space Bonds	100,000.00	
Improvement Authorizations	<u>3,908,810.49</u>	
		<u>9,874,612.00</u>
Balance December 31, 2017		<u><u>\$ 2,407,348.64</u></u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

BALANCE
DECEMBER 31,
2017

Capital Improvement Fund	\$ 574.08
Reserve for Encumbrances	964,677.31
Capital Fund Balance	114,061.99
Reserve for Debt Service - Open Space Bonds	1,753,770.57
Reserve for Building Department Facilities	3,226.03
Reserve for Debt Service - Other	43,135.22
MUA Shared Services Agreement Receivable	(395.00)

Improvement Authorizations:

Ordinance Number:	DESCRIPTION	
09-07(i)	Municipal Park Facilities (Recreation Fields)	1,637.08
09-07(iii)	Construction of Public Works Storage Building	32,649.43
09-07(iv)/28-07	Acquisition of Security, Telecommunications & GPS Equipment	24,828.24
29-08(ii)	Telephone/Data System Upgrade	63,120.62
19-09(ii)	Public Water Service Installation	81,039.70
19-09(iv)	Implementation of Recycling Center	7,718.54
19-09(vi)	Acquisition of Equipment for Public Works	18,685.78
19-09(vii)	Acquisition of Passenger Bus for Senior Center	4,861.73
25-10	Municipal Capital Improvements	104,902.58
25-10	Township Recycling Center	27,419.90
25-10	Technology Upgrades	11,287.93
25-10	Police Department Equipment	17,471.24
25-10	Public Works Equipment	71,955.62
403R-10	DOT Municipal Aid 2011 - Patterson Road	4,732.20
03-12	DPW Equipment	81,970.35
03-12	Ambulance	35,154.39
03-12	Non-Passenger Vehicles	8,522.42
18-13(i)	Acquisition of DPW Equipment	11,263.48
18-13(iii)	Record Retention/Microfilming	26.15
18-13(vi)	Various Road/Drainage and Sidewalk Improvements	127,810.27
20-14(i)	Acquisition of DPW Equipment	84,676.53
20-14(ii)	Various Road/Drainage and Sidewalk Improvements	128,785.66
20-14(iii)	Acquisition of Senior Center Bus	5,317.70
20-14(iv)	Acquisition of UCC non-passenger Vehicles	3,989.58
20-14	Section 20 Costs	180,489.50
21-15	DPW Equipment/Road Repair	4,317.91
21-15	Police Equipment	147,222.83
21-15	Various Park Improvements	34,029.17
21-15	Various Building Improvements	29,023.77
21-15	Municipal Court Equipment	38,029.06
21-15	Section 20 Costs	242,970.50
17-16	DPW Equipment/Gas Boy - Cap Project	(464,022.13)
17-16	Misc. Public Works Projects/Repairs	(46,500.00)
17-16	Justice Complex	(24,272.86)
17-16	Police CAD/Vehicles	(250,110.92)
17-16	Roads/Sidewalks/Drainage	(896,691.63)
17-16	Section 20 Costs	10,276.50
09-17	Road/SW/Drainage	(176,993.41)
09-17	DPW Projects & Repairs	(14,733.01)
09-17	Assessor Vehicle	1,250.00
09-17	Police Equipment & Vehicle	(259,355.18)
09-17	Section 20 Costs	13,541.22

Total	<u>\$ 2,407,348.64</u>
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**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM JACKSON MUA FOR SHARED SERVICES AGREEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016	\$	395.00
		395.00

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$	23,078,000.00
Increased by:		
NJEIT Loans Payable Issued		293,175.00
Subtotal		23,371,175.00
Decreased by:		
Budget Appropriation to Pay Bonds	\$	3,138,000.00
Paid by Open Space Trust Fund		645,000.00
NJEIT Loans Payable Paid		6,735.22
		3,789,735.22
Balance December 31, 2017	\$	19,581,439.78

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE		2017	AUTHORIZATIONS	2017	DECREASED	BALANCE DECEMBER 31, 2017	ANALYSIS OF BALANCE DECEMBER 31, 2017		
		DECEMBER 31, 2016	DECEMBER 31, 2016						EXPENDITURES	UNEXPENDED IMPROVEMENT	AUTHORIZATIONS
21-15	Section 20 Costs	\$ 326.70	\$ 326.70	-	-	\$ 326.70	\$ -	-	\$ -	-	-
23-15	JetVac and Sweeper	1,075,000.00	1,075,000.00	-	-	1,075,000.00	-	-	-	-	-
17-16	DPW Equipment/Gas Boy - Cap Project	545,300.00	545,300.00	-	-	-	-	545,300.00	464,022.13	81,277.87	-
17-16	Misc. Public Works Projects/Repairs	66,500.00	66,500.00	-	-	-	-	66,500.00	46,500.00	20,000.00	-
17-16	Justice Complex	109,250.00	109,250.00	-	-	-	-	109,250.00	24,272.86	84,977.14	-
17-16	Police CAD/Vehicles	313,500.00	313,500.00	-	-	-	-	313,500.00	250,110.92	63,389.08	-
17-16	Roads/Sidewalks/Drainage	950,000.00	950,000.00	-	-	-	-	950,000.00	896,691.63	53,308.37	-
17-16	Section 20 Costs	297,682.50	297,682.50	-	-	-	-	297,682.50	-	297,682.50	-
09-17	Roads/Sidewalks/Drainage	-	-	949,984.12	-	-	-	949,984.12	176,993.41	772,990.71	-
09-17	DPW Projects & Repairs	-	-	584,735.92	-	-	-	584,735.92	14,733.01	570,002.91	-
09-17	Assessor Vehicle	-	-	23,750.00	-	-	-	23,750.00	-	23,750.00	-
09-17	Police Equipment & Vehicle	-	-	259,355.18	-	-	-	259,355.18	259,355.18	-	-
09-17	Section 20 Costs	-	-	272,673.78	-	-	-	272,673.78	-	272,673.78	-
Total		\$ 3,357,559.20	\$ 3,357,559.20	2,090,499.00	\$ 1,075,326.70	\$ 4,372,731.50	\$ 2,132,679.14	\$ 2,240,052.36			

Current Fund Budget Appropriation	\$ 326.70
Cancellation	1,075,000.00

\$ 1,075,326.70

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT OF ISSUE	ORIGINAL DATE OF ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2016	PAID	BALANCE DECEMBER 31, 2017
			PAYMENT DATE	PAYMENT AMOUNT				
Open Space Bonds	\$ 5,918,000.00	12/01/2003	12/01/2018	500,000.00	4.00%	\$ 1,000,000.00	\$ 500,000.00	\$ 500,000.00
General Improvements	16,102,000.00	12/01/2008	12/01/2018	2,085,000.00	4.00%	4,110,000.00	2,025,000.00	2,085,000.00
Open Space Bonds	3,739,000.00	12/01/2008	12/01/2018	130,000.00	4.00%	255,000.00	125,000.00	130,000.00
General Obligation - Series 2014	5,485,000.00	7/23/2014	6/1/2018	500,000.00	3.00%	4,835,000.00	500,000.00	4,335,000.00
			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%			
Bonds - General - Series 2016	4,210,000.00	2/2/2016	6/1/2024	600,000.00	2.25%			
			6/1/2025	600,000.00	2.375%			
			12/1/2018	5,000.00	2.00%	4,170,000.00	5,000.00	4,165,000.00
			12/1/2019	2,040,000.00	3.00%			
			12/1/2020	2,120,000.00	4.00%			

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT OF ISSUE	ORIGINAL DATE OF ISSUE	MATURITIES OF BONDS OUTSTANDING				INTEREST RATE	BALANCE DECEMBER 31, 2016	PAID	BALANCE DECEMBER 31, 2017
			DECEMBER 31, 2017		PAYMENT AMOUNT	DATE				
			PAYMENT	DATE						
General Bonds - Open Space - Series 2016	2,890,000.00	2/2/2016		12/1/2018	20,000.00		2.00%	2,850,000.00	20,000.00	2,830,000.00
				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%			
General Obligation - Series 2016	5,858,000.00	11/30/2016		12/1/2018	600,000.00		3.00%	5,858,000.00	608,000.00	5,250,000.00
				12/1/2019	700,000.00		3.00%			
				12/1/2020	650,000.00		3.00%			
				12/1/2021	1,100,000.00		4.00%			
				12/1/2022	1,100,000.00		2.125%			
				12/1/2023	1,100,000.00		2.25%			
Total								\$ 23,078,000.00	\$ 3,783,000.00	\$ 19,295,000.00
Current Fund Budget Appropriation								\$ 3,138,000.00		
Open Space Trust Appropriation								<u>645,000.00</u>		
								<u>\$ 3,783,000.00</u>		

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	RECLASS PRIOR YEAR ENCUMBRANCES	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES	AUTHORIZATION CANCELLED	BALANCE DECEMBER 31, 2017	
		FUNDED	UNFUNDED						FUNDED	UNFUNDED
27-04(ii)	Various Improvements to the Justice Complex	\$ 18,913.87	\$ -	\$ -	\$ 149.70	\$ 19,063.57	-	\$ -	\$ -	-
09-07(iii)	Construction of Public Works Storage Building	1,637.08	-	-	-	-	-	-	1,637.08	-
28-07A	Telecommunications & GPS Equipment	32,649.43	-	-	-	-	-	-	32,649.43	-
09-07(vi)	Improvements to Library & Municipal Facilities	19,906.24	-	-	4,922.00	-	-	-	24,828.24	-
29-08(ii)	Telephone/Data System Upgrade	63,120.62	-	-	1,632.76	1,632.76	-	-	63,120.62	-
29-08(iv)	Hydraulic System Transfer Station	-	-	-	15,408.83	15,408.83	-	-	-	-
19-09(ii)	Public Water Service Installation	81,039.70	-	-	-	-	-	-	81,039.70	-
19-09(iii)	Acquisition of Office Equipment	4,677.07	-	-	-	4,677.07	-	-	-	-
19-09(iv)	Implementation of Recycling Center	7,718.54	-	-	24,591.17	24,591.17	-	-	7,718.54	-
19-09(vi)	Acquisition of Equipment for Public Works	25,728.71	-	-	-	7,042.93	-	-	18,685.78	-
10-09(vii)	Acquisition of Passenger Bus for Senior Center	4,861.73	-	-	-	-	-	-	4,861.73	-
25-10	Municipal Capital Improvements	110,120.56	-	-	59,586.38	64,804.36	-	-	104,902.58	-
25-10	Township Recycling Center	27,419.90	-	-	-	-	-	-	27,419.90	-
25-10	Technology Upgrades	43,910.93	-	-	-	29,233.00	3,390.00	-	11,287.93	-
25-10	Police Department Equipment	34,086.24	-	-	-	16,615.00	-	-	17,471.24	-
25-10	DPW Equipment	71,955.62	-	-	18,908.12	18,908.12	-	-	71,955.62	-
403R-10	DOT Municipal Aid 2011 - Patterson Road	4,732.20	-	-	-	-	-	-	4,732.20	-
03-12	Road Improvements	81,970.35	-	-	-	-	-	-	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	270,936.88	-	-	-	-
18-13(ii)	Acquisition of Pool Equipment	26.15	-	-	-	-	-	-	26.15	-
18-13(iii)	Record Retention/Microfilming	127,810.27	-	-	-	-	-	-	127,810.27	-
18-13(vii)	Section 20 Costs	155,510.20	-	-	3,833.33	41,496.50	33,170.50	-	84,676.53	-
20-14(i)	Acquisition of DPW Equipment	152,635.17	-	-	382,623.85	384,451.85	22,021.51	-	128,785.66	-
20-14(ii)	Various Road/Drainage and Sidewalk Improvements	-	-	-	272,836.02	272,836.02	-	-	-	-

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS	RECLASS PRIOR YEAR ENCUMBRANCES	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES	AUTHORIZATION CANCELLED	BALANCE DECEMBER 31, 2017	
		FUNDED	UNFUNDED						FUNDED	UNFUNDED
20-14(iii)	Acquisition of Senior Center Bus	5,317.70	-	-	-	-	-	-	5,317.70	-
20-14(iv)	Acquisition of UCC non-passenger Vehicles	3,989.58	-	-	-	-	-	-	3,989.58	-
20-14	Section 20 Costs	182,556.17	-	-	3,833.33	5,900.00	-	-	180,489.50	-
21-15	DPW Equipment/Road Repair	69,548.04	-	-	228,451.96	227,165.96	66,516.13	-	4,317.91	-
21-15	Roads/Sidewalks/Drainage	966,647.57	-	-	-	832,860.96	133,786.61	-	-	-
21-15	Police Equipment	155,300.32	-	-	10,532.00	18,609.49	-	-	147,222.83	-
21-15	Various Park Improvements	41,565.60	-	-	-	7,536.43	-	-	34,029.17	-
21-15	Various Building Improvements	44,000.00	-	-	-	-	14,976.23	-	29,023.77	-
21-15	Municipal Court Equipment	38,029.06	-	-	-	-	-	-	38,029.06	-
21-15	Section 20 Costs	244,710.46	326.70	-	3,833.34	5,900.00	-	-	242,970.50	-
23-15	JetVac and Sweeper	-	482,300.00	-	-	-	-	482,300.00	-	-
17-16	DPW Equipment/Gas Boy - Cap Project	20,901.00	545,300.00	-	-	198,017.75	286,905.38	-	-	81,277.87
17-16	Misc. Public Works Projects/Repairs	3,500.00	66,500.00	-	-	-	50,000.00	-	-	20,000.00
17-16	Justice Complex	5,750.00	109,250.00	-	-	-	30,022.86	-	-	84,977.14
17-16	Police CAD/Vehicles	-	206,773.28	-	123,226.72	266,610.92	-	-	-	63,389.08
17-16	Roads/Sidewalks/Drainage	50,000.00	950,000.00	-	-	946,691.63	-	-	-	53,308.37
17-16	Section 20 Costs	15,667.50	297,682.50	-	-	-	5,391.00	-	10,276.50	297,682.50
09-17	Road/SW/Drainage	-	-	1,000,000.00	-	227,009.29	-	-	-	772,990.71
09-17	DPW Projects & Repairs	-	-	615,500.00	-	-	45,497.09	-	-	570,002.91
09-17	Assessor Vehicle	-	-	25,000.00	-	-	-	-	1,250.00	23,750.00
09-17	Police Equipment & Vehicle	-	-	273,000.00	-	-	273,000.00	-	-	-
09-17	Section 20 Costs	-	-	287,025.00	-	810.00	-	-	13,541.22	272,673.78
Total		\$ 2,972,853.87	\$ 2,658,132.48	\$ 2,200,525.00	\$ 1,425,306.39	\$ 3,908,810.49	\$ 964,677.31	\$ 482,300.00	\$ 1,660,977.58	\$ 2,240,052.36

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 1,425,306.39
Increased by:	
Charged to Improvement Authorizations	<u>964,677.31</u>
	2,389,983.70
Decreased by:	
Prior Year Encumbrance Canceled	<u>1,425,306.39</u>
Balance December 31, 2017	<u><u>\$ 964,677.31</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 600.08
Increased by:	
2017 Budget Appropriation	<u>110,000.00</u>
	110,600.08
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>110,026.00</u>
Balance December 31, 2017	<u><u>\$ 574.08</u></u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE - OPEN SPACE BONDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 1,853,770.57
Decreased by:	
Cash Disbursement	<u>100,000.00</u>
Balance December 31, 2017	<u><u>\$ 1,753,770.57</u></u>

**SCHEDULE OF RESERVE FOR DEBT SERVICE - OTHER
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 & 2016	<u><u>\$ 43,135.22</u></u>
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**SCHEDULE OF RESERVE FOR FIRE DAMAGE - ANNEX BUILDING
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 10,589.48
Increased by:	
Cash Receipts	<u>112.06</u>
Subtotal	10,701.54
Decreased by:	
Cash Disbursement	<u>7,475.51</u>
Balance December 31, 2017	<u><u>\$ 3,226.03</u></u>

**TOWNSHIP OF JACKSON
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 392,985.00
Decreased by:	
Cash Receipts	<u>392,985.00</u>
Balance December 31, 2017	<u><u>\$ -</u></u>

**SCHEDULE OF RESERVE FOR NJEIT LOAN ADVANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 199,715.00
Decreased by:	
Cancellation	<u>199,715.00</u>
Balance December 31, 2017	<u><u>\$ -</u></u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF NJEIT LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>DESCRIPTION</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUES</u>	<u>MATURITIES OF LOAN OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31,</u>		<u>BALANCE DECEMBER 31,</u>	
			<u>DATE</u>	<u>AMOUNT</u>		<u>2016</u>	<u>2017</u>	<u>INCREASES</u>	<u>DECREASES</u>
2017 Fund Loan	5/25/2017	148,175.00	2017 to 2031	\$ 148,175.00	N/A	\$ -	\$ 148,175.00	\$ 6,735.22	\$ 141,439.78
2017 Trust Loan	5/25/2017	145,000.00	2017 to 2031	145,000.00	3.00%-5.00%	-	145,000.00	-	145,000.00
Total						\$ -	\$ 293,175.00	\$ 6,735.22	\$ 286,439.78

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
18-13	Acquisition, Construction, Repair & Installation of Various Capital Improvements	8/4/2014	8/2/2016	1/27/2017	1.50%	\$ 1,891,241.00	\$ -	\$ 1,891,241.00	\$ -
20-14	Acquisition, Construction, Repair & Installation of Various Capital Improvements	8/4/2015	8/2/2016	1/27/2017	1.50%	2,080,152.00	-	2,080,152.00	-
21-15	Acquisition, Construction, Repair & Installation of Various Capital Improvements	8/2/2016	8/2/2016	1/27/2017	1.50%	1,886,933.00	-	1,886,933.00	-
Total						\$ 5,858,326.00	\$ -	\$ 5,858,326.00	\$ -

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATIONS	CANCELLED	BALANCE DECEMBER 31, 2017
21-15	Section 20 Costs	\$ 0.70	\$ -	0.70	\$ -
23-15	JetVac and Sweeper	1,075,000.00	-	1,075,000.00	-
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
09-17	Road/Sidewalks/Drainage	-	949,984.12	-	949,984.12
09-17	DPW Projects & Repairs	-	584,735.92	-	584,735.92
09-17	Assessor Vehicle	-	23,750.00	-	23,750.00
09-17	Police Equipment & Vehicle	-	259,355.18	-	259,355.18
09-17	Section 20 Costs	-	272,673.78	-	272,673.78
Total		\$ 3,357,233.20	\$ 2,090,499.00	\$ 1,075,000.70	\$ 4,372,731.50

PUBLIC ASSISTANCE FUND

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**TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 27,429.12
Increased by:	
Interest Earned	<u>153.81</u>
Balance December 31, 2017	<u><u>\$ 27,582.93</u></u>

**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 27,429.12
Increased by:	
Interest Earned	<u>153.81</u>
Balance December 31, 2017	<u><u>\$ 27,582.93</u></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, 2017

GENERL FIXED ASSETS	BALANCE DECEMBER 31, 2016	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2017
Land	\$ 56,970,100.00	\$ -	\$ -	\$ 56,970,100.00
Building & Building Improvements	49,423,563.00	375,342.00	-	49,798,905.00
Machinery & Equipment	14,820,103.00	1,339,391.00	843,254.00	15,316,240.00
Total	<u>\$ 121,213,766.00</u>	<u>\$ 1,714,733.00</u>	<u>\$ 843,254.00</u>	<u>\$ 122,085,245.00</u>

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TOWNSHIP OF JACKSON

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2017

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**TOWNSHIP OF JACKSON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding 2017-001

Criteria or specific requirement:

For sound financial reporting, the appropriate internal control procedures for requisitions of purchase orders should be followed to ensure compliance with public contract law.

Condition:

The Township was inconsistent with following internal control procedures in place for obtaining quotes and obtaining the approval of requisitions for purchase orders before the receipt of a good or service.

Cause:

Management oversight at the applicable department level.

Effect or potential effect:

Weakening of internal control over financial reporting.

Recommendation:

It is recommended that all requisitions for purchase orders are approved of by the appropriate parties and all quotes are received at the time of the requisitioning process and that no order is placed for goods or services until a Purchase Order is printed and approved.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF JACKSON
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

TOWNSHIP OF JACKSON

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

<u>Name</u>	<u>Title</u>
Michael Reina	Mayor
Kenneth Bressi	Council President
Ann Updegrave	Council Vice President
Robert Nixon	Councilmember
Barry Calogero	Councilmember
Scott Martin	Councilmember
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.

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

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 ended December 31, 2017.

GENERAL COMMENTS:

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

N.J.S.A.40A:11-4 states 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 2017.

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.

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.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" 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*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 3, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Township Council of the Township of Jackson, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Township Council of the Township of Jackson, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

Finding 2017-01 (*Finding 2017-001 in the Schedule of Financial Statement Findings section*)

The Township was inconsistent with following internal control procedures in place for obtaining quotes and obtaining the approval of requisitions for purchase orders before the receipt of a good or service.

RECOMMENDATIONS:

Finding 2017-01 (*Finding 2017-001 in the Schedule of Financial Statement Findings section*)

It is recommended that all requisitions for purchase orders are approved of by the appropriate parties and all quotes are received at the time of the requisitioning process and that no order is placed for goods or services until a Purchase Order is printed and approved.

Appreciation

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 No. 498

Toms River, New Jersey
June 26, 2018