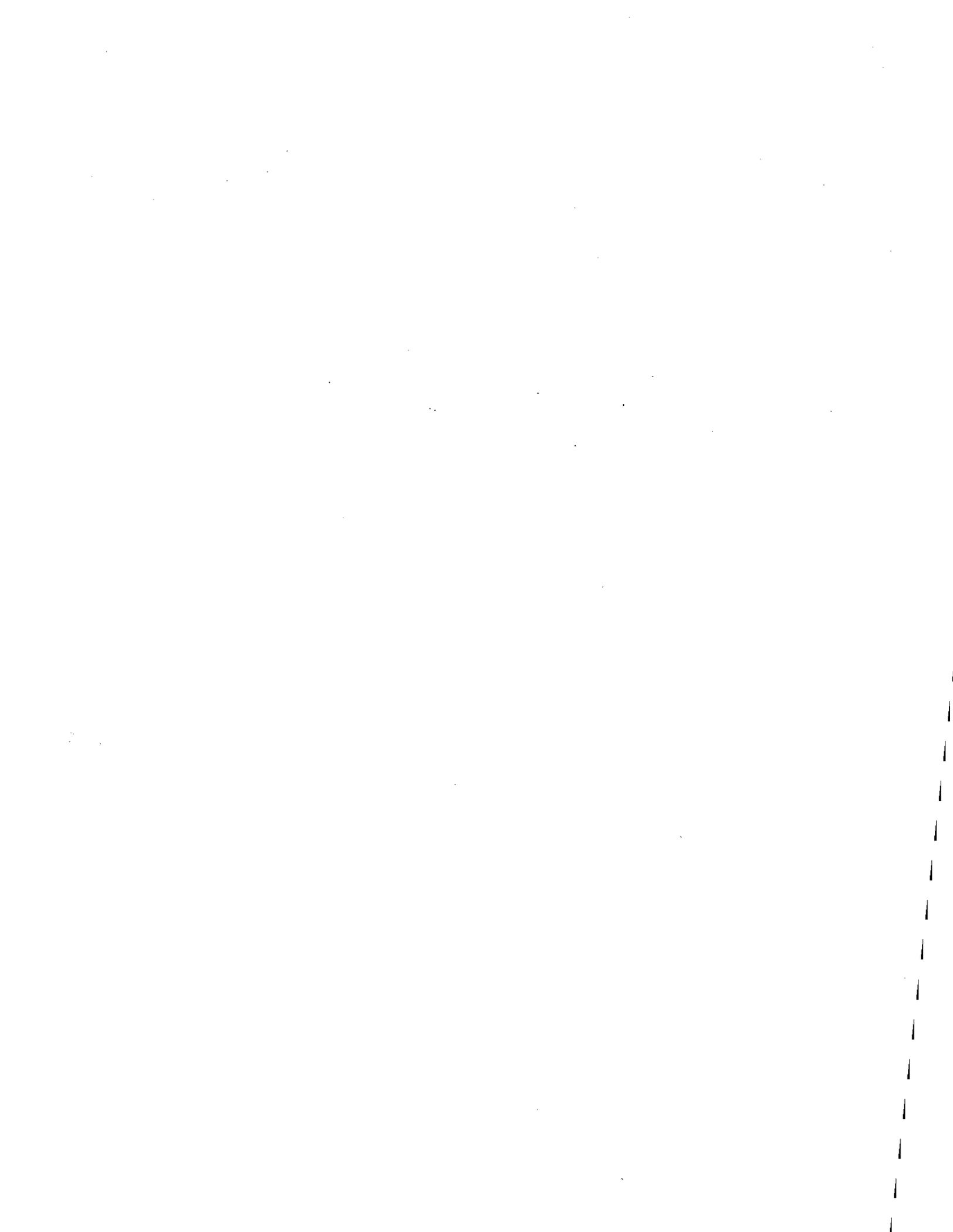


TOWNSHIP OF JACKSON
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2010



**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

CONTENTS

PART 1

| | EXHIBITS | PAGE |
|---|-----------------|-------------|
| Independent Auditor's Report | | 1 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> | | 3 |
| General-Purpose Financial Statements: | | |
| Current Fund: | | |
| Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | A | 5 |
| Comparative Statement of Operations & Change in Fund Balance | A-1 | 7 |
| Statement of Revenues | A-2 | 8 |
| Statement of Expenditures | A-3 | 10 |
| Trust Fund: | | |
| Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | B | 19 |
| General Capital Fund: | | |
| Comparative Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis | C | 20 |
| Public Assistance Fund: | | |
| Statements of Assets, Liabilities, Reserves & Reserves & Fund Balance – Regulatory Basis | D | 21 |
| General Fixed Assets Group: | | |
| Statements of Assets, Liabilities, Reserves & Reserves & Fund Balance – Regulatory Basis | E | 22 |
| Payroll Fund: | | |
| Statements of Assets, Liabilities, Reserves & Reserves & Fund Balance – Regulatory Basis | F | 23 |
| Notes to Financial Statements | | 24 |
| Supplemental Exhibits: | | |
| Current Fund | | |
| Schedule of Cash & Cash Equivalents | A-4 | 40 |
| Schedule of Due from State – P.L.1971, C.20 | A-5 | 41 |
| Schedule of Taxes Receivable & Analysis of Property Tax Levy | A-6 | 42 |
| Schedule of Tax Title Liens | A-7 | 43 |
| Schedule of Property Acquired for Taxes | A-8 | 43 |

(continued)

| | EXHIBITS | PAGE |
|---|----------|------|
| Schedule of Revenue Accounts Receivable | A-9 | 44 |
| Schedule of 2009 Appropriations Reserves | A-10 | 45 |
| Schedule of Accounts Payable | A-11 | 48 |
| Schedule of Reserve for Encumbrances | A-12 | 48 |
| Schedule of Prepaid Taxes | A-13 | 49 |
| Schedule of Tax Overpayments | A-14 | 49 |
| Schedule of County Taxes Payable | A-15 | 50 |
| Schedule of Local School District Tax Payable | A-16 | 50 |
| Schedule of Special District Taxes Payable | A-17 | 51 |
| Schedule of Due to State of New Jersey – Construction Fees | A-18 | 51 |
| Schedule of Due to State of New Jersey – Marriage Licenses | A-19 | 51 |
| Schedule of Reserve for Revaluation Program | A-20 | 52 |
| Schedule of Due to Municipal Open Space Trust Fund | A-21 | 52 |
| Schedule of Reserve for State Board of Taxation Appeals | A-22 | 53 |
| Schedule of Reserve for Library Damage | A-23 | 53 |
| Schedule of Interfunds – Other Funds | A-24 | 54 |
| Schedule of Deferred Charges N.J.S.40A:4-55 | A-25 | 55 |
| Schedule of Federal & State Grant Fund Due from Current | A-26 | 56 |
| Schedule of State & Federal Grants Receivable | A-27 | 57 |
| Schedule of State & Federal Grants Appropriated | A-28 | 58 |
| Schedule of State & Federal Grants Unappropriated | A-29 | 60 |
| Schedule of Reserve for Encumbrances | A-30 | 60 |
| Trust Fund: | | |
| Schedule of Cash - Treasurer | B-1 | 61 |
| Schedule of Due to State of New Jersey – Animal Control | B-2 | 62 |
| Schedule of Due from County of Ocean – Block Grant | B-3 | 62 |
| Schedule of Interfund – Current Fund | B-4 | 63 |
| Schedule of Reserve for Animal Control Expenditures | B-5 | 63 |
| Schedule of Interfund – Animal Control – Current Fund | B-6 | 64 |
| Schedule of Reserve for Community Development Block Grant Expenditures | B-7 | 64 |
| Schedule of Various Reserves | B-8 | 65 |
| Schedule of Reserve for Open Space | B-9 | 66 |
| Schedule of Funds Held by Trustee - LOSAP | B-10 | 67 |
| Schedule of Reserve for Length of Service Award Program | B-11 | 67 |
| General Capital Fund: | | |
| Schedule of Fund Balance | C-1 | 68 |
| Schedule of Cash & Cash Equivalents | C-2 | 68 |
| Analysis of Cash & Investments | C-3 | 69 |
| Schedule of Due from State of New Jersey Department Of Transportation | C-4 | 70 |
| Schedule of Due from County for Shared Services | C-5 | 70 |
| Schedule of Deferred Charges to Future Taxation – Funded | C-6 | 70 |
| Schedule of Deferred Charges to Future Taxation – Unfunded | C-7 | 71 |
| Schedule of General Serial Bonds | C-8 | 72 |
| Schedule of Improvement Authorizations | C-9 | 74 |
| Schedule of Reserve for Encumbrances – General Fund | C-10 | 76 |

(continued)

| | EXHIBITS | PAGE |
|--|----------|------|
| Statement of Capital Improvement Fund | C-11 | 76 |
| Statement of Reserve for Debt Service | C-12 | 77 |
| Statement of Reserve for Fire Damage – Annex Building | C-13 | 77 |
| Statement of Bonds & Notes Authorized but not Issued | C-14 | 78 |
| Public Assistance Fund: | | |
| Schedule of Cash | D-1 | 79 |
| Schedule of Reserve for Public Assistance | D-2 | 79 |
| General Fixed Assets Group: | | |
| Schedule of Investments in General Fixed Assets | E-1 | 80 |
| Single Audit Section: | | |
| Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04 | | 81 |
| Schedule of Expenditures of State Financial Assistance | | 83 |
| Notes to Schedules of Awards and Financial Assistance | | 84 |
| Schedule of Findings and Questioned Costs | | 85 |
| Summary Schedule of Prior Audit Findings | | 88 |
| Supplementary Data: | | |
| Summary of Statutory Debt | | 89 |
| Comparative Statement of Operations & Change in Fund Balance - Current Fund | | 90 |
| Comparison of Tax Levies and Collection Currently | | 91 |
| Comparative Schedule of Fund Balances | | 92 |
| Officials in Office | | 93 |

PART II

| | | |
|--|--|-------------|
| Comments and Recommendations: | | |
| Contracts & Agreements Required to be Advertised | | 94 |
| Contacts & Agreements Requiring Solicitation of Quotations | | 94 |
| Collection of Interest on Delinquent Taxes | | 95 |
| Delinquent Taxes & Tax Title Liens | | 95 |
| Deductions From Taxes | | 95 |
| Examination of Bills | | 96 |
| Municipal Clerk | | 96 |
| Municipal Court | | 96 |
| Payroll | | 96 |
| Follow-Up of Prior Year Findings | | 96 |
| Acknowledgment | | 96 |
| | | (concluded) |

**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2010**



Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Jackson, State of New Jersey as of December 31, 2010 and the related statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis and statement of general fixed assets group of accounts for the year ended December 31, 2010. These financial statements are the responsibility of the Township of Jackson's management. Our responsibility is to express an opinion on these financial statements based on our audit. The comparative financial statements of the Township of Jackson as of December 31, 2009 were audited by other auditors whose report, dated June 22, 2010, expressed a qualified opinion as to conformity with accounting principles generally accepted in the United States of America and an unqualified opinion as to conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters, as discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Jackson, State of New Jersey, as of December 31 2010, the changes in its financial position, or where applicable, its cash flows for the year then ended. Further, the Township of Jackson, State of New Jersey has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

MEDFORD OFFICE
618 Stokes Road • Medford, NJ 08055
Tel: 609.953.0612 • Fax: 609.953.8443
holmanfrenia.com

TOMS RIVER OFFICE
10 Allen St., Suite 2B • Toms River, NJ 08753
Tel: 732.797.1333 • Fax: 732.797.1022
holmanfrenia.com

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Jackson, State of New Jersey, as of December 31, 2010, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--regulatory basis, expenditures--regulatory basis of the various funds and general fixed assets, for the year ended December 31, 2010 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2011, on our consideration of the Township of Jackson, State of New Jersey's internal control over financial reporting and 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* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Jackson's basic financial statements as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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.

The accompanying schedules of expenditures of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
March 23, 2011



Certified Public Accountants & Consultants

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

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

We have audited the financial statements of the Township of Jackson, County of Ocean, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated March 23, 2011. Our report rendered a qualified opinion and disclosed that, as described in Note 1 to the financial statements, the Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as 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, we considered the Township of Jackson's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A deficiency in internal controls 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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We identified one deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above, which is described in the accompanying Comment and Recommendation Section as Finding No. 2010-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Jackson's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance 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, which is described in the accompanying Comment and Recommendation Section as Finding No. 2010-01.

This report is intended solely for the information and use of the Township of Jackson's management, and Committee members, others within the organization, the Division of Local Government Services, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

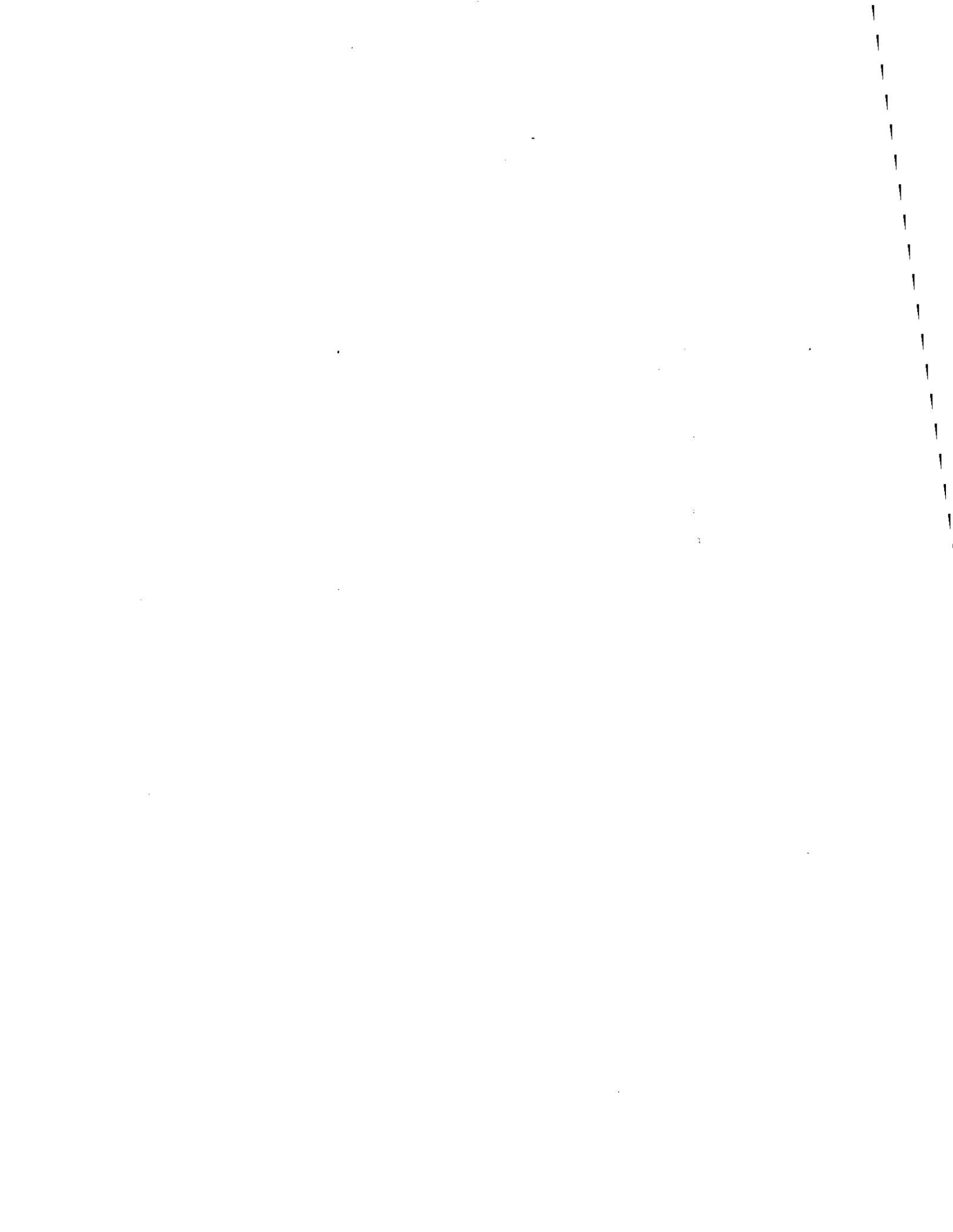
HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
March 23, 2011

FINANCIAL STATEMENTS



**TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

| ASSETS | REFERENCE | 2010 | 2009 |
|--|-----------|----------------------------|--------------------------|
| Regular Fund: | | | |
| Cash -Treasurer | A-4 | 17,997,150 | 8,087,643 |
| Cash - Change Fund | A | 675 | 675 |
| Due from State of New Jersey: | | | |
| Senior Citizen & Veteran Deductions | A-5 | 11,114 | 13,163 |
| Total Regular Fund | | <u>18,008,939</u> | <u>8,101,481</u> |
| Receivables & Other Assets With Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-6 | 1,959,150 | 1,884,659 |
| Tax Title Liens Receivable | A-7 | 1,449,327 | 1,283,850 |
| Property Acquired for Taxes at Assessed Valuation | A-8 | 6,438,900 | 6,816,200 |
| Revenue Accounts Receivable | A-9 | 27,999 | 31,680 |
| Interfunds Receivable | A-24 | 3,261 | 8,215 |
| Total Receivables & Other Assets With Full Reserves | | <u>9,878,637</u> | <u>10,024,604</u> |
| Deferred Charges: | | | |
| Special Emergency 40A:4-55 | A-25 | 100,000 | 450,000 |
| Total Deferred Charges | | <u>100,000</u> | <u>450,000</u> |
| Total Regular Fund, Receivables & Other Assets With Full Reserves | | <u>27,987,576</u> | <u>18,576,085</u> |
| State & Federal Grants: | | | |
| Grants Receivable | A-27 | 541,011 | 65,211 |
| Due from Current Fund | A-26 | 224,721 | 287,304 |
| Total State & Federal Grants | | <u>765,732</u> | <u>352,515</u> |
| Total Assets | | <u><u>\$28,753,308</u></u> | <u><u>18,928,600</u></u> |

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

**TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

| LIABILITIES RESERVES & FUND BALANCE | REFERENCE | 2010 | 2009 |
|---|-----------|---------------------|-------------------|
| Regular Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3,A-10 | \$1,252,547 | 1,200,709 |
| Reserves for Encumbrances | A-12 | 895,406 | 1,181,982 |
| Accounts Payable | A-11 | 435,340 | 221,223 |
| Tax Anticipation Note Payable | A | 11,200,000 | |
| Special Emergency Note Payable | A | | 300,000 |
| Prepaid Taxes | A-13 | 497,879 | 478,588 |
| Tax Overpayments | A-14 | 137,980 | 191,209 |
| County Taxes Payable | A-15 | 153,451 | 76,042 |
| Due State of New Jersey - Construction Fees | A-18 | 16,124 | 11,395 |
| Due State of New Jersey - Marriage License Fees | A-19 | 1,125 | 1,335 |
| Reserve for Revaluation Program | A-20 | 5,743 | 105,743 |
| Reserve for Master Plan | A | 38,705 | 59,854 |
| Reserve for Garden State Trust Fund | A | 56,291 | 84,435 |
| Reserve for State Board of Taxation Appeals | A-22 | 421,223 | 300,000 |
| Reserve for Library Damage | A-24 | | 53,627 |
| Reserve for Skate Park | A | 2,118 | 7,547 |
| Interfund Payable | A-24 | 224,721 | 287,304 |
| Total Liabilities | | 15,338,653 | 4,560,993 |
| Reserve for Receivables & Other Assets | A | 9,878,637 | 10,024,605 |
| Fund Balance | A-1 | 2,770,286 | 3,990,487 |
| Total Regular Funds | | 27,987,576 | 18,576,085 |
| Federal & State Grants: | | | |
| Reserves for Encumbrances | A-30 | 17,640 | 52,549 |
| Appropriated Reserves | A-28 | 731,690 | 213,203 |
| Unappropriated Reserves | A-29 | 16,402 | 86,763 |
| Total State & Federal Grants | | 765,732 | 352,515 |
| Total Liabilities, Reserves & Fund Balance | | \$28,753,308 | 18,928,600 |

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

TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---------------|-------------|
| Revenue & Other Income Realized: | | |
| Fund Balance Utilized | \$3,800,000 | 4,850,000 |
| Miscellaneous Revenue Anticipated | 8,821,705 | 9,298,101 |
| Receipts From Delinquent Taxes | 1,737,098 | 1,619,989 |
| Receipts From Current Taxes | 126,963,411 | 122,457,385 |
| Nonbudget Revenue | 613,582 | 740,900 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 1,151,972 | 1,719,631 |
| Cancelled Accounts Payable | 1,237 | 125,752 |
| Prior Year Interfunds Liquidated | 4,955 | 29,289 |
| Animal Control Trust Fund - Statutory Excess | | 4,129 |
| Cancel Grant Appropriations | 22,317 | |
| | <hr/> | |
| Total Revenue & Other Income Realized | 143,116,277 | 140,845,176 |
| | <hr/> | |
| Expenditures: | | |
| Operations Within "CAPS": | | |
| Salaries and Wages | 16,627,330 | 17,332,430 |
| Other Expenses | 11,320,818 | 11,512,918 |
| Deferred Charges & Statutory Expenditures Within "CAPS" | 3,734,980 | 3,684,835 |
| Operations Excluded from "CAPS": | | |
| Salaries and Wages | 187,798 | 155,131 |
| Other Expenses | 1,290,078 | 355,864 |
| Municipal Debt Service Excluded From "CAPS" | 3,818,602 | 4,322,825 |
| Deferred Charges - Municipal - Excluded From "CAPS" | 250,473 | 475,000 |
| Judgements | 10,000 | |
| Local District School Taxes | 73,569,074 | 69,925,928 |
| Fire District Taxes | 5,043,372 | 4,935,206 |
| County Taxes | 23,154,574 | 23,278,358 |
| Amount Due County for Added & Omitted Taxes | 153,451 | 76,042 |
| Municipal Open Space Taxes | 1,361,215 | 2,035,519 |
| Prior Year Senior Citizen Deductions Disallowed | 7,301 | 7,653 |
| Refund of Prior Year Revenue | 79 | 25,989 |
| Cancel Grant Receivable | 7,333 | |
| | <hr/> | |
| Total Expenditures | 140,536,478 | 138,123,698 |
| | <hr/> | |
| Excess in Revenue | 2,579,799 | 2,721,478 |
| Fund Balance January 1 | A 3,990,487 | 6,119,009 |
| | <hr/> | |
| Total | 6,570,286 | 8,840,487 |
| Decreased by: Utilized as Revenue | A-2 3,800,000 | 4,850,000 |
| | <hr/> | |
| Balance December 31 | A \$2,770,286 | 3,990,487 |
| | <hr/> <hr/> | |

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, 2010**

| | ANTICIPATED BUDGET | ADDED PER N.J.S.40A:4-87 | REALIZED | EXCESS OR (DEFICIT) |
|--|-----------------------|-----------------------------|-----------|------------------------|
| Fund Balance Anticipated | \$3,800,000 | | 3,800,000 | |
| Miscellaneous Revenue: | | | | |
| Local Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 35,000 | | 41,250 | 6,250 |
| Other | 23,000 | | 23,314 | 314 |
| Fees & Permits | 145,000 | | 119,690 | (25,310) |
| Fines & Costs: | | | | |
| Municipal Court | 500,000 | | 427,571 | (72,429) |
| Interest & Cost on Taxes | 350,000 | | 400,918 | 50,918 |
| Interest on Investments & Deposits | 360,000 | | 277,542 | (82,458) |
| Tax Search Fees | 50 | | 80 | 30 |
| Housing & Commercial CCO's | 100,000 | | 90,865 | (9,135) |
| Consolidated Municipal Property Tax | | | | |
| Relief Aid | 401,471 | | 401,471 | |
| Energy Receipts Taxes | 2,950,678 | | 2,950,678 | |
| Garden State Trust | 84,434 | | 84,434 | |
| Uniform Construction Code Fees | 1,050,000 | | 1,247,181 | 197,181 |
| Municipal Court Alcohol Education & Rehabilitation Fund | 3,094 | | 3,094 | |
| Clean Communities Program | 74,356 | | 74,356 | |
| Recycling Tonnage Grant | 84,675 | | 84,675 | |
| Municipal Alliance on Alcoholism & Drug Abuse | 26,539 | | 26,539 | |

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, 2010**

| | ANTICIPATED BUDGET | ADDED PER N.J.S.40A:4-87 | REALIZED | EXCESS OR (DEFICIT) |
|---|-----------------------|-----------------------------|-------------------|------------------------|
| Miscellaneous Revenue (continued): | | | | |
| Safe & Secure Communities Program | 28,805 | | 28,805 | |
| Body Armor Replacement Grant | 2,600 | | 2,600 | |
| Cops in Shops Summer 2010 | 1,600 | | 1,600 | |
| Over the Limit Under Arrest | | 4,400 | 4,400 | |
| State Forestry Services: | | | | |
| Community Forestry Management Plan | | 7,000 | 7,000 | |
| Handicapped Recreation Opportunities Grant | 15,000 | | 15,000 | |
| Ocean County Prosecutor's Office Edward Byrne Memorial Justice Assistance Grant | 20,850 | | 20,850 | |
| Ocean County Office of Senior Services Information Assistance | 17,700 | | 17,700 | |
| Ocean County Office of Senior Services Information Assistance - Donation | 10 | | 10 | |
| ARRA Recovery Act - EECGB Grant | 464,500 | | 464,500 | |
| Resolution Fee - | | | | |
| Escrow Performance/Maintenance Guarantee | 173,462 | | 173,561 | 99 |
| Cablevision Franchise Fee | 182,669 | | 182,669 | |
| Reserve for Sale of Municipal Land | 959,000 | | 959,000 | |
| Reserve - Library Fire Damage | 53,627 | | 53,627 | |
| Police Uniform Reimbursement/Giveback | 136,950 | | 136,725 | (225) |
| Capital Fund Balance | 500,000 | | 500,000 | |
| Total | 8,745,070 | 11,400 | 8,821,705 | 65,235 |
| Receipts from Delinquent Taxes | 1,800,000 | | 1,737,098 | (62,902) |
| Amount to be Raised by Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes | 25,583,609 | | 26,081,725 | 498,116 |
| Budget Totals | 39,928,679 | 11,400 | 40,440,528 | |
| Nonbudget Revenues | | | 613,582 | 613,582 |
| Total | \$39,928,679 | 11,400 | 41,054,110 | 1,114,031 |

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, 2010**

ANALYSIS OF REALIZED REVENUES

| | |
|---|---------------|
| Allocation of Current Tax Collections: | |
| Revenue From Collections | \$127,105,742 |
| Less: Reserve for State Board of Taxation Appeals | 142,331 |
| Net Revenue From Collections | 126,963,411 |
| Allocated to School, County, Municipal Open Space & Special Districts | 103,281,686 |
| Balance for Support of Municipal Budget Appropriations | 23,681,725 |
| Increased by Appropriation for Uncollected Taxes | 2,400,000 |
| Amount for Support of Municipal Budget Appropriations | \$26,081,725 |
| Receipts from Delinquent Taxes: | |
| Delinquent Tax Collections | \$1,717,604 |
| Tax Title Lien Collections | 19,494 |
| Total | \$1,737,098 |
| Miscellaneous Revenue: | |
| Construction Code Official: | |
| Plumbing Fees & Permits | \$216,173 |
| Electrical Fees & Permits | 212,830 |
| Building Inspector Fees & Permits | 681,303 |
| Fire Inspection Fees & Permits | 123,650 |
| Commercial Inspections | 4,350 |
| Elevator Inspection Fees | 8,876 |
| Total Construction Code Official | \$1,247,182 |
| Other Fees & Permits: | |
| Public Works | \$24,866 |
| Forester | 3,730 |
| Police Department | 20,132 |
| Zoning Board | 11,314 |
| Planning Board | 45,117 |
| Vital Statistics | 14,531 |
| Total Other Fees & Permits | \$119,690 |

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, 2010**

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:

| | |
|--|---------------|
| Tower Rental | \$65,830 |
| Upper Freehold Twp Interlocal Agreement | 16,437 |
| Gas & Fuel Reimbursements | 58,589 |
| Insurance Reimbursements | 30,190 |
| JIF Dividend | 28,830 |
| Jackson Development Company Reimbursement - Canton Mediation | 26,176 |
| Municipal Clerk - Miscellaneous | 3,604 |
| Online Auction | 12,973 |
| Library Water | 2,500 |
| Little League Field Rental/Lease | 12,000 |
| Tax Collector Fees | 3,073 |
| Telephone Revenue | 7,371 |
| Outside Employment Surcharge | 90,375 |
| Administrative Fee - Senior Citizen's & Veteran's | 11,064 |
| TAN Premium | 48,944 |
| Miscellaneous | 137,394 |
| Police Alarm Fines | 3,975 |
| Planning & Zoning Surcharge | 44,725 |
| Motor Vehicle Inspection Fines | 9,532 |
| | 9,532 |
| Total Nonbudget Revenue | \$613,582 |

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, 2010**

| OPERATIONS - Within "CAPS" | APPROPRIATIONS | | EXPENDED | | |
|-------------------------------------|----------------|------------------------------|--------------------|----------|-----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELLED |
| General Government: | | | | | |
| Administrative Executive: | | | | | |
| Salaries and Wages | \$189,359 | 192,405 | 182,700 | 9,705 | |
| Other Expenses | 86,705 | 86,705 | 77,080 | 9,625 | |
| Township Council: | | | | | |
| Salaries and Wages | 43,575 | 43,575 | 42,466 | 1,109 | |
| Other Expenses | 3,850 | 3,850 | 842 | 3,008 | |
| Mayor: | | | | | |
| Salaries and Wages | 26,437 | 26,437 | 20,650 | 5,787 | |
| Other Expenses | 6,150 | 6,150 | 4,602 | 1,548 | |
| Human Services: | | | | | |
| Salaries and Wages | 96,850 | 101,029 | 100,736 | 293 | |
| Other Expenses | 10,285 | 10,285 | 4,174 | 6,111 | |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 223,149 | 234,413 | 233,934 | 479 | |
| Other Expenses | 39,575 | 39,575 | 36,355 | 3,220 | |
| Election: | | | | | |
| Salaries and Wages | 5,000 | 4,170 | 3,184 | 986 | |
| Other Expenses | 50,000 | 50,000 | 46,911 | 3,089 | |
| Financial Administration: | | | | | |
| Salaries and Wages | 319,452 | 330,702 | 329,727 | 975 | |
| Other Expenses | 53,225 | 53,225 | 36,624 | 16,601 | |
| Audit Services: | | | | | |
| Other Expenses | 40,000 | 40,000 | 40,000 | | |
| Information Technology/Computerized | | | | | |
| Data Processing: | | | | | |
| Salaries and Wages | 46,145 | 50,351 | 49,999 | 352 | |
| Other Expenses | 17,500 | 17,500 | 1,476 | 16,024 | |
| Collection of Taxes: | | | | | |
| Salaries and Wages | 239,949 | 247,336 | 246,948 | 388 | |
| Other Expenses | 35,975 | 35,975 | 33,888 | 2,087 | |
| Assessment of Taxes: | | | | | |
| Salaries and Wages | 282,551 | 282,551 | 266,015 | 16,536 | |
| Other Expenses | 16,280 | 16,280 | 15,202 | 1,078 | |
| Purchasing: | | | | | |
| Salaries and Wages | 92,013 | 92,013 | 90,317 | 1,696 | |
| Other Expenses | 5,210 | 5,210 | 4,404 | 806 | |
| Legal Services & Costs: | | | | | |
| Other Expenses | 405,000 | 405,000 | 318,547 | 66,453 | 20,000 |
| Engineering Services & Costs: | | | | | |
| Salaries and Wages | 145,535 | 153,441 | 151,555 | 1,886 | |
| Other Expenses | 130,775 | 130,775 | 122,533 | 8,242 | |
| Historical Commission: | | | | | |
| Other Expenses | 250 | 250 | | 250 | |

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | APPROPRIATIONS | | EXPENDED | | |
|--|----------------|------------------------------|--------------------|----------|-----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELLED |
| OPERATIONS - Within "CAPS" | | | | | |
| Community Alliance-Alcoholism & Drugs: | | | | | |
| Salaries and Wages | 1,140 | 1,140 | 380 | 760 | |
| Other Expenses | 100 | 100 | 18 | 82 | |
| Mayor's Community Advisory Board: | | | | | |
| Salaries and Wages | 700 | 700 | 616 | 84 | |
| Other Expenses | 50 | 50 | | 50 | |
| Economic Development Advisory Board: | | | | | |
| Other Expenses | 5,000 | 5,000 | 270 | 4,730 | |
| Land Use Administration: | | | | | |
| Planning/Zoning Boards: | | | | | |
| Salaries and Wages | 200,626 | 203,686 | 202,198 | 1,488 | |
| Other Expenses | 79,287 | 79,287 | 46,131 | 33,156 | |
| Maintenance of Tax Maps: | | | | | |
| Other Expenses | 15,000 | 15,000 | 13,424 | 1,576 | |
| Code Enforcement - Other: | | | | | |
| Rent Leveling Board: | | | | | |
| Salaries and Wages | 1,545 | 1,545 | 1,370 | 175 | |
| Other Expenses | 32,600 | 32,600 | 23,200 | 9,400 | |
| Code Enforcement - Other: | | | | | |
| Salaries and Wages | 173,673 | 176,553 | 164,920 | 11,633 | |
| Other Expenses | 4,000 | 4,000 | 2,982 | 1,018 | |
| Unsafe Structures Committee: | | | | | |
| Salaries and Wages | 1,000 | 1,000 | | 1,000 | |
| Other Expenses | 5,150 | 5,150 | | 5,150 | |
| Housing & Inspection Code: | | | | | |
| Salaries and Wages | 65,915 | 68,121 | 67,623 | 498 | |
| Other Expenses | 3,400 | 3,400 | 3,074 | 326 | |
| Commercial Building Standards: | | | | | |
| Salaries and Wages | 7,000 | 7,000 | 3,625 | 3,375 | |
| Other Expenses | 300 | 300 | 182 | 118 | |
| Insurance: | | | | | |
| General Liability | 578,731 | 578,731 | 476,972 | 21,759 | 80,000 |
| Workers Compensation | 641,846 | 641,846 | 641,315 | 531 | |
| Employee Group Health | 3,468,516 | 3,467,016 | 3,189,104 | 77,912 | 200,000 |
| Unemployment Trust Fund | 150,000 | 150,000 | 150,000 | | |
| Public Safety Functions: | | | | | |
| Police Department: | | | | | |
| Salaries and Wages | 9,905,057 | 9,768,839 | 9,658,220 | 110,619 | |
| Other Expenses | 467,908 | 467,908 | 442,842 | 25,066 | |
| Police Dispatch/911: | | | | | |
| Salaries and Wages | 425,348 | 425,348 | 402,182 | 23,166 | |
| Emergency Management: | | | | | |
| Salaries and Wages | 7,346 | 7,346 | 6,926 | 420 | |
| Other Expenses | 16,350 | 16,350 | 15,110 | 1,240 | |
| Aid to Volunteer Ambulance: | | | | | |
| Other Expenses | 15,000 | 15,000 | 15,000 | | |

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | APPROPRIATIONS | | EXPENDED | |
|---|----------------|------------------------------|--------------------|-----------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED CANCELLED |
| OPERATIONS - Within "CAPS" | | | | |
| Municipal Prosecutor: | | | | |
| Other Expenses | 42,000 | 42,000 | 36,667 | 5,333 |
| Juvenile Conference Committee: | | | | |
| Salaries and Wages | 1,250 | 1,250 | 1,043 | 207 |
| Other Expenses | 25 | 25 | | 25 |
| Public Works Functions: | | | | |
| Streets & Roads Maintenance: | | | | |
| Salaries and Wages | 1,393,363 | 1,384,431 | 1,329,645 | 54,786 |
| Other Expenses | 204,200 | 219,200 | 195,857 | 23,343 |
| Snow Removal: | | | | |
| Other Expenses | 344,500 | 504,500 | 353,781 | 150,719 |
| Shade Tree Commission: | | | | |
| Salaries and Wages | 1,200 | 1,200 | 1,183 | 17 |
| Other Expenses | 17,050 | 17,050 | 4,797 | 12,253 |
| Solid Waste Collection: | | | | |
| Salaries and Wages | 150,527 | 152,426 | 142,045 | 10,381 |
| Other Expenses | 1,050,250 | 1,050,250 | 1,036,662 | 13,588 |
| Buildings & Grounds: | | | | |
| Salaries and Wages | 772,717 | 785,176 | 755,739 | 29,437 |
| Other Expenses | 215,450 | 190,450 | 156,455 | 33,995 |
| Vehicle Maintenance: | | | | |
| Salaries and Wages | 279,352 | 297,483 | 292,274 | 5,209 |
| Other Expenses | 259,200 | 277,200 | 254,460 | 22,740 |
| Gypsy Moth and Mosquito: | | | | |
| Other Expenses | 300 | 300 | | 300 |
| Community Services Act: | | | | |
| Other Expenses | 225,000 | 225,000 | 225,000 | |
| Health & Human Services Functions: | | | | |
| Public Health Services: | | | | |
| Salaries and Wages | 14,000 | 14,000 | 11,738 | 2,262 |
| Other Expenses | 1,000 | 1,000 | 784 | 216 |
| Environmental Health Services- | | | | |
| Environmental Commission: | | | | |
| Salaries and Wages | 1,280 | 1,430 | 1,179 | 251 |
| Other Expenses | 150 | 150 | | 150 |
| Animal Control Services: | | | | |
| Salaries and Wages | 115,438 | 116,855 | 108,286 | 8,569 |
| Other Expenses | 52,800 | 52,800 | 51,107 | 1,693 |
| Social Service Agencies/Heal Care Aid: | | | | |
| Other Expenses | 6,000 | 6,000 | | 6,000 |
| Going Green Committee: | | | | |
| Other Expenses | 200 | 200 | | 200 |
| Parks & Recreation Functions: | | | | |
| Recreation Services & Programs: | | | | |
| Salaries and Wages | 192,537 | 187,604 | 168,792 | 18,812 |
| Other Expenses | 27,900 | 27,900 | 12,291 | 15,609 |

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | APPROPRIATIONS | | EXPENDED | | |
|--|----------------|------------------------------|--------------------|----------|-----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELLED |
| OPERATIONS - Within "CAPS" | | | | | |
| Office for the Golden Age: | | | | | |
| Salaries and Wages | 274,729 | 268,294 | 255,916 | 12,378 | |
| Other Expenses | 33,600 | 33,600 | 23,724 | 9,876 | |
| Handicapped Committee: | | | | | |
| Salaries and Wages | 19,444 | 19,444 | 11,477 | 7,967 | |
| Other Expenses | 2,050 | 2,050 | 244 | 1,806 | |
| Park Maintenance: | | | | | |
| Other Expenses | 3,000 | 3,000 | 1,080 | 1,920 | |
| Municipal Court Functions: | | | | | |
| Municipal Court: | | | | | |
| Salaries and Wages | 323,951 | 331,761 | 312,344 | 19,417 | |
| Other Expenses | 14,650 | 14,650 | 13,838 | 812 | |
| Public Defender: | | | | | |
| Other Expenses | 5,000 | 5,000 | | 5,000 | |
| Other Common Operating Functions: | | | | | |
| Salary & Wage Adjustment: | | | | | |
| Salaries and Wages | 125,000 | | | | |
| Postage & Photocopy: | | | | | |
| Other Expenses | 69,000 | 69,000 | 66,430 | 2,570 | |
| Purchase of Office Equipment: | | | | | |
| Other Expenses | 2,000 | 2,000 | | 2,000 | |
| Accumulated Leave Compensation-Sick Trust: | | | | | |
| Other Expenses | 153,200 | 183,200 | 183,200 | | |
| Celebration of Public Events: | | | | | |
| Other Expenses | 3,500 | 3,500 | 750 | 2,750 | |
| Utility Expenses & Bulk Purchases: | | | | | |
| Electricity | 610,000 | 610,000 | 602,488 | 7,512 | |
| Street Lighting | 330,000 | 330,000 | 324,791 | 5,209 | |
| Telecommunication Costs | 90,000 | 90,000 | 70,056 | 19,944 | |
| Legal Water System | 500 | 500 | | 500 | |
| Natural Gas | 132,000 | 132,000 | 97,136 | 34,864 | |
| Heating Oil | 3,500 | 3,500 | 1,000 | 2,500 | |
| Sewerage Processing & Disposal | 7,000 | 7,000 | | 7,000 | |
| Fuel & Petroleum Products | 450,000 | 450,000 | 439,770 | 10,230 | |
| Water | 3,000 | 7,000 | 3,836 | 3,164 | |
| Landfill/Solid Waste: | | | | | |
| Landfill/Solid Waste Disposal Costs: | | | | | |
| Other Expenses | 400,000 | 373,000 | 330,104 | 42,896 | |
| Legler Landfill - Postclosure Monitoring: | | | | | |
| Other Expenses | 55,000 | 55,000 | 46,842 | 8,158 | |
| Uniform Construction Code-Appropriations Offset by Dedicated Revenues(NJAC5:23-4.17): | | | | | |
| Construction Code Department: | | | | | |
| Salaries and Wages | 638,177 | 646,275 | 630,218 | 16,057 | |
| Other Expenses | 250,275 | 250,275 | 247,330 | 2,945 | |

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| OPERATIONS - Within "CAPS" | APPROPRIATIONS | | EXPENDED | | |
|---|----------------|------------------------------|--------------------|-----------|-----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELLED |
| Total Operations Including Contingent Within "CAPS" | 28,249,648 | 28,248,148 | 26,790,912 | 1,157,236 | 300,000 |
| Detail: | | | | | |
| Salaries and Wages | 16,802,330 | 16,627,330 | 16,248,170 | 379,160 | |
| Other Expenses | 11,447,318 | 11,620,818 | 10,542,742 | 778,076 | 300,000 |
| Deferred Charges & Statutory Expenditures Municipal Within "CAPS": | | | | | |
| Deferred Charges: | | | | | |
| Jackson BOE (Holman Theater) | 1,900 | 1,900 | 1,900 | | |
| R. Laks | 462 | 462 | 462 | | |
| Dasti, Murphy & McGuckin | 784 | 784 | 784 | | |
| Overcommitted Bill 2009-Pepco | 5,399 | 5,399 | 5,399 | | |
| Statutory Expenditures: | | | | | |
| Public Employees' Retirement System | 628,387 | 628,387 | 628,387 | | |
| Social Security System (O.A.S.I.) | 1,342,574 | 1,342,574 | 1,261,824 | 80,750 | |
| Police & Firemen's Retirement System | 1,753,474 | 1,753,474 | 1,753,474 | | |
| Defined Contribution Retirement Program | 2,000 | 2,000 | 1,459 | 541 | |
| Total Deferred Charges & Statutory Expenditures Within "CAPS" | 3,734,980 | 3,734,980 | 3,653,689 | 81,291 | |
| Total General Appropriations for Municipal Purposes Within "CAPS" | 31,984,628 | 31,983,128 | 30,444,601 | 1,238,527 | 300,000 |
| Operations Excluded from "CAPS": | | | | | |
| Service Contracts: | | | | | |
| Sewer & Water Purposes - MUA | 4,000 | 5,500 | 3,980 | 1,520 | |
| Implementation of 911 Emergency: | | | | | |
| Salaries & Wages | 141,783 | 141,783 | 141,783 | | |
| Relocation Assistance | | | | | |
| Other Expenses | 2,500 | 2,500 | | 2,500 | |
| Employee Group Health | 414,673 | 414,673 | 414,673 | | |
| Police & Firemen's Retirement System | 71,456 | 71,456 | 71,456 | | |
| Public Employees' Retirement System | 24,175 | 24,175 | 24,175 | | |
| LOSAP | 22,000 | 22,000 | 22,000 | | |
| Recycling Tonnage Tax | 12,000 | 12,000 | 12,000 | | |
| Supplemental Fire Services Programs: | | | | | |
| Fire District Tax Obligations | 13,026 | 13,026 | 13,026 | | |
| Public & Private Programs Offset by Revenues: | | | | | |
| Clean Communities Program | 74,356 | 74,356 | 74,356 | | |
| OC Office of Senior Services-Information Assistance: | | | | | |
| Salaries and Wages | 17,210 | 17,210 | 17,210 | | |
| Other Expenses | 500 | 500 | 500 | | |

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | APPROPRIATIONS | | EXPENDED | |
|---|------------------|---------------------------|------------------|--------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED CANCELLED |
| OPERATIONS - Excluded from "CAPS" | | | | |
| State Forestry Services: | | | | |
| Community Forestry Management Plan | | 7,000 | 7,000 | |
| Safe & Secure Communities Program | 28,805 | 28,805 | 28,805 | |
| Over the Limit Under Arrest | | 4,400 | 4,400 | |
| ARRA Recovery Act/EECGB Grant | 464,500 | 464,500 | 464,500 | |
| Municipal Alliance on Alcohol & Drug Abuse: | | | | |
| County Grant | 26,539 | 26,539 | 26,539 | |
| Local Matching Funds | 6,635 | 6,635 | 6,635 | |
| Handicap Recreational Grant: | | | | |
| State Share | 15,000 | 15,000 | 15,000 | |
| Local Matching Funds | 3,000 | 3,000 | 3,000 | |
| Ocean County Prosecutor's Office: | | | | |
| Edward Byrne Memorial Justice Assistance Grant | 20,850 | 20,850 | 20,850 | |
| Alcohol Education & Rehabilitation Program | 3,094 | 3,094 | 3,094 | |
| Drunk Driving Enforcement Fund | | | | |
| State of New Jersey Body Armor Grant | 2,600 | 2,600 | 2,600 | |
| Matching Funds for Grants | 10,000 | 10,000 | | 10,000 |
| COPS in Shops Summer 2010 | 1,600 | 1,600 | 1,600 | |
| Recycling Tonnage Grant | 84,674 | 84,674 | 84,674 | |
| Total Operations Excluded from "CAPS" | 1,464,976 | 1,477,876 | 1,463,856 | 14,020 |
| Detail: | | | | |
| Salaries and Wages | 187,798 | 187,798 | 187,798 | |
| Other Expenses | 1,277,178 | 1,290,078 | 1,276,058 | 14,020 |
| Capital Improvements - Excluded from "CAPS": | | | | |
| Capital Improvement Fund | 100,000 | 100,000 | 100,000 | |
| Municipal Debt Service - Excluded from "CAPS": | | | | |
| Payment of Bond Principal | 2,725,000 | 2,725,000 | 2,725,000 | |
| Interest on Bonds | 989,477 | 989,477 | 989,477 | |
| Interest on Notes | 4,125 | 4,125 | 4,125 | |
| Deferred Charges-Municipal - Excluded from "CAPS": | | | | |
| ORD 05-06 | 473 | 473 | 473 | |
| Special Emergency Authorization - 5 Years | 250,000 | 250,000 | 250,000 | |
| Total Capital Improvements & Municipal Debt Service Excluded from "CAPS" | 4,069,075 | 4,069,075 | 4,069,075 | |
| Total General Appropriations Excluded from "CAPS" | 5,534,051 | 5,546,951 | 5,532,931 | 14,020 |
| Judgements | 10,000 | 10,000 | 10,000 | |

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | APPROPRIATIONS | | EXPENDED | | |
|--|---------------------|------------------------------|---------------------|------------------|----------------|
| OPERATIONS | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELLED |
| Subtotal General Appropriations | 37,528,679 | 37,540,079 | 35,987,532 | 1,252,547 | 300,000 |
| Reserve For Uncollected Taxes | 2,400,000 | 2,400,000 | 2,400,000 | | |
| Total General Appropriations | \$39,928,679 | 39,940,079 | 38,387,532 | 1,252,547 | 300,000 |
| Budget | | \$39,928,679 | | | |
| Added by N.J.S. 40A:4-87 | | 11,400 | | | |
| Total | | \$39,940,079 | | | |
| Reserve for Uncollected Taxes | | | \$2,400,000 | | |
| Reserve for Encumbrances | | | 895,406 | | |
| Appropriated Reserves for Federal & State Grants | | | 760,763 | | |
| Deferred Charges - Special Emergency | | | 250,000 | | |
| Deferred Charges | | | 9,018 | | |
| Refunds | | | (154,098) | | |
| Disbursements | | | 34,226,443 | | |
| Total | | | \$38,387,532 | | |

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

**TOWNSHIP OF JACKSON
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

| ASSETS | REFERENCE | 2010 | 2009 |
|---|-----------|---------------------|-------------------|
| Animal Control Trust Fund: | | | |
| Cash | B-1 | \$41,362 | 70,224 |
| Total Animal Control Trust Fund | | <u>41,362</u> | <u>70,224</u> |
| Open Space Trust Fund: | | | |
| Cash | B-1 | 1,685,746 | 1,090,976 |
| Total Open Space Trust Fund | | <u>1,685,746</u> | <u>1,090,976</u> |
| Trust Other Funds: | | | |
| Cash | B-1 | 11,516,397 | 11,843,472 |
| Due from County of Ocean - Community Development Block Grant | B-3 | 182,120 | 195,780 |
| Total Trust Other Funds | | <u>11,698,517</u> | <u>12,039,252</u> |
| Length of Service Awards Program (LOSAP) | | | |
| Funds Held by Trustee | B-10 | 69,195 | 50,196 |
| Total Assets | | <u>\$13,494,820</u> | <u>13,250,648</u> |
| LIABILITIES & RESERVES | | | |
| Animal Control Trust Fund: | | | |
| Due to State of New Jersey | B-2 | \$71 | 9 |
| Reserve for Animal Control Expenditures | B-5 | 41,291 | 66,086 |
| Interfund - Current Fund | B-6 | | 4,129 |
| Total Animal Control Trust Fund | | <u>41,362</u> | <u>70,224</u> |
| Open Space Trust Fund: | | | |
| Reserve for Open Space | B-9 | 1,685,746 | 1,090,976 |
| Total Open Space Trust Fund | | <u>1,685,746</u> | <u>1,090,976</u> |
| Trust Other Funds: | | | |
| Various Reserves | B-8 | 11,623,609 | 11,852,474 |
| Interfund - Current Fund | B-4 | 3,261 | 4,087 |
| Reserve for Community Development Block Grant Expenditures | B-7 | 71,647 | 182,691 |
| Total Trust Other Funds | | <u>11,698,517</u> | <u>12,039,252</u> |
| Length of Service Awards Program (LOSAP - Unaudited) | | | |
| Funds Held by Trustee | B-11 | 69,195 | 50,196 |
| Total Liabilities & Reserves | | <u>\$13,494,820</u> | <u>13,250,648</u> |

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

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009**

| ASSETS | REFERENCE | 2010 | 2009 |
|--|-----------|---------------------|-------------------|
| Cash & Cash Equivalents | C-2 | \$5,419,701 | 5,845,522 |
| State Grants Receivable - Department of Transportation | C-4 | 121,250 | 285,000 |
| Ocean County Shared Services Agreement Receivable | C-5 | 215,135 | |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-6 | 32,490,000 | 35,690,000 |
| Unfunded | C-7 | 3,453,079 | 1,331,751 |
| | | <hr/> | <hr/> |
| Total Assets | | <u>\$41,699,165</u> | <u>43,152,273</u> |
| | | | |
| LIABILITIES, RESERVES & FUND BALANCE | | | |
| General Serial Bond | C-8 | \$32,490,000 | 35,690,000 |
| Improvement Authorizations: | | | |
| Funded | C-9 | 3,134,617 | 3,739,391 |
| Unfunded | C-9 | 2,826,605 | 1,317,440 |
| Reserve for Encumbrances | C-10 | 1,162,946 | 658,791 |
| Capital Improvement Fund | C-11 | 60,538 | 72,212 |
| Reserve for Debt Service - Open Space Bonds | C-12 | 1,853,771 | 1,103,771 |
| Reserve for Fire Damage - Annex Building | C-13 | 10,589 | 10,589 |
| Fund Balance | C-1 | 160,099 | 560,079 |
| | | <hr/> | <hr/> |
| Total Liabilities, Reserves & Fund Balance | | <u>\$41,699,165</u> | <u>43,152,273</u> |

There were bonds and notes authorized but not issued on December 31, 2010 of \$3,453,079. (Exhibit C-14)

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

EXHIBIT D

TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
COMPARATIVE STATEMENT OF ASSETS
AND LIABILITIES - REGULATORY BASIS
DECEMBER 31, 2010 AND 2009

| ASSETS | REFERENCE | 2010 | 2009 |
|-------------------------------|-----------|------------------------|----------------------|
| Cash & Cash Equivalents | D-1 | <u>\$29,312</u> | <u>29,008</u> |
| Total Assets | | <u><u>\$29,312</u></u> | <u><u>29,008</u></u> |
| | | | |
| RESERVES | | | |
| Reserve for Public Assistance | D-2 | <u>29,312</u> | <u>29,008</u> |
| Total Reserves | | <u><u>\$29,312</u></u> | <u><u>29,008</u></u> |

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

TOWNSHIP OF JACKSON
 GENERAL FIXED ASSETS ACCOUNT GROUP
 COMPARATIVE STATEMENT OF FIXED ASSETS AND
 FUND BALANCE - REGULATORY BASIS
 DECEMBER 31, 2010 AND 2009

| ASSETS | 2010 | 2009 |
|----------------------------------|----------------------|--------------------|
| Land | \$54,993,800 | 56,121,100 |
| Building & Building Improvements | 47,522,404 | 47,250,739 |
| Machinery & Equipment | 11,047,720 | 10,657,389 |
| | <hr/> | <hr/> |
| Total | <u>\$113,563,924</u> | <u>114,029,228</u> |
| FUND BALANCE | | |
| Investment in Fixed Assets | <u>\$113,563,924</u> | <u>114,029,228</u> |

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

TOWNSHIP OF JACKSON
 PAYROLL FUND
 COMPARATIVE STATEMENT OF ASSETS
 AND LIABILITIES - REGULATORY BASIS
 DECEMBER 31, 2010 AND 2009

| ASSETS | 2010 | 2009 |
|----------------------------|------------------|----------------|
| Cash | <u>\$133,998</u> | <u>140,749</u> |
| Total Assets | <u>\$133,998</u> | <u>140,749</u> |
| | | |
| LIABILITIES | | |
| Payroll Deductions Payable | <u>\$133,998</u> | <u>140,749</u> |
| Total Assets | <u>\$133,998</u> | <u>140,749</u> |

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

**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1. Summary of Significant Accounting Policies

A. Description of the Financial Reporting Entity

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

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

B. Description of Funds

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

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

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

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

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

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

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

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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

Revenues

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

Expenditures

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

Foreclosed Property

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

Interfunds

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

Insurance

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

Inventories of Supplies

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

General Fixed Assets

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

Compensated Absences

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

Property Taxes

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

Investments

Investments are stated at actual cost.

Budgets

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

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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

1. Prior to February 10th of the budget year the Township introduces a budget, which includes proposed expenditures and financing methods.
2. A public hearing is held 28 days after introduction, after a public hearing the budget may be adopted by the governing body.

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

Note 2. Bonds and Notes Authorized But Not Issued

At December 31, 2010 the Township has authorized but not issued bonds and notes as follows:

| | |
|--|--------------------|
| General Capital Fund - Bonds and Notes | <u>\$3,453,079</u> |
|--|--------------------|

Note 3. Current Fund Balance Appropriated

Fund Balance at December 31, 2010 which was appropriated and included as anticipated revenue in their respective funds for the year ending December 31, 2010 were as follows:

| | Balance December 31, 2010 | Utilized 2011 Budget |
|--------------|------------------------------|-------------------------|
| Current Fund | <u>\$2,770,285</u> | <u>\$2,400,000</u> |

Note 4. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown on the balance sheets of the various funds:

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

| | BALANCE DECEMBER 31, 2010 | 2011 BUDGET APPROPRIATION | CANCELLED | BALANCE TO SUCCEEDING BUDGETS |
|-------------------|---------------------------------|------------------------------|------------------|-------------------------------------|
| Current Fund: | | | | |
| Special Emergency | | | | |
| Authorizations | <u>\$450,000</u> | <u>\$250,000</u> | <u>\$100,000</u> | <u>\$100,000</u> |

Note 5. Cash and Cash Equivalents and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2010, and reported at fair value are as follows:

| Type | Carrying Value |
|------------------|---------------------|
| Deposits: | |
| Demand Deposits | <u>\$36,865,027</u> |
| Total Deposits | <u>\$36,823,665</u> |

Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:

| | |
|--|---------------------|
| Current | \$17,997,149 |
| Dog Trust | 41,362 |
| Other Trust | 13,243,505 |
| General Capital | 5,419,701 |
| Public Assistance | 29,312 |
| Payroll | <u>133,998</u> |
| Total Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance | <u>\$36,865,027</u> |

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$36,129,169 at December 31, 2010. Of the bank balance \$476,141 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$35,653,028 was secured by a collateral pool held by the bank, but not in the Township’s name, as required by New Jersey’s Governmental Unit Deposit Protection Act (GUDPA). The Governmental Unit Deposit Protection Act is more fully described in Note 7 of these financial statements.

Investment Interest Rate Risk – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2010, are provided in the above schedule.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 5. Cash and Cash Equivalents and Investments (continued):

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

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

Concentration of Investment Credit Risk – The Township places no limit on the amount it may invest in any one issuer.

Note 6. Governmental Unit Deposit Protection Act (GUDPA)

The Township has deposited cash in 2010 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits,

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010

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

maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

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

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

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

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2010

Note 7. Pension

A. Plan Description

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

B. Funding Policy

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

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

Plan members are required to contribute 5.5% of their annual covered salary for P.E.R.S, 8.5% of their annual covered salary for P.F.R.S. and the Township is required to contribute at an actuarially determined rate. The current rate represents approximately 2.1% for P.E.R.S. and 6.3% for P.F.R.S. of annual covered payroll. The contribution requirements of plan members and the Township are established and may be amended by the plan's Board of Trustees.

The Township's contributions to P.E.R.S. for the years ending December 31, 2010, 2009 and 2008 were \$652,562, \$604,218 and \$432,195, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2010, 2009 and 2008 were \$1,824,930, \$1,686,033 and \$1,583,645, respectively, equal to the required contributions for each year.

C. Post-Employment Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 requires the PERS to fund post-retirement medical benefits for those employees covered by the State Plan, who retire after

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 7. Pension (continued):

reaching age 60 and accumulating 25 years of credited services. The cost of these benefits is actuarially determined and funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of the post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in 1996, which increased the medical reserve by one-half of 1% of payroll.

Note 8. Property Taxes

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

Note 9. Interfunds, Receivables and Payables

The composition of interfund balances as of December 31, 2010 is as follows:

| Fund | Interfund Receivable | Interfund Payable |
|----------------------------|-------------------------|----------------------|
| Current Fund | \$ 3,261 | \$224,721 |
| Federal & State Grant Fund | 224,721 | |
| Trust Other Fund | <u> </u> | <u>3,261</u> |
| Total | <u>\$227,982</u> | <u>\$227,982</u> |

Note 10. Risk Management

The Township of Jackson is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The Township is a member of the Ocean County Municipal Joint Insurance Fund (JIF). This public entity risk pool is both an insured and self-administered group of 29 municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance Program. There were no settlements in excess of insurance coverage in 2009, 2008 and 2007.

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 11. General Long-Term Debt

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

As of December 31, 2010, the Township's Long-Term Debt is as follows:

General Serial Bonds:

| | |
|---|------------------|
| \$7,931,000 2003 Bonds due in annual installments of ranging from \$600,000 to \$931,000 through 2014 at interests ranging from 3.00% to 3.50% | \$ 3,531,000 |
| \$5,918,000 2003 Open Space Bonds due in annual installments of \$400,000 to \$500,000 through 2020 at interests rates ranging from 3.00% to 4.00%. | 3,718,000 |
| \$16,102,000 2008 Bonds due in annual installments ranging from \$100,000 to \$2,132,000 through 2020 at interests rates ranging from 3.50% to 4.125%. | 15,902,000 |
| \$3,739,000 2008 Open Space Bonds due in annual installments of \$75,000 to \$334,000 through 2028 at interest rates ranging from 3.50% to 4.75%. | 3,589,000 |
| \$8,010,000 2009 Refunding Bonds due in annual installments ranging from \$760,000 to \$1,905,000 through 2016 at interest rates ranging from 2.00% to 4.00%. | <u>5,750,000</u> |

| | |
|-------|---------------------|
| Total | <u>\$32,490,000</u> |
|-------|---------------------|

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

| Year | Principal | Interest | Total |
|-----------|---------------------|--------------------|---------------------|
| 2011 | \$ 3,290,000 | \$1,198,345 | \$ 4,488,345 |
| 2012 | 3,323,000 | 1,113,008 | 4,436,008 |
| 2013 | 3,385,000 | 1,011,426 | 4,396,426 |
| 2014 | 3,501,000 | 887,976 | 4,388,976 |
| 2015 | 3,000,000 | 758,241 | 4,058,241 |
| 2016-2020 | 13,387,000 | 2,034,906 | 15,421,906 |
| 2021-2025 | 1,345,000 | 415,556 | 1,760,556 |
| 2026-2028 | <u>959,000</u> | <u>92,483</u> | <u>1,051,483</u> |
| Total | <u>\$32,490,000</u> | <u>\$7,511,941</u> | <u>\$40,001,941</u> |

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

During the year ended December 31, 2010, the following changes occurred in issued Bonds, Loans and Notes:

| | Balance December 31, 2009 | Issued | Retired | Balance December 31, 2010 | Due Within One Year |
|-----------------------|--|---------------|--------------------|--|------------------------------------|
| General Capital Fund: | | | | | |
| Serial Bonds | \$35,690,000 | \$ - | \$3,200,000 | \$32,490,000 | \$3,290,000 |
| Total | <u>\$35,690,000</u> | <u>\$ -</u> | <u>\$3,200,000</u> | <u>\$32,490,000</u> | <u>\$3,290,000</u> |

Refunding Bonds and Deferred Bonds Outstanding

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

The proceeds of the Refunding Bonds were applied to the purchase of direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (State and Local Government Securities) the ("Government Obligations") with any investments earnings thereon, together with any cash remaining after the purchase of the Government Obligations, will be sufficient to make payments when due of principal of, interest on and redemption premium, if any, payable with respect to the Refunded Bonds. The Government Obligations (together with any cash remaining in after the purchase of the Government Obligations) are required to be held in an escrow fund by the escrow agent for the Refunded Bonds pursuant to the terms of an escrow deposit agreement.

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

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

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

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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

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

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

Borrowing Power

New Jersey Statutes limit the debt of a municipality to 3.50% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2010 was .37%. The Township's remaining borrowing power is 3.13%.

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

Note 12. Short Term Debt

Bond Anticipation Notes

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

On December 31, 2010 and 2009 the Township had no Bond Anticipation Notes outstanding.

Special Emergency Notes (40A:4-55)

The Township issues Special Emergency Notes to fund special emergency appropriations prior to the funds being raised in the budget. The term of the notes cannot exceed one year but the notes may be renewed from time to time, but at least 1/5 of all such notes, and the renewals thereof, shall mature and be paid in each year, so that all notes and renewals shall have matured and have been paid not later than the last day of the fifth year following the date of the emergency resolution.

On December 31, 2009 the Township had \$300,000 outstanding in Current Fund Special Emergency Notes. The notes were issued on December 18, 2009 and mature on December 17, 2010 at an interest rate of 1.375%.

Transactions for the year ended December 31, 2009 are summarized as follows:

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 12. Short Term Debt (continued):

Changes in Short Term Debt

| Current Fund | Balance December 31, 2009 | Additions | Deductions | December 31, 2010 |
|-------------------------|--|------------------|-------------------|------------------------------|
| Special Emergency Notes | <u>\$300,000</u> | <u>\$ -</u> | <u>\$300,000</u> | <u>\$ -0-</u> |

Note 13. Length of Service Award Program (“LOSAP”)

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

Annual Contributions – The annual contribution to be made by the Township for each active volunteer member was \$1,248 for the year ended December 31, 2009.

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

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

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

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

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 13. Length of Service Award Program (“LOSAP”) (continued):

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

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

Termination of Service – Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning tot the service of the Jackson Township First Aid Squad as an active volunteer member. Any active volunteer member who terminates service with the Jackson Township First Aid Squad, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

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

Note 14. Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2010:

| | Balance December 31, 2009 | Additions | Deletions | Balance December 31, 2010 |
|-----------------------------|--|-------------------|--------------------|--|
| Land | \$ 56,121,100 | \$103,300 | \$1,230,600 | \$ 54,993,800 |
| Buildings & Improvements | 47,250,739 | 271,665 | | 47,522,404 |
| Machinery & Equipment | 10,657,389 | 548,931 | 158,600 | 11,047,720 |
| Total | \$114,029,228 | \$ 923,896 | \$1,389,200 | \$113,563,924 |

All additions are recorded at cost.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2010

Note 15. Deferred Compensation Salary Account

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

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

Note 16. Contingencies

A. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate \$1,945,517 at December 31, 2010. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

B. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (*N.J.S.A.43:21-3 et. seq.*). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance at December 31, 2010 was \$192,059.

C. Litigation

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

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 16. Contingencies (continued):

D. Federal and State Grants

The Township receives financial assistance from the U.S. Government and the State of New Jersey in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require payment to the grantor agency. As of December 31, 2010, the Township estimates that no material liabilities will result from such audits.

Note 17. Tax Anticipation Note Payable

The Township issued tax anticipation notes in the amount of \$11,200,000 dated June 18, 2010 at an interest rate of 1.50%. The Township received a premium of \$48,944 resulting in a net interest cost of .8418%. The notes mature on February 17, 2011.

Note 18. Discontinued Operations

During 2009 the Township sold the Legler Water System to the Jackson Township Municipal Utilities Authority. As of December 31, 2009 the Water Utility Capital Fund has been dissolved.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

| | | |
|--|-------------|--------------|
| Balance December 31, 2009 | | \$8,087,643 |
| Increased by Receipts: | | |
| Nonbudget Revenues | \$613,582 | |
| Taxes Receivable | 128,295,467 | |
| Tax Title Liens | 19,494 | |
| Tax Anticipation Note | 11,200,000 | |
| Revenue Accounts Receivable | 8,070,576 | |
| Prepaid Taxes | 449,736 | |
| Garden State Trust Fund | 56,290 | |
| State of New Jersey (Ch.29, P.L.1971) | 553,199 | |
| Interfunds | 2,631,983 | |
| Due to State of New Jersey - Construction Fees | 65,351 | |
| Due to State of New Jersey - Marriage Licenses | 5,185 | |
| | | |
| Total Receipts | | 151,960,863 |
| | | |
| Subtotal | | 160,048,506 |
| Decreased by Disbursements: | | |
| 2010 Appropriations | 34,072,345 | |
| 2009 Reserved Appropriations | 929,982 | |
| Accounts Payable | 85,384 | |
| Special Emergency Note Payable | 300,000 | |
| Tax Overpayments | 446,643 | |
| County Taxes Payable | 23,230,616 | |
| Local School District Tax | 73,569,074 | |
| Special District Taxes | 5,043,372 | |
| Reserve for Master Plan | 21,149 | |
| Reserve for Skate Park | 5,429 | |
| Due to State of New Jersey - Construction Fees | 60,622 | |
| Due to State of New Jersey - Marriage Licenses | 5,395 | |
| Due to Municipal Open Space Trust Fund | 1,361,215 | |
| Interfunds | 2,920,130 | |
| | | |
| Total Disbursements | | 142,051,356 |
| | | |
| Balance December 31, 2010 | | \$17,997,150 |

TOWNSHIP OF JACKSON
 CURRENT FUND
 SCHEDULE OF DUE FROM STATE - P.L. 1971, C.20
 FOR THE YEAR ENDED DECEMBER 31, 2010

| | | |
|--|----------|------------------------|
| Balance December 31, 2009 | | \$13,163 |
| Increased by: | | |
| Deductions per Tax Duplicate: | | |
| Senior Citizens's | \$75,500 | |
| Veteran's | 471,500 | |
| Deductions Allowed by Tax Collector: | | |
| 2010 Senior Citizen Deductions | 3,000 | |
| 2010 Veteran Deductions | 13,000 | 563,000 |
| | | |
| Subtotal | | 576,163 |
| Decreased by: | | |
| Received from State of New Jersey | 553,199 | |
| Deductions Disallowed by Tax Collector: | | |
| 2010 Senior Citizen's & Veteran's | 4,299 | |
| Prior Years Senior Citizen's & Veteran's | 7,551 | 565,049 |
| | | |
| Balance December 31, 2010 | | <u><u>\$11,114</u></u> |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2010**

| YEAR | BALANCE | 2010 LEVY | ADDED TAXES | COLLECTED | | DUE FROM STATE OF NEW JERSEY | CANCELED | TRANSFERRED TO TAX TITLE LIENS | OVERPAYMENTS APPLIED | BALANCE |
|--------------|----------------------|--------------------|----------------|----------------|--------------------|------------------------------------|----------------|--------------------------------------|-------------------------|----------------------|
| | DECEMBER 31, 2009 | | | 2009 | 2010 | | | | | DECEMBER 31, 2010 |
| 2004 | \$1,268 | | | | 1,268 | | | | | |
| 2005 | 788 | | | | 788 | | | | | |
| 2006 | 1,821 | | | | 474 | | | | | 1,347 |
| 2007 | 20,137 | | | | 14,625 | | | | | 5,512 |
| 2008 | 66,291 | | | | 32,388 | | 18,649 | | 3,880 | 11,374 |
| 2009 | 1,794,354 | | | | 1,492,033 | (7,301) | 53,759 | 11,865 | 179,449 | 64,549 |
| Total | 1,884,659 | | | | 1,541,576 | (7,301) | 72,408 | 11,865 | 183,329 | 82,782 |
| 2010 | | 128,788,720 | 847,424 | 478,588 | 126,068,377 | 558,451 | 474,562 | 179,472 | 326 | 1,876,368 |
| Total | \$1,884,659 | 128,788,720 | 847,424 | 478,588 | 127,609,953 | 551,150 | 546,970 | 191,337 | 183,655 | 1,959,150 |

ANALYSIS OF 2010 PROPERTY TAX LEVY

| | | |
|----------------------------------|------------|----------------------|
| General Purpose | | \$123,745,348 |
| Special District Tax | | 5,043,372 |
| Added Taxes (54:4-63.1 et seq) | | 847,424 |
| Total | | \$129,636,144 |
| TAX LEVY: | | |
| Local School Tax | | \$73,569,074 |
| County Taxes (Abstract) | 23,154,574 | |
| County Added & Omitted Taxes | 153,451 | 23,308,025 |
| Special District Taxes | | 5,043,372 |
| Municipal Open Space | | 1,361,215 |
| Local Tax for Municipal Purposes | 25,583,609 | |
| Add: Additional Taxes Levied | 770,849 | 26,354,458 |
| Total | | \$129,636,144 |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|--------------------------------|-----------|---------------------------|
| Balance December 31, 2009 | | \$1,283,850 |
| Increased by: | | |
| Transfer from Taxes Receivable | \$191,337 | |
| Interest & Costs on Taxes | 4,056 | 195,393 |
| | | <hr/> |
| Subtotal | | 1,479,243 |
| Decreased by: | | |
| Collections | 19,494 | |
| Cancellations | 10,422 | 29,916 |
| | | <hr/> |
| Balance December 31, 2010 | | <u><u>\$1,449,327</u></u> |

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|---------------------------|--|---------------------------|
| Balance December 31, 2009 | | \$6,816,200 |
| Decreased by: | | |
| Adjust for Property Sold | | 377,300 |
| | | <hr/> |
| Balance December 31, 2010 | | <u><u>\$6,438,900</u></u> |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | BALANCE DECEMBER 31, ACCRUED IN | | COLLECTED | BALANCE |
|--|------------------------------------|------------------|------------------|----------------------|
| | 2009 | 2010 | | DECEMBER 31, 2010 |
| Clerk: | | | | |
| Alcoholic Beverage Licenses | | 41,250 | 41,250 | |
| Other Licenses | | 23,314 | 23,314 | |
| Fees & Permits | | 119,690 | 119,690 | |
| Municipal Court: | | | | |
| Fines & Costs | \$31,680 | 423,890 | 427,571 | 27,999 |
| Tax Collector: | | | | |
| Tax Search Fees | | 80 | 80 | |
| Interest & Costs on Taxes | | 400,918 | 400,918 | |
| Interest on Investments & Deposits | | 277,542 | 277,542 | |
| Housing and Commerical CCO's | | 90,865 | 90,865 | |
| Consolidated Municipal Property | | | | |
| Tax Relief | | 401,471 | 401,471 | |
| Energy Receipts Tax | | 2,950,678 | 2,950,678 | |
| Garden State Trust Fund | | 84,434 | 84,434 | |
| Uniform Construction Code Fees | | 1,247,181 | 1,247,181 | |
| Capital Fund Balance | | 500,000 | 500,000 | |
| Reserve for Sale of Municipal Land | | 959,000 | 959,000 | |
| Reserve for Library Fire Damage | | 53,627 | 53,627 | |
| Police Uniform Reimbursement/Giveback | | 136,725 | 136,725 | |
| Cablevision Franchise Fee | | 182,669 | 182,669 | |
| Resolution Fee - | | | | |
| Escrow Performance/Maintenance Guarantee | | 173,561 | 173,561 | |
| Total | \$31,680 | 8,066,895 | 8,070,576 | 27,999 |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2009 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | BALANCE DECEMBER 31, 2009 | RESERVE FOR ENCUMBRANCES | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|--|---------------------------------|-----------------------------|-------------------------------|-----------------------|-------------------|
| General Government: | | | | | |
| Administrative Executive: | | | | | |
| Salaries and Wages | \$14,836 | | 1,336 | | 1,336 |
| Other Expenses | 5,936 | 7,603 | 14,039 | 12,618 | 1,421 |
| Human Services: | | | | | |
| Other Expenses | 396 | 756 | 1,152 | 1,109 | 43 |
| Governing Body: | | | | | |
| Other Expenses | 1,886 | 300 | 2,186 | 324 | 1,862 |
| Municipal Clerk: | | | | | |
| Salaries and Wages | 6,825 | | 6,825 | 2,181 | 4,644 |
| Other Expenses | 17,442 | 2,935 | 20,377 | 3,723 | 16,654 |
| Mayor Office: | | | | | |
| Other Expenses | 443 | 1,400 | 1,843 | 1,386 | 457 |
| Financial Administration: | | | | | |
| Salaries and Wages | 763 | | 763 | 166 | 597 |
| Other Expenses | 10,825 | 21,960 | 32,785 | 11,860 | 20,925 |
| Audit Services: | | | | | |
| Other Expenses | | 40,000 | 40,000 | 40,000 | |
| Information Technology: | | | | | |
| Other Expenses | 10,205 | 9,798 | 20,003 | 10,518 | 9,485 |
| Collection of Taxes: | | | | | |
| Other Expenses | 2,972 | 13,433 | 16,405 | 13,556 | 2,849 |
| Assessment of Taxes: | | | | | |
| Other Expenses | 2,595 | 149 | 2,744 | 1,764 | 980 |
| Purchasing: | | | | | |
| Salaries and Wages | 944 | | 944 | 325 | 619 |
| Other Expenses | 369 | 1,355 | 1,724 | 1,317 | 407 |
| Legal Services & Costs: | | | | | |
| Other Expenses | 19,182 | | 16,682 | 7,491 | 9,191 |
| Engineering Services & Costs: | | | | | |
| Other Expenses | 1,843 | 83,293 | 81,836 | 71,821 | 10,015 |
| Economic Development Advisory Board: | | | | | |
| Other Expenses | 5,000 | | 5,000 | 270 | 4,730 |
| Community Alliance-Alcoholism & Drugs: | | | | | |
| Salaries and Wages | 1,140 | | 1,140 | 475 | 665 |
| Mayor's Community Advisory Board: | | | | | |
| Salaries and Wages | 346 | | 346 | 8 | 338 |
| Housing & Inspection Code: | | | | | |
| Other Expenses | 42 | 438 | 480 | 438 | 42 |
| Planning/Zoning Boards: | | | | | |
| Other Expenses | 3,785 | 25 | 17,810 | 17,369 | 441 |
| Maintenance of Tax Maps: | | | | | |
| Other Expenses | 5,627 | | 9,627 | 9,627 | |
| Rent Leveling Board: | | | | | |
| Salaries and Wages | 1,494 | | 1,494 | 16 | 1,478 |
| Other Expenses | 1,168 | | 2,668 | 1,420 | 1,248 |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2009 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | BALANCE DECEMBER 31, 2009 | RESERVE FOR ENCUMBRANCES | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---------------------------------------|---------------------------------|-----------------------------|-------------------------------|-----------------------|-------------------|
| Code Enforcement - Other: | | | | | |
| Other Expenses | 55 | 814 | 869 | 814 | 55 |
| Insurance: | | | | | |
| General Liability | 58,149 | | 58,149 | 1,952 | 56,197 |
| Police Department: | | | | | |
| Salaries and Wages | 80,238 | | 80,238 | 19,754 | 60,484 |
| Other Expenses | 20,955 | 107,622 | 128,577 | 117,264 | 11,313 |
| Police Dispatch/911: | | | | | |
| Salaries and Wages | 19,237 | | 19,237 | 2,623 | 16,614 |
| Emergency Management: | | | | | |
| Other Expenses | 938 | 27,663 | 28,601 | 25,270 | 3,331 |
| Aid to Volunteer Ambulance: | | | | | |
| Other Expenses | | 20,000 | 20,000 | 20,000 | |
| Municipal Prosecutor: | | | | | |
| Other Expenses | 7,333 | | 7,333 | 3,333 | 4,000 |
| Juvenile Conference Committee: | | | | | |
| Salaries and Wages | 157 | | 157 | 128 | 29 |
| Streets & Roads Maintenance: | | | | | |
| Salaries and Wages | 40,103 | | 40,103 | 31,772 | 8,331 |
| Other Expenses | 18,102 | 16,318 | 34,420 | 13,037 | 21,383 |
| Snow Removal: | | | | | |
| Other Expenses | 400 | 84,149 | 85,549 | 83,347 | 2,202 |
| Solid Waste Collection: | | | | | |
| Other Expenses | 8,967 | | 11,467 | 8,900 | 2,567 |
| Buildings & Grounds: | | | | | |
| Salaries and Wages | 8,077 | | 8,077 | 609 | 7,468 |
| Other Expenses | 21,592 | 39,192 | 60,784 | 27,640 | 33,144 |
| Shade Tree Commission: | | | | | |
| Salaries and Wages | 302 | | 302 | 222 | 80 |
| Vehicle Maintenance: | | | | | |
| Salaries and Wages | 28,684 | | 28,684 | 2,517 | 26,167 |
| Other Expenses | 54,439 | 36,544 | 90,983 | 28,029 | 62,954 |
| Community Services Act: | | | | | |
| Other Expenses | | 350,000 | 350,000 | 350,000 | |
| Public Health Services: | | | | | |
| Salaries and Wages | 1,178 | | 1,178 | 1,138 | 40 |
| Other Expenses | 225 | 183 | 408 | 183 | 225 |
| Environmental Health Services- | | | | | |
| Environmental Commission: | | | | | |
| Salaries and Wages | | 239 | 239 | 105 | 134 |
| Animal Control Services: | | | | | |
| Salaries and Wages | 6,287 | | 6,287 | 2,399 | 3,888 |
| Other Expenses | 15,101 | 2,220 | 17,321 | 11,687 | 5,634 |
| Contribution Social Service Agencies: | | | | | |
| Other Expenses | | 12,500 | 12,500 | 12,500 | |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2009 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | BALANCE DECEMBER 31, 2009 | RESERVE FOR ENCUMBRANCES | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|---|---------------------------------|-----------------------------|-------------------------------|-----------------------|-------------------|
| Recreation Services & Programs: | | | | | |
| Salaries and Wages | 14,952 | | 14,952 | 2,028 | 12,924 |
| Other Expenses | 6,113 | 1,745 | 7,858 | 1,406 | 6,452 |
| Office for the Golden Age: | | | | | |
| Salaries and Wages | 16,209 | | 16,209 | 2,608 | 13,601 |
| Other Expenses | 6,113 | 1,083 | 7,196 | 6,423 | 773 |
| Commission for Disabled: | | | | | |
| Salaries and Wages | 23,550 | | 23,550 | 1,492 | 22,058 |
| Park Maintenance: | | | | | |
| Other Expenses | 2,876 | 174 | 3,050 | 174 | 2,876 |
| Postage & Photocopy: | | | | | |
| Other Expenses | 4,038 | 3,056 | 7,094 | 2,642 | 4,452 |
| Purchase of Office Equipment: | | | | | |
| Other Expenses | 926 | 2,574 | 3,500 | 3,500 | |
| Utility Expenses & Bulk Purchases: | | | | | |
| Electricity | 7,601 | 52,013 | 59,614 | 35,442 | 24,172 |
| Street Lighting | 4,156 | 15,000 | 19,156 | 3,555 | 15,601 |
| Telecommunication Costs | 25,015 | 5,645 | 30,660 | 7,154 | 23,506 |
| Water Other | 1,454 | | 1,454 | 215 | 1,239 |
| Natural Gas | 6,120 | 5,200 | 20,820 | 20,820 | |
| Sewerage Processing & Disposal | | 9,000 | 9,000 | 5,355 | 3,645 |
| Fuel & Petroleum Products | 74,822 | 127,473 | 192,795 | 90,369 | 102,426 |
| Landfill/Solid Waste Disposal Costs: | | | | | |
| Other Expenses | 131,158 | 32,740 | 156,398 | 29,941 | 126,457 |
| Legler Landfill - Postclosure Monitoring: | | | | | |
| Other Expenses | 10 | 5,000 | 8,310 | 8,113 | 197 |
| Municipal Court: | | | | | |
| Salaries and Wages | 14,393 | | 14,393 | 1,554 | 12,839 |
| Other Expenses | 7,034 | 2,821 | 9,855 | 2,822 | 7,033 |
| Uniform Construction Code: | | | | | |
| Construction Code Department: | | | | | |
| Salaries and Wages | 5,104 | | 5,104 | 92 | 5,012 |
| Other Expenses | 51,856 | 8,737 | 60,593 | 10,143 | 50,450 |
| Statutory Expenditures: | | | | | |
| Social Security System (O.A.S.I.) | 47,993 | | 47,993 | 3,939 | 44,054 |
| Operations Excluded from "CAPS": | | | | | |
| Service Contracts: | | | | | |
| Sewer & Water Purposes - MUA | 3,823 | | 3,823 | 952 | 2,871 |
| LOSAP | | 26,000 | 26,000 | 14,976 | 11,024 |
| All Others | 238,810 | 2,833 | 241,643 | | 241,643 |
| Total General Appropriations | \$1,200,709 | 1,181,983 | 2,382,692 | 1,230,720 | 1,151,972 |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|--------------------------------|----------|------------------|
| Balance December 31, 2009 | | \$221,223 |
| Increased by: | | |
| Appropriation Reserves Charged | | 300,738 |
| | | <hr/> |
| Subtotal | | 521,961 |
| Decreased by: | | |
| Cash Disbursed | \$85,384 | |
| Cancelled | 1,237 | 86,621 |
| | | <hr/> |
| Balance December 31, 2010 | | <u>\$435,340</u> |

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|------------------------------------|--|------------------|
| Balance December 31, 2009 | | \$1,181,983 |
| Increased by: | | |
| 2010 Budget Appropriations | | 895,406 |
| | | <hr/> |
| Subtotal | | 2,077,389 |
| Decreased by: | | |
| Transfer to Appropriation Reserves | | 1,181,983 |
| | | <hr/> |
| Balance December 31, 2010 | | <u>\$895,406</u> |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|-----------------------------|-----------|-------------------------|
| Balance December 31, 2009 | | \$478,588 |
| Increased by: | | |
| 2010 Tax Collections | \$449,736 | |
| Overpayments | 48,143 | 497,879 |
| | | <hr/> |
| Subtotal | | 976,467 |
| Decreased by: | | |
| Applied to Taxes Receivable | | 478,588 |
| | | <hr/> |
| Balance December 31, 2010 | | <u><u>\$497,879</u></u> |

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|--|-----------|-------------------------|
| Balance December 31, 2009 | | \$191,209 |
| Increased by: | | |
| Overpayments Created | \$555,961 | |
| Transferred from Reserve for Tax Appeals | 21,108 | 577,069 |
| | | <hr/> |
| Subtotal | | 768,278 |
| Decreased by: | | |
| Overpayments Applied | 183,655 | |
| Refunds | 446,643 | 630,298 |
| | | <hr/> |
| Balance December 31, 2010 | | <u><u>\$137,980</u></u> |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|--------------------------------------|--------------|------------|
| Balance December 31, 2009 | | \$76,042 |
| Increased by: | | |
| County Tax | \$19,237,008 | |
| County Library Tax | 2,196,520 | |
| County Health Tax | 872,270 | |
| County Open Space Preservation Tax | 848,776 | |
| Due County for Added & Omitted Taxes | 153,451 | 23,308,025 |
| | | |
| Subtotal | | 23,384,067 |
| Decreased by: | | |
| Payments | | 23,230,616 |
| | | |
| Balance December 31, 2010 | | \$153,451 |

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|---------------------------|--|------------|
| Balance December 31, 2009 | | \$ - |
| Increased by: | | |
| Levy - Calendar Year 2010 | | 73,569,074 |
| | | |
| Subtotal | | 73,569,074 |
| Decreased by: | | |
| Disbursed | | 73,569,074 |
| | | |
| Balance December 31, 2010 | | - |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|---------------------------------|-----------|-----------|
| Balance December 31, 2009 | | |
| Increased by: | | |
| Fire Districts Levy: | | |
| Whitesville Fire District #1 | \$439,840 | |
| Cassville Fire District #2 | 998,447 | |
| Hulsles Corner Fire District #3 | 2,205,638 | |
| Jackson Mills Fire District #4 | 1,399,447 | 5,043,372 |
| | | |
| Subtotal | | 5,043,372 |
| Decreased by: | | |
| Disbursed | | 5,043,372 |
| | | |
| Balance December 31, 2010 | | |

EXHIBIT A-18

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - CONSTRUCTION FEES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|---------------------------|--|----------|
| Balance December 31, 2009 | | \$11,395 |
| Increased by: | | |
| Collections | | 65,351 |
| | | |
| Subtotal | | 76,746 |
| Decreased by: | | |
| Disbursed | | 60,622 |
| | | |
| Balance December 31, 2010 | | \$16,124 |

EXHIBIT A-19

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|---------------------------|--|---------|
| Balance December 31, 2009 | | \$1,335 |
| Increased by: | | |
| Collections | | 5,185 |
| | | |
| Subtotal | | 6,520 |
| Decreased by: | | |
| Disbursed | | 5,395 |
| | | |
| Balance December 31, 2010 | | \$1,125 |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|-----------|
| Balance December 31, 2009 | \$105,743 |
| Decreased by: | |
| Cancelled by Resolution | 100,000 |
| | 100,000 |
| Balance December 31, 2010 | \$5,743 |

**SCHEDULE OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|-------------|
| Balance December 31, 2009 | \$ - |
| Increased by: | |
| Open Space Tax | \$1,351,959 |
| Added & Omitted Taxes | 9,256 |
| | 1,361,215 |
| Subtotal | 1,361,215 |
| Decreased by: | |
| Cash Disbursed | 1,361,215 |
| | 1,361,215 |
| Balance December 31, 2010 | - |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR STATE BOARD OF TAXATION APPEALS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|--|-------------------------|
| Balance December 31, 2009 | \$300,000 |
| Increased by: | |
| State Appeals Pending | 142,331 |
| | <hr/> |
| Subtotal | 442,331 |
| Decreased by: | |
| Transferred to Tax Overpayments - Appeals Lost | 21,108 |
| | <hr/> |
| Balance December 31, 2010 | <u><u>\$421,223</u></u> |

**SCHEDULE OF RESERVE FOR LIBRARY DAMAGE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|-----------------|
| Balance December 31, 2009 | \$53,627 |
| Decreased by: | |
| Garden State Trust | 53,627 |
| | <hr/> |
| Balance December 31, 2010 | <u><u>-</u></u> |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF INTERFUNDS - OTHER FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | FEDERAL & STATE GRANT FUND | GENERAL CAPITAL FUND | ANIMAL CONTROL FUND | TRUST OTHER | TOTAL |
|----------------------------|----------------------------------|----------------------------|---------------------------|----------------|-----------|
| Balance December 31, 2009 | | | | | |
| Interfunds Receivable | | | 4,129 | 4,087 | 8,216 |
| (Interfunds Payable) | (\$287,303) | | | | (287,303) |
| Subtotal | (287,303) | | 4,129 | 4,087 | (279,087) |
| Increased by: | | | | | |
| Anticipated Revenue | 751,129 | | | | 751,129 |
| Interfunds Created | | 2,662,000 | | 3,261 | 2,665,261 |
| Disbursements | 254,869 | | | | 254,869 |
| Cancel Grant Appropriation | 22,317 | | | | 22,317 |
| Subtotal | 1,028,315 | 2,662,000 | | 3,261 | 3,693,576 |
| Decreased by: | | | | | |
| Collections: | | | | | |
| Grants Receivable | 181,234 | | | | 181,234 |
| Unappropriated Funds | 16,402 | | | | 16,402 |
| Interfunds Liquidated | | 2,662,000 | 4,129 | 4,087 | 2,670,216 |
| Cancel Grants Receivable | 7,333 | | | | 7,333 |
| Grant Appropriations | 760,764 | | | | 760,764 |
| Subtotal | 965,733 | 2,662,000 | 4,129 | 4,087 | 3,635,949 |
| Balance December 31, 2010 | | | | | |
| Interfunds Receivable | | | | 3,261 | 3,261 |
| (Interfunds Payable) | (\$224,721) | - | - | | (224,721) |

ANALYSIS OF NET DEBIT TO OPERATIONS

| | | |
|--------------------------------|--|----------------|
| Interfund Accounts Receivable: | | |
| Balance December 31, 2010 | | \$3,261 |
| Balance December 31, 2009 | | 8,216 |
| Net Debit to Operations | | <u>\$4,955</u> |

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55
FOR THE YEAR ENDED DECEMBER 31, 2010**

| DATE AUTHORIZED | PURPOSE | NET AMOUNT AUTHORIZED | 1/5 OF NET AMOUNT AUTHORIZED | BALANCE DECEMBER 31, 2009 | REDUCED IN 2010 BUDGET | CANCELLED PER RESOLUTION | BALANCE DECEMBER 31, 2010 |
|--------------------|------------------------------|-----------------------------|---------------------------------------|---------------------------------|------------------------------|-----------------------------|---------------------------------|
| 2005 | Revaluation of Real Property | \$1,500,000 | \$300,000 | \$300,000 | 200,000 | 100,000 | |
| 2007 | Revaluation of Real Property | 250,000 | 50,000 | 150,000 | 50,000 | | 100,000 |
| | | | Total | \$450,000 | 250,000 | 100,000 | 100,000 |

TOWNSHIP OF JACKSON
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF DUE FROM CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

| | | |
|-----------------------------|----------|-------------------------|
| Balance December 31, 2009 | | \$287,303 |
| Increased by: | | |
| Deposited in Current Fund: | | |
| Unappropriated Reserves | \$16,402 | |
| Grants Receivable | 181,234 | |
| Cancel Grant Receivable | 7,333 | |
| 2010 Budget Appropriations | 760,764 | 965,733 |
| | | <hr/> |
| Subtotal | | 1,253,036 |
| Decreased by: | | |
| Disbursed by Current Fund: | | |
| Appropriated Reserves | 254,869 | |
| Cancel Grant Appropriations | 22,317 | |
| 2010 Anticipated Revenue | 751,129 | 1,028,315 |
| | | <hr/> |
| Balance December 31, 2010 | | <u><u>\$224,721</u></u> |

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | BALANCE DECEMBER 31, 2009 | 2010 ANTICIPATED REVENUE | CASH RECEIVED | TRANSFERRED FROM UNAPPROPRIATED RESERVE | CANCELLED | BALANCE DECEMBER 31, 2010 |
|---|---------------------------------|--------------------------------|------------------|--|--------------|---------------------------------|
| State Grants: | | | | | | |
| COPS in Shops - Fall College Initiative | \$2,400 | | 2,400 | | | |
| COPS in Shops - Summer Shore Initiative | | 1,600 | 1,600 | | | |
| Green Communities 2008 | 3,000 | | | | | 3,000 |
| NJDEP - Recreation Trails Program | 2,403 | | | | 2,403 | |
| U.S. DOJ - Bulletproof Vest Program | 1,998 | | | | 1,998 | |
| SC Information Assistance | | 17,710 | 17,710 | | | |
| ARRA - EECBG | | 464,500 | | | | 464,500 |
| Byrne Justice Assistance Grant | | 20,850 | | | | 20,850 |
| Clean Communities | | 74,356 | 74,356 | | | |
| Recycling Tonnage | | 84,675 | | 84,675 | | |
| AERF | | 3,094 | 1,006 | 2,088 | | |
| NJ Body Armor | | 2,600 | 2,600 | | | |
| Municipal Alliance Alcohol & Drug Alliance 2008 | 1,079 | | | | 1,079 | |
| Municipal Alliance Alcohol & Drug Alliance 2009 | 13,604 | | 13,412 | | | 192 |
| Municipal Alliance Alcohol & Drug Alliance 2010 | | 26,539 | 11,704 | | | 14,835 |
| NJDEP - Community Forestry Management Plan | 1,640 | 7,000 | | | 1,640 | 7,000 |
| NJDEP -Community Stewardship/Cool Cities | 50 | | | | 50 | |
| NJ Handicapped Recreation | 7,650 | 15,000 | 13,620 | | | 9,030 |
| NJ Law & Public Safety - Variable Message Sign Board | 9 | | | | 9 | |
| NJ Law & Public Safety - Ocean County Sherriff 966 Reimbursement | 4 | | | | 4 | |
| Over the Limit/Under Arrest 2010 | | 4,400 | 4,375 | | 25 | |
| Over the Limit/Under Arrest 2009 | 125 | | | | 125 | |
| Over the Limit/Under Arrest Year-End Crackdown 2009 | 5,000 | | 5,000 | | | |
| Safe & Secure Neighborhood | 26,250 | 28,805 | 33,451 | | | 21,604 |
| Total | \$65,212 | 751,129 | 181,234 | 86,763 | 7,333 | 541,011 |

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2010**

58

| | BALANCE DECEMBER 31, 2009 | TRANSFERRED FROM 2010 BUDGET | PRIOR YEAR ENCUMBRANCES EXPENDED | RESERVE FOR ENCUMBRANCES | REFUND | CANCELLED | BALANCE DECEMBER 31, 2010 |
|---|---------------------------------|------------------------------------|-------------------------------------|--------------------------------|--------|-----------|---------------------------------|
| Handicapped Recreation Opportunities | \$1,442 | 18,000 | 224 | 15,072 | | | 2,561 |
| ARRA EECGB | | 464,500 | | | | | 464,500 |
| Byrne Justice Assistance Grant | | 20,850 | | 18,187 | | | |
| Recycling Tonnage Grant - 2006 | 3 | | 14,850 | 14,850 | | | 3 |
| Recycling Tonnage Grant - 2007 | 33 | | | | | | 33 |
| Recycling Tonnage Grant - 2008 | 13,484 | | | 5,615 | | | 7,869 |
| Recycling Tonnage Grant - 2009 | 35,530 | | | | | | 35,530 |
| Recycling Tonnage Grant - 2010 | | 84,675 | | | | | 84,675 |
| Body Armor Replacement Grant - 2007 | 5,730 | | | | 1,155 | | 6,885 |
| Body Armor Replacement Grant - 2008 | 9,422 | | | | | | 9,422 |
| Body Armor Replacement Grant - 2009 | 8,613 | | | | | | 8,613 |
| Body Armor Replacement Grant - 2010 | | 2,600 | | | | | 2,600 |
| Donation - Defensive Driving | 750 | | | 745 | | 5 | |
| Donation - Police Oxygen | 390 | | | 329 | | 61 | |
| Donation - Safety Equipment | 615 | | | 615 | | | |
| Drunk Driving Enforcement Fund -2007 | | | 12,028 | 12,028 | | | |
| Drunk Driving Enforcement Fund -2008 | | | 7,628 | 7,628 | | | |
| Drunk Driving Enforcement Fund -2009 | 22,167 | | 2,790 | 10,832 | | | 12,995 |
| Alcohol Education & Rehabilitation - 2005 | 207 | | | | 207 | | |
| Alcohol Education & Rehabilitation - 2006 | 1,022 | | | | 525 | | 497 |
| Alcohol Education & Rehabilitation - 2008 | 1,353 | | | | | | 1,353 |
| Alcohol Education & Rehabilitation - 2009 | 2,302 | | | | | | 2,302 |
| Alcohol Education & Rehabilitation - 2010 | | 3,094 | | | | | 3,094 |
| Municipal Alliance - 2008 | 5,994 | | 2,854 | | | 8,848 | |
| Municipal Alliance - 2009 | | | 5,571 | 5,571 | | | |
| Municipal Alliance - 2010 | | 33,174 | | 16,568 | 10,702 | | 5,904 |
| Ocean County Municipal Alliance Project Crash | 2,000 | | | 2,000 | | | |
| Safe & Secure Communities Program | 13,125 | 28,805 | | 34,729 | | | 7,201 |
| Clean Communities Program - 1999 | 1,022 | | | | | | 1,022 |
| Clean Communities Program - 2009 | 43,279 | | 2,063 | 45,336 | | | 6 |
| Clean Communities Program - 2010 | | 74,356 | | 12,097 | 380 | | 61,879 |
| Green Communities | 5,269 | | | | | 3,000 | 2,269 |
| NJDEP- Community Forestry Management Plan | 7,787 | | | | | 7,787 | |

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | BALANCE DECEMBER 31, 2009 | TRANSFERRED FROM 2010 BUDGET | PRIOR YEAR ENCUMBRANCES | EXPENDED | RESERVE FOR ENCUMBRANCES | REFUND | CANCELLED | BALANCE DECEMBER 31, 2010 |
|--|---------------------------------|------------------------------------|----------------------------|----------------|--------------------------------|--------------|---------------|---------------------------------|
| NJDEP- Community Stewardship/Cool Cities | 50 | | | | | | 50 | |
| NJ Law & Public Safety - Variable Message Sign Board | 9 | | | | | | 9 | |
| 59 NJ Law & Public Safety - Ocean County Sherriff 966 Reimbursement | 4 | | | | | | 4 | |
| Over the Limit/Under Arrest | 125 | 4,400 | | 4,375 | | | 150 | |
| Over the Limit/Under Arrest Year-End Crackdown | 3,600 | | | 3,600 | | | | |
| COPS in Shops - Summer Shore Initiative | | 1,600 | | 1,600 | | | | |
| COPS in Shops - Fall College Initiative | 2,400 | | | 2,400 | | | | |
| Ocean County Office of Senior Services - Information Systems Grant | 324 | 17,710 | 377 | 18,411 | | | | |
| Recycling Mini Grant | 2,111 | | 4,164 | 3,368 | | | | 2,907 |
| Donation - Improvements to Police Pistol Range | 484 | | | 484 | | | | |
| Bunker Hill Trails | 2,403 | | | | | | 2,403 | |
| Stormwater Management | 18,620 | | | 18,248 | | | | 372 |
| Stormwater Regulation Program | 836 | | | 836 | | | | |
| State Forestry Services - Community Forestry Management Plan Grant | 698 | 7,000 | | 500 | | | | 7,198 |
| Total | \$213,203 | 760,764 | 52,549 | 256,024 | 17,640 | 1,155 | 22,317 | 731,690 |

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | BALANCE DECEMBER 31, 2009 | RECEIVED 2010 | ANTICIPATED AS REVENUE | BALANCE DECEMBER 31, 2010 |
|---|---------------------------------|------------------|---------------------------|---------------------------------|
| Municipal Court Alcohol Education & Rehabilitation | \$2,088 | | 2,088 | |
| NJ Body Armor | | 7,123 | | 7,123 |
| Drunk Driving Enforcement Fund | | 9,279 | | 9,279 |
| Recycling Tonnage | 84,675 | | 84,675 | |
| | <hr/> | | | |
| Total | \$86,763 | 16,402 | 86,763 | 16,402 |
| | <hr/> <hr/> | | | |

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|-----------------------------------|-------------|
| Balance December 31, 2009 | \$52,549 |
| Increased by: | |
| Charged to Appropriation Reserves | 17,640 |
| | <hr/> |
| Subtotal | 70,189 |
| Decreased by: | |
| Applied to Appropriated Reserves | 52,549 |
| | <hr/> |
| Balance December 31, 2010 | \$17,640 |
| | <hr/> <hr/> |

TRUST FUND

**TOWNSHIP OF JACKSON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | <u>ANIMAL CONTROL TRUST FUND</u> | <u>OPEN SPACE TRUST FUND</u> | <u>TRUST OTHER FUND</u> |
|--|--------------------------------------|------------------------------|--------------------------|
| Balance December 31, 2009 | \$70,224 | \$1,090,976 | 11,843,472 |
| Increased by Receipts: | | | |
| Reserve for Animal Control Trust Fund | | | |
| Expenditures | \$48,857 | | |
| Interfund Due Current | | | 13,715 |
| Various Reserves | | | 4,764,015 |
| Due from Ocean County Community | | | |
| Development Block Grant | | | 13,660 |
| Reserve for Open Space | | 1,373,231 | |
| Due to State of New Jersey | 9,559 | | |
| Total Receipts | <u>58,416</u> | <u>1,373,231</u> | <u>4,791,390</u> |
| Total | <u>128,640</u> | <u>2,464,207</u> | <u>16,634,862</u> |
| Decreased by Disbursements: | | | |
| Due to State of New Jersey | 9,497 | | |
| Animal Control Trust Fund Expenditures | | | |
| (R.S.4:19015.11) | 73,652 | | |
| Interfund - Current Fund | 4,129 | | 14,541 |
| Community Development Block Grant | | | 111,044 |
| Various Reserves | | | 4,992,880 |
| Reserve for Open Space | | 778,461 | |
| Total Disbursements | <u>87,278</u> | <u>778,461</u> | <u>5,118,465</u> |
| Balance December 31, 2010 | <u><u>\$41,362</u></u> | <u><u>1,685,746</u></u> | <u><u>11,516,397</u></u> |

**TOWNSHIP OF JACKSON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|-------------|
| Balance December 31, 2009 | \$9 |
| Increased by: | |
| Cash Receipts | 9,559 |
| Subtotal | 9,568 |
| Decreased by: | |
| Cash Disbursements | 9,497 |
| Balance December 31, 2010 | <u>\$71</u> |

**SCHEDULE OF DUE FROM COUNTY OF OCEAN COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|------------------|
| Balance December 31, 2009 | \$195,780 |
| Decreased by: | |
| Cash Receipts | 13,660 |
| Balance December 31, 2010 | <u>\$182,120</u> |

DETAIL OF BALANCE

| | |
|-----------|------------------|
| CT-695-03 | \$233 |
| CT-705-04 | 547 |
| CT-814-07 | 35,000 |
| CT-889-09 | 146,340 |
| Total | <u>\$182,120</u> |

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|---------|
| Balance December 31, 2009 | \$4,087 |
| Increased by: | |
| Cash Receipts | 13,715 |
| Subtotal | 17,802 |
| Decreased by: | |
| Cash Disbursements | 14,541 |
| Balance December 31, 2010 | \$3,261 |

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|--|----------|
| Balance December 31, 2009 | \$66,086 |
| Increased by: | |
| 2010 Dog License Fees Collected | 48,857 |
| Subtotal | 114,943 |
| Decreased by: | |
| Expenditures Under R.S.4:19-15:11 - Cash | 73,652 |
| Balance December 31, 2010 | \$41,291 |

LICENSE FEES COLLECTED

| YEAR | AMOUNT |
|-------|----------|
| 2009 | \$38,130 |
| 2008 | 42,217 |
| Total | \$80,347 |

EXHIBIT B-6

**TOWNSHIP OF JACKSON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF INTERFUND CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|-----------------|
| Balance December 31, 2009 | \$4,129 |
| Decreased by: | |
| Cash Disbursements | <u>4,129</u> |
| Balance December 31, 2010 | <u><u>-</u></u> |

EXHIBIT B-7

**TRUST OTHER FUND
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|------------------------|
| Balance December 31, 2009 | \$182,691 |
| Decreased by: | |
| Cash Disbursed | <u>111,044</u> |
| Balance December 31, 2010 | <u><u>\$71,647</u></u> |

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | BALANCE DECEMBER 31, 2009 | INCREASES | DECREASES | BALANCE DECEMBER 31, 2010 |
|--|---------------------------------|------------------|------------------|---------------------------------|
| Reserve for: | | | | |
| Municipal Alliance | \$2,403 | 125 | 2,364 | 164 |
| Developer Escrow | 6,142,498 | 1,211,470 | 1,759,587 | 5,594,381 |
| Recreation Trust | 192,020 | 614,367 | 544,601 | 261,786 |
| Handicapped Commission | 16,745 | 2,436 | 316 | 18,865 |
| Tax Title Liens Premiums/ Redemptions | 247,078 | 1,402,133 | 1,238,370 | 410,841 |
| Unemployment Trust | 109,465 | 174,694 | 92,100 | 192,059 |
| Parking Offense Adjudication Act | 1,494 | 44 | | 1,538 |
| Recycling Trust | 201,613 | 83,001 | 48,815 | 235,799 |
| Harmony Trust | 474 | | | 474 |
| Special Law Enforcement Fund | 68,299 | 32,032 | 4,391 | 95,940 |
| Public Defender Fees | 27,768 | 22,238 | 33,400 | 16,606 |
| Industrial Commission | 1 | | | 1 |
| Tree Escrow | 695,582 | 73,988 | 8,435 | 761,135 |
| Sick Leave Trust Fund | 60,440 | 183,200 | 233,799 | 9,841 |
| Off Duty Police | 101,388 | 472,582 | 483,532 | 90,438 |
| Youth Advisory | | 241 | | 241 |
| Management of Feral Cats | | 5,300 | 1,947 | 3,353 |
| Snow Removal | 70,000 | | 69,651 | 349 |
| C.O.A.H. | 3,163,737 | 455,492 | 471,572 | 3,147,657 |
| Developers Contribution Curbs & Sidewalks | 19,780 | 23,170 | | 42,950 |
| Detention Basin | 731,689 | 7,502 | | 739,191 |
| Total | \$11,852,474 | 4,764,015 | 4,992,880 | 11,623,609 |

**TOWNSHIP OF JACKSON
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|-------------------------------|-------------|---------------------------|
| Balance December 31, 2009 | | \$1,090,976 |
| Increased by: | | |
| Open Space Tax levy | \$1,351,959 | |
| Open Space Added/Omitted Levy | 9,256 | |
| Interest Earned | 12,016 | 1,373,231 |
| | | <hr/> |
| Subtotal | | 2,464,207 |
| Decreased by: | | |
| Payment of Bond Principal | 475,000 | |
| Interest on Bonds | 303,461 | 778,461 |
| | | <hr/> |
| Balance December 31, 2010 | | <u><u>\$1,685,746</u></u> |

**TOWNSHIP OF JACKSON
LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")
SCHEDULE OF FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|---------------------------|----------|------------------------|
| Balance December 31, 2009 | | \$50,196 |
| Increased by: | | |
| Township Contributions | \$14,977 | |
| Appreciation | 4,372 | 19,349 |
| | | <hr/> |
| Subtotal | | 69,545 |
| Decreased by: | | |
| Fees | | 350 |
| | | <hr/> |
| Balance December 31, 2010 | | <u><u>\$69,195</u></u> |

**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|---------------------------|----------|------------------------|
| Balance December 31, 2009 | | \$50,196 |
| Increased by: | | |
| Township Contributions | \$14,977 | |
| Appreciation | 4,372 | 19,349 |
| | | <hr/> |
| Subtotal | | 69,545 |
| Decreased by: | | |
| Fees | | 350 |
| | | <hr/> |
| Balance December 31, 2010 | | <u><u>\$69,195</u></u> |

GENERAL CAPITAL FUND

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2010**

| | | |
|--|-----------|------------------|
| Balance December 31, 2009 | | \$560,079 |
| Increased by: | | |
| Funded Improvement Authorizations Cancelled | \$965,000 | |
| DB Trust Company Escrow Account Balance | 20 | 965,020 |
| | | <hr/> |
| Subtotal | | 1,525,099 |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | 865,000 | |
| Anticipated as 2010 Budget Revenue | 500,000 | 1,365,000 |
| | | <hr/> |
| Balance December 31, 2010 | | <u>\$160,099</u> |

**SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|----------------------------|-----------|--------------------|
| Balance December 31, 2009 | | \$5,845,522 |
| Increased by: | | |
| Grants Receivable | \$363,750 | |
| Capital Improvement Fund | 100,000 | |
| Interfund - Current Fund | 2,662,000 | |
| Deferred Charges Funded | 473 | |
| Fund Balance | 20 | |
| Reserve for Debt Service | 750,000 | 3,876,243 |
| | | <hr/> |
| Subtotal | | 9,721,765 |
| Decreased by: | | |
| Improvement Authorizations | 1,140,064 | |
| Capital Fund Balance | 500,000 | |
| Interfund - Current Fund | 2,662,000 | 4,302,064 |
| | | <hr/> |
| Balance December 31, 2010 | | <u>\$5,419,701</u> |

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

BALANCE
DECEMBER 31,
2010

| | | |
|---|--|--------------------|
| Capital Improvement Fund | \$60,538 | |
| Reserve for Encumbrances | 1,162,946 | |
| Capital Fund Balance | 160,099 | |
| Reserve for Debt Service - Open Space Bonds | 1,853,771 | |
| Reserve for Building Department Facilities | 10,589 | |
| Grants Receivable | (336,385) | |
| Improvement Authorizations: | | |
| Ordinance Number: | DESCRIPTION | |
| 13-03 | Improvements to Recreational Facilities | 9,662 |
| 27-04(ii) | Various Improvements to Justice Complex | 80,432 |
| 10-06(i) | Construction of Public Works Storage Building | 2,620 |
| 09-07(i) | Municipal Park Facilities (Recreation Fields) | 222,779 |
| 09-07(ii) | Various Road Improvements | 19,250 |
| 09-07(iii) | Construction of Public Works Storage Building | 1,755 |
| 09-07(iv)/28-07 | Acquisition of Security, Telecommunications & GPS Equipment | 125,998 |
| 09-07(vi) | Improvements to Library & Municipal Facilities | 605,592 |
| 17-07 | Acquisition of Real Property & the Development & Implementation of the Township's Affordable Housing Plan | 18,128 |
| 29-08(i) | Various Roadway Improvements | 114,104 |
| 29-08(ii) | Telephone/Data System Upgrade | 266,342 |
| 29-08(iii) | Capital Equipment for Department of Public Works | 133,773 |
| 29-08(iv) | Hydraulic System Transfer Station | 331,693 |
| 19-09(i) | Various Roadway Improvements | (580,596) |
| 19-09(ii) | Public Water Service Installation | (9,961) |
| 19-09(iii) | Acquisition of Office Equipment | (6,541) |
| 19-09(iv) | Implementation of Recycling Center | 1,634 |
| 19-09(v) | Acquisition of Equipment for Police Department | (29,376) |
| 19-09(vi) | Acquisition of Equipment for Public Works | 7,052 |
| 19-09(vii) | Acquisition of Passenger Bus for Senior Center | 3,134 |
| 143R-10 | Brewer's Bridge/OC Shared Services Agreement | 215,135 |
| 25-10 | Road & Drainage Improvements | 864,271 |
| 25-10 | Municipal Capital Improvements | 10,461 |
| 25-10 | Township Recycling Center | 1,494 |
| 25-10 | Technology Upgrades | 2,571 |
| 25-10 | Police Department Equipment | 17,984 |
| 25-10 | Department of Public Works Equipment | 78,753 |
| | | <hr/> |
| Total | | <u>\$5,419,701</u> |

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM STATE OF N.J. DEPARTMENT OF TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|--------------------------------|-------------------------|
| Balance December 31, 2009 | \$285,000 |
| Increased by: | |
| Grant Award (Ordinance #20-10) | 200,000 |
| | <hr/> |
| Subtotal | 485,000 |
| Decreased by: | |
| Cash Receipts | 363,750 |
| | <hr/> |
| Balance December 31, 2010 | <u><u>\$121,250</u></u> |

**SCHEDULE OF DUE FROM COUNTY FOR SHARED SERVICES AGREEMENT
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---|-------------------------|
| Balance December 31, 2009 | \$ - |
| Increased by: | |
| County Shared Services Agreement (Resolution #143-10) | 215,135 |
| | <hr/> |
| Balance December 31, 2010 | <u><u>\$215,135</u></u> |

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|-----------------------------------|----------------------------|-----------|
| Balance December 31, 2009 | \$35,690,000 | |
| Decreased by: | | |
| Budget Appropriation to Pay Bonds | \$2,725,000 | |
| Paid by Open Space Trust Fund | 475,000 | 3,200,000 |
| | <hr/> | <hr/> |
| Balance December 31, 2010 | <u><u>\$32,490,000</u></u> | |

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2010**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2009 | 2010 AUTHORIZATIONS | DECREASED 2010 | BALANCE DECEMBER 31, 2010 | ANALYSIS OF BALANCE DECEMBER 31, 2010 | |
|---------------------|--|---------------------------------|------------------------|-------------------|---------------------------------|--|---|
| | | | | | | EXPENDITURES | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
| 05-06 | Construction of Public Works Storage Building | \$473 | | 473 | | | |
| 19-09(i) | Various Roadway Improvements | 874,000 | | | 874,000 | 580,596 | 293,404 |
| 19-09(ii) | Public Water Service Installation | 93,575 | | | 93,575 | 9,961 | 83,614 |
| 19-09(iii) | Acquisition of Office Equipment | 48,925 | | | 48,925 | 6,541 | 42,384 |
| 19-09(iv) | Implementation of Recycling Center | 33,250 | | | 33,250 | | 33,250 |
| 19-09(v) | Acquisition of Equipment for Police Department | 83,600 | | | 83,600 | 29,376 | 54,224 |
| 19-09(vi) | Acquisition of Equipment for Public Works | 136,178 | | | 136,178 | | 136,178 |
| 19-09(vii) | Acquisition of Passenger Bus for Senior Center | 61,750 | | | 61,750 | | 61,750 |
| 25-10 | Municipal Capital Improvements | | 199,500 | | 199,500 | | 199,500 |
| 25-10 | Township Recycling Center | | 28,500 | | 28,500 | | 28,500 |
| 25-10 | Technology Upgrades | | 49,010 | | 49,010 | | 49,010 |
| 25-10 | Police Department Equipment | | 342,950 | | 342,950 | | 342,950 |
| 25-10 | Department of Public Works Equipment | | 1,501,841 | | 1,501,841 | | 1,501,841 |
| Total | | \$1,331,751 | 2,121,801 | 473 | 3,453,079 | 626,474 | 2,826,605 |

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| IMPROVEMENT DESCRIPTION | ORIGINAL AMOUNT OF ISSUE | ORIGINAL DATE OF ISSUE | MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2010 | | INTEREST RATE | BALANCE DECEMBER 31, 2009 | ISSUED | PAID | BALANCE DECEMBER 31, 2010 |
|----------------------------|--------------------------------|------------------------------|---|-------------------|------------------|---------------------------------|--------|---------|---------------------------------|
| | | | PAYMENT DATE | PAYMENT AMOUNT | | | | | |
| General Improvements | \$1,905,000 | 12/01/2001 | 12/01/2010 | \$760,000 | 4.10% | \$760,000 | | 760,000 | |
| General Improvements | 7,931,000 | 12/01/2003 | 12/01/2010-11 | 800,000 | 3.00% | 4,331,000 | | 800,000 | 3,531,000 |
| | | | 12/01/2012 | 900,000 | 3.125% | | | | |
| | | | 12/01/2013 | 900,000 | 3.35% | | | | |
| | | | 12/01/2014 | 931,000 | 3.50% | | | | |
| Open Space Bonds | 5,918,000 | 12/01/2003 | 12/01/2010-11 | 400,000 | 3.00% | 4,118,000 | | 400,000 | 3,718,000 |
| | | | 12/01/2012 | 443,000 | 3.125% | | | | |
| | | | 12/01/2013 | 450,000 | 3.35% | | | | |
| | | | 12/01/2014 | 450,000 | 3.50% | | | | |
| | | | 12/01/2015 | 475,000 | 3.60% | | | | |
| | | | 12/01/2016-18 | 500,000 | 4.00% | | | | |
| General Improvements | 16,102,000 | 12/01/2008 | 12/01/2010-11 | 100,000 | 3.50% | 16,002,000 | | 100,000 | 15,902,000 |
| | | | 12/01/2012 | 1,125,000 | 3.50% | | | | |
| | | | 12/01/2013 | 1,180,000 | 3.75% | | | | |
| | | | 12/01/2014 | 1,250,000 | 3.75% | | | | |
| | | | 12/01/2015 | 1,945,000 | 3.75% | | | | |
| | | | 12/01/2016-17 | 2,025,000 | 3.75% | | | | |
| | | | 12/01/2018 | 2,085,000 | 4.00% | | | | |
| | | | 12/01/2019 | 2,035,000 | 4.00% | | | | |
| | | | 12/01/2020 | 2,132,000 | 4.125% | | | | |

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| IMPROVEMENT DESCRIPTION | ORIGINAL AMOUNT OF ISSUE | ORIGINAL DATE OF ISSUE | MATURITIES OF BONDS OUTSTANDING | | | INTEREST RATE | BALANCE | | BALANCE DECEMBER 31, 2010 |
|----------------------------|--------------------------------|------------------------------|------------------------------------|-------------------|----------------------|------------------|-----------|------------|---------------------------------|
| | | | DECEMBER 31, 2010 | | DECEMBER 31, 2009 | | ISSUED | PAID | |
| | | | PAYMENT DATE | PAYMENT AMOUNT | | | | | |
| Open Space Bonds | 3,739,000 | 12/01/2008 | 12/01/2010 | 75,000 | 3.50% | 3,664,000 | | 75,000 | 3,589,000 |
| | | | 12/01/2011 | 85,000 | 3.50% | | | | |
| | | | 12/01/2012 | 80,000 | 3.50% | | | | |
| | | | 12/01/2013 | 90,000 | 3.75% | | | | |
| | | | 12/01/2014 | 110,000 | 3.75% | | | | |
| | | | 12/01/2015 | 105,000 | 3.75% | | | | |
| | | | 12/01/2016 | 100,000 | 3.75% | | | | |
| | | | 12/01/2017 | 125,000 | 3.75% | | | | |
| | | | 12/01/2018 | 130,000 | 4.00% | | | | |
| | | | 12/01/2019 | 225,000 | 4.00% | | | | |
| | | | 12/01/2020 | 235,000 | 4.125% | | | | |
| | | | 12/01/2021 | 245,000 | 4.25% | | | | |
| | | | 12/01/2022 | 255,000 | 4.375% | | | | |
| | | | 12/01/2023 | 270,000 | 4.50% | | | | |
| | | | 12/01/2024 | 280,000 | 4.50% | | | | |
| | | | 12/01/2025 | 295,000 | 4.625% | | | | |
| | | | 12/01/2026 | 305,000 | 4.75% | | | | |
| | | | 12/01/2027 | 320,000 | 4.75% | | | | |
| | | | 12/01/2028 | 334,000 | 4.75% | | | | |
| Refunding Bonds | 8,010,000 | 04/30/2009 | 12/01/2010 | 1,065,000 | 2.00% | 6,815,000 | | 1,065,000 | 5,750,000 |
| | | | 12/01/2011 | 1,905,000 | 2.25% | | | | |
| | | | 12/01/2012 | 775,000 | 2.25% | | | | |
| | | | 12/01/2013 | 765,000 | 4.00% | | | | |
| | | | 12/01/2014 | 760,000 | 4.00% | | | | |
| | | | 12/01/2015 | 775,000 | 4.00% | | | | |
| | | | 12/01/2016 | 770,000 | 4.00% | | | | |
| Total | | | | | | \$35,690,000 | 3,200,000 | 32,490,000 | |

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE - DECEMBER 31, 2009 | | 2010 AUTHORIZATIONS | PAID | RESERVE FOR ENCUMBRANCES | PR. YR. | AUTHORIZATION CANCELLED | BALANCE - DECEMBER 31, 2010 | |
|----------------------|--|-----------------------------|-----------|------------------------|---------------|-----------------------------|-----------|----------------------------|-----------------------------|---------|
| | | UNFUNDED | FUNDED | | OR CHARGED | | CANCELLED | | UNFUNDED | FUNDED |
| 13-03 | Improvements to Recreational Facilities | | \$14,601 | | | 4,939 | | | | 9,662 |
| 27-04(ii) | Various Improvements to the Justice Complex | | 178,453 | | 2,364 | 95,657 | | | | 80,432 |
| 10-06(i) | Construction of Public Works Storage Building | | 2,620 | | | | | | | 2,620 |
| 09-07(i) | Municipal Park Facilities (Recreation Fields) | | 1,369,628 | | 269,295 | 12,554 | | 865,000 | | 222,779 |
| 09-07(ii) | Various Road Improvements | | 23,043 | | 3,793 | | | | | 19,250 |
| 09-07(iii) | Construction of Public Works Storage Building | | 1,755 | | | | | | | 1,755 |
| 09-07(iv)/ 28-07A | Acquisition of Security, Telecommunications & GPS Equipment | | 125,998 | | | | | | | 125,998 |
| 09-07(vi) | Improvements to Library & Municipal Facilities | | 710,514 | | | 4,922 | | 100,000 | | 605,592 |
| 17-07 | Acquisition of Real Property & the Development & Implementation of the Township's Affordable House Plan | | 92,100 | | 72,877 | 1,095 | | | | 18,128 |
| 29-08(i) | Various Road Improvements | | 143,471 | | 29,367 | | | | | 114,104 |
| 29-08(ii) | Telephone/Data System Upgrade | | 266,342 | | | | | | | 266,342 |
| 29-08(iii) | Capital Equipment for Department of Public Works | | 159,582 | | 25,809 | | | | | 133,773 |

74

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2009 | | 2010 AUTHORIZATIONS | PAID OR CHARGED | RESERVE FOR ENCUMBRANCES | PRIOR YEAR ENCUMBRANCES CANCELLED | AUTHORIZATION CANCELLED | BALANCE DECEMBER 31, 2010 | |
|---------------------|---|---------------------------|------------------|------------------------|-----------------------|-----------------------------|---|----------------------------|---------------------------|------------------|
| | | UNFUNDED | FUNDED | | | | | | UNFUNDED | FUNDED |
| 29-08(iv) | Hydraulic System Transfer Station | | 331,693 | | | | | | | 331,693 |
| 19-09(i) | Various Road Improvements | 874,000 | 305,729 | 200,000 | 187,927 | 898,398 | | | 293,404 | |
| 19-09(ii) | Public Water Service Installation | 93,575 | 4,809 | | 14,770 | | | | 83,614 | |
| 19-09(iii) | Acquisition of Office Equipm | 42,384 | | | | | | | 42,384 | |
| 19-09(iv) | Implementation of Recycling Center | 33,250 | 1,634 | | | | | | 33,250 | 1,634 |
| 19-09(v) | Acquisition of Equipment for Police Department | 83,600 | 4,284 | | 33,660 | | | | 54,224 | |
| 19-09(vi) | Acquisition of Equipment for Public Works | 128,880 | | | | | 14,350 | | 136,178 | 7,052 |
| 10-09(vii) | Acquisition of Passenger Bus for Senior Center | 61,750 | 3,134 | | | | | | 61,750 | 3,134 |
| 143R-10 | Brewers Bridge/OC Shared Services Agreement | | | 215,135 | | | | | | 215,135 |
| 25-10 | Road & Drainage Improvements | | | 865,000 | 729 | | | | | 864,271 |
| 25-10 | Municipal Capital Improvements | | | 210,000 | 39 | | | | 199,500 | 10,461 |
| 25-10 | Township Recycling Center | | | 30,000 | 6 | | | | 28,500 | 1,494 |
| 25-10 | Technology Upgrades | | | 51,590 | 9 | | | | 49,010 | 2,571 |
| 25-10 | Police Department Equipment | | | 361,000 | 66 | | | | 342,950 | 17,984 |
| 25-10 | DPW Equipment | | | 1,580,885 | 291 | | | | 1,501,841 | 78,753 |
| | Total | \$1,317,439 | 3,739,390 | 3,513,610 | 641,002 | 1,017,565 | 14,350 | 965,000 | 2,826,605 | 3,134,617 |

EXHIBIT C-10

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|---------------------------------------|----------------|---------------------------|
| Balance December 31, 2009 | | \$658,791 |
| Increased by: | | |
| Charged to Improvement Authorizations | | <u>1,017,565</u> |
| Subtotal | | 1,676,356 |
| Decreased by: | | |
| Prior Year Encumbrance Canceled | \$14,350 | |
| Applied to Improvement Authorizations | <u>499,060</u> | <u>513,410</u> |
| Balance December 31, 2010 | | <u><u>\$1,162,946</u></u> |

EXHIBIT C-11

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | | |
|--|--|------------------------|
| Balance December 31, 2009 | | \$72,212 |
| Increased by: | | |
| 2010 Budget Appropriation | | <u>100,000</u> |
| Subtotal | | 172,212 |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | | <u>111,674</u> |
| Balance December 31, 2010 | | <u><u>\$60,538</u></u> |

EXHIBIT C-12

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE - OPEN SPACE BONDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|---------------------------|
| Balance December 31, 2009 | \$1,103,771 |
| Increased by: | |
| Cash Receipts | <u>750,000</u> |
| Balance December 31, 2010 | <u><u>\$1,853,771</u></u> |

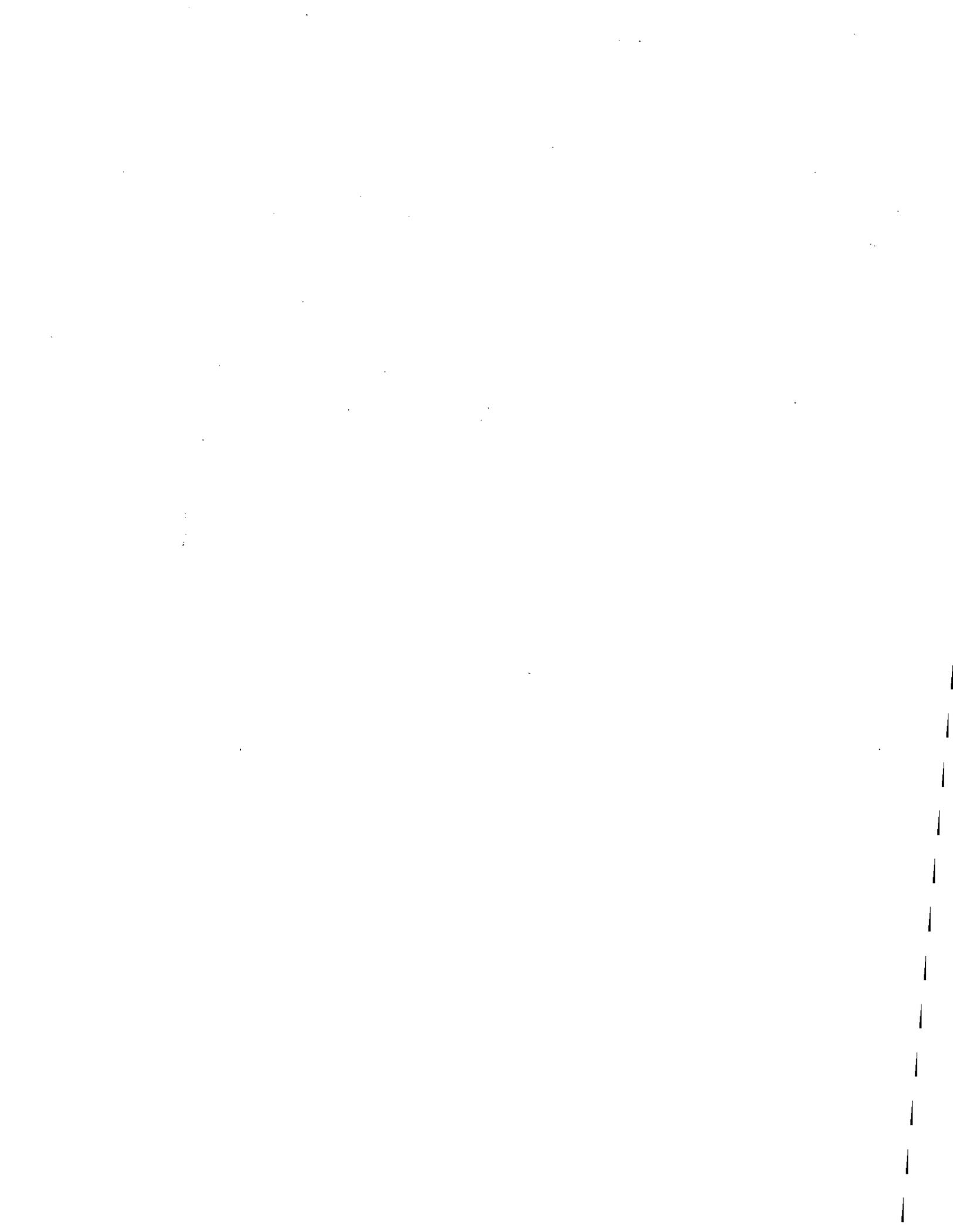
EXHIBIT C-13

**SCHEDULE OF RESERVE FOR FIRE DAMAGE - ANNEX BUILDING
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|----------------------------------|------------------------|
| Balance December 31, 2010 & 2009 | <u><u>\$10,589</u></u> |
|----------------------------------|------------------------|

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2010**

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE | | DEFERRED CHARGES FUNDED | BALANCE DECEMBER 31, 2010 |
|---------------------|---|---------------------|------------------------|-------------------------------|---------------------------------|
| | | DECEMBER 31 2009 | 2010 AUTHORIZATIONS | | |
| 07-03(I)/ 35-03 | Improvements to Manhattan & Various Streets | \$473 | | 473 | |
| 19-09(i) | Various Roadway Improvements | 874,000 | | | 874,000 |
| 19-09(ii) | Public Water Service Installation | 93,575 | | | 93,575 |
| 19-00(iii) | Acquisition of Office Equipment | 48,925 | | | 48,925 |
| 19-09(iv) | Implementation of Recycling Center | 33,250 | | | 33,250 |
| 19-09(v) | Acquisition of Equipment for Police Department | 83,600 | | | 83,600 |
| 19-09(vi) | Acquisition of Equipment for Public Works | 136,178 | | | 136,178 |
| 19-09(vii) | Acquisition of Passenger Bus for Senior Center | 61,750 | | | 61,750 |
| 25-10 | Municipal Capital Improvements | | 199,500 | | 199,500 |
| 25-10 | Township Recycling Center | | 28,500 | | 28,500 |
| 25-10 | Technology Upgrades | | 49,010 | | 49,010 |
| 25-10 | Police Department Equipment | | 342,950 | | 342,950 |
| 25-10 | Department of Public Works Equipment | | 1,501,841 | | 1,501,841 |
| | Total | <u>\$1,331,751</u> | <u>2,121,801</u> | <u>473</u> | <u>3,453,079</u> |



PUBLIC ASSISTANCE FUND

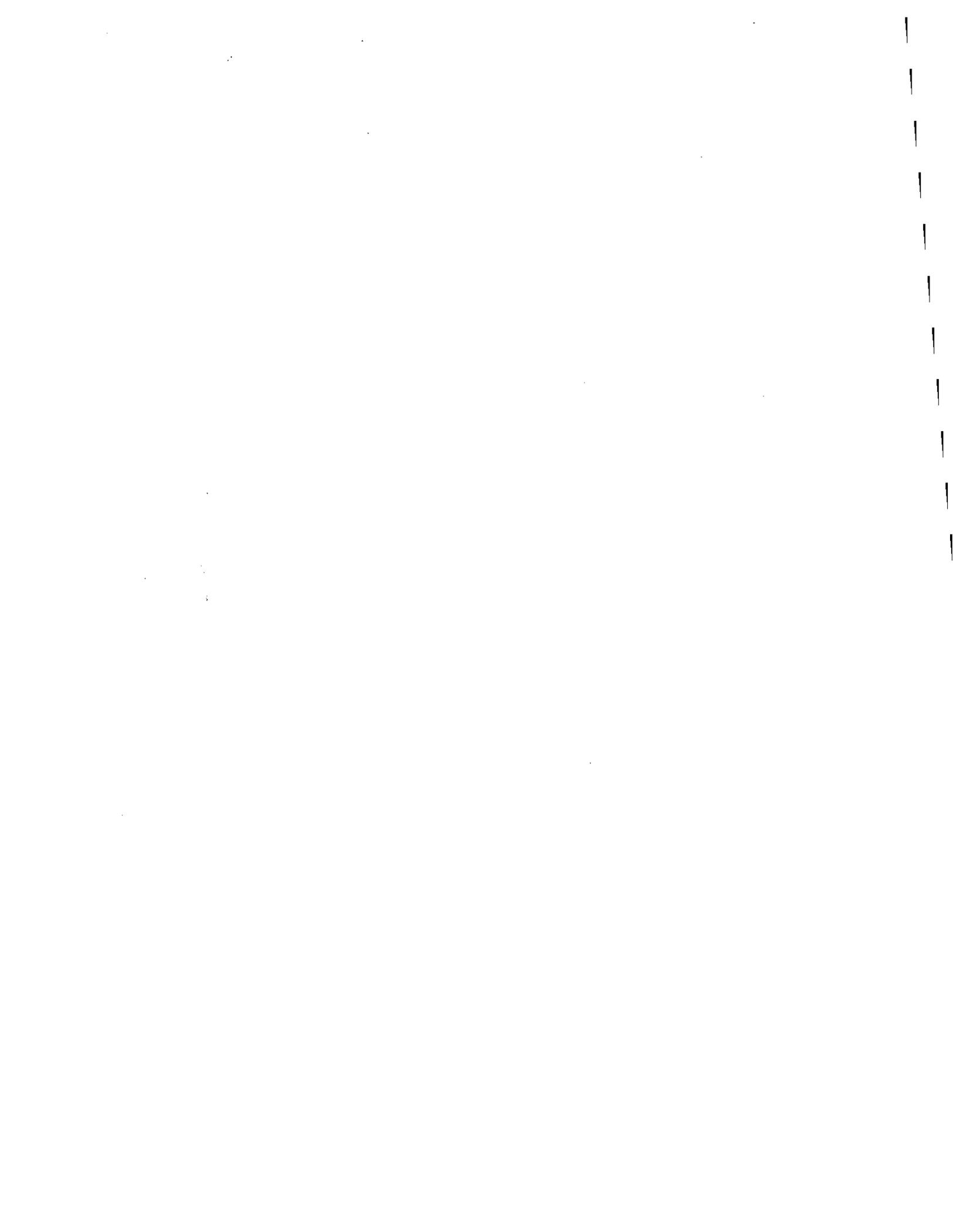


EXHIBIT D-1

**TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|------------------------|
| Balance December 31, 2009 | \$29,008 |
| Increased by: | |
| Interest Earned | <u>304</u> |
| Balance December 31, 2010 | <u><u>\$29,312</u></u> |

EXHIBIT D-2

**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---------------------------|------------------------|
| Balance December 31, 2009 | \$29,008 |
| Increased by: | |
| Interest Earned | <u>304</u> |
| Balance December 31, 2010 | <u><u>\$29,312</u></u> |

GENERAL FIXED ASSETS



Certified Public Accountants & Consultants

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

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

Compliance

We have audited the compliance of the Township of Jackson, in the County of Ocean, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended December 31, 2010. The Township of Jackson's state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its state programs is the responsibility of the Township of Jackson's management. Our responsibility is to express an opinion on the Township of Jackson's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Jackson's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township of Jackson's compliance with those requirements.

As described in the accompanying *Schedule of Findings & Questioned Costs* as Finding No. 2010-01, the Township of Jackson did not comply with requirements regarding reporting that are applicable to its Grants to States, Department of Transportation, Road Program Grant. Compliance with such requirements is necessary, in our opinion, for Township of Jackson to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Township of Jackson, County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2010.

MEDFORD OFFICE
618 Stokes Road • Medford, NJ 08055
Tel: 609.953.0612 • Fax: 609.953.8443
holmanfrenia.com

TOMS RIVER OFFICE
10 Allen St., Suite 2B • Toms River, NJ 08753
Tel: 732.797.1333 • Fax: 732.797.1022
holmanfrenia.com

Internal Control Over Compliance

The management of the Township of Jackson is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to major state programs. In planning and performing our audit, we considered Township of Jackson's internal control over compliance with requirements that could have a direct and material effect on a major state programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Township of Jackson's internal control over compliance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in a municipality's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings & Questioned Costs* as Finding No. 2010-01 to be a material weakness.

This report is intended solely for the information and use of the Township of Jackson's management, and Council members, others within the organization, the Division of Local Government Services, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

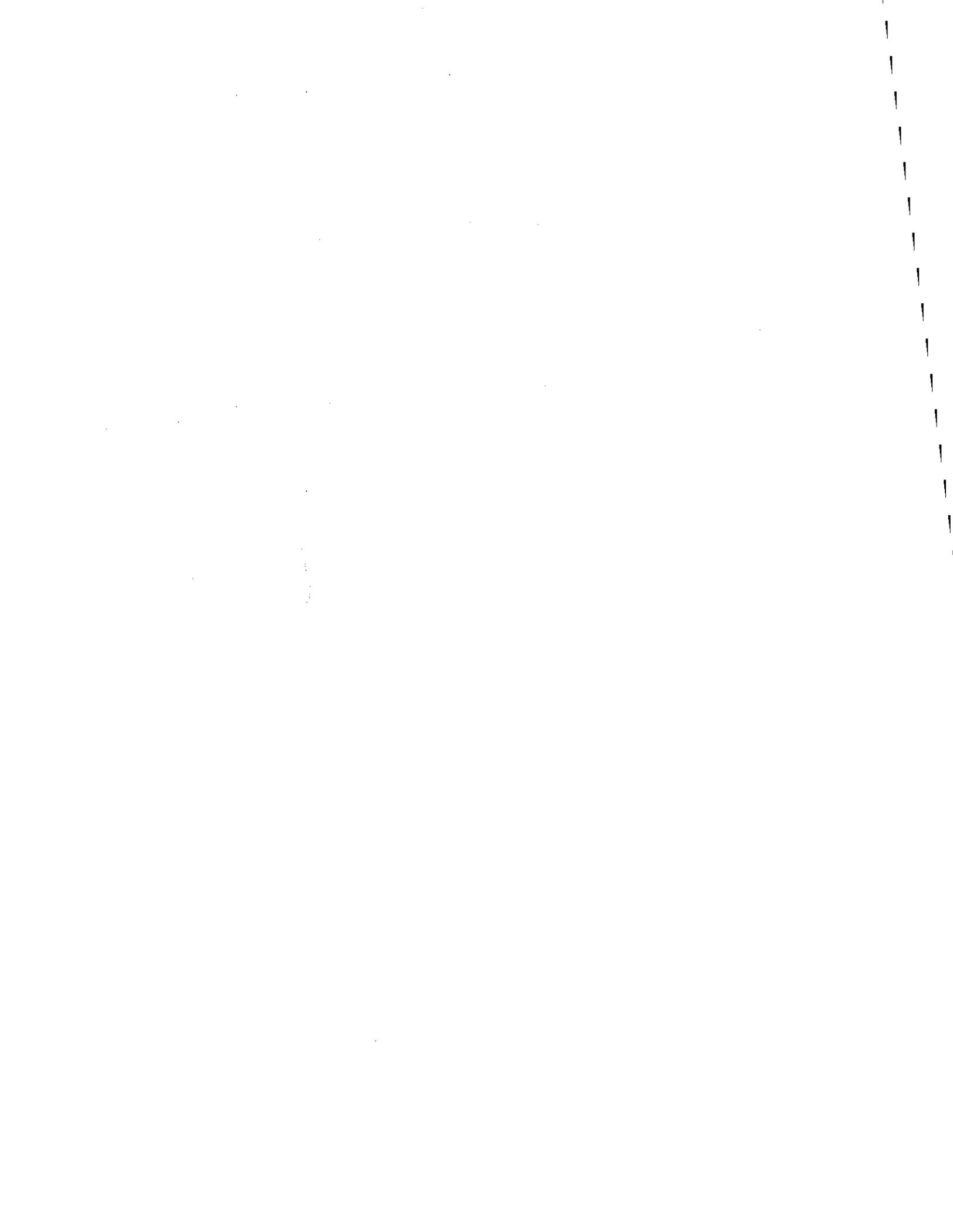


Rodney R. Haines
Certified Public Accountant
Registered Municipal Accountant
CR 498

Medford, New Jersey
March 23, 2011

**TOWNSHIP OF JACKSON
GENERAL FIXED ASSETS GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS
DECEMBER 31, 2010**

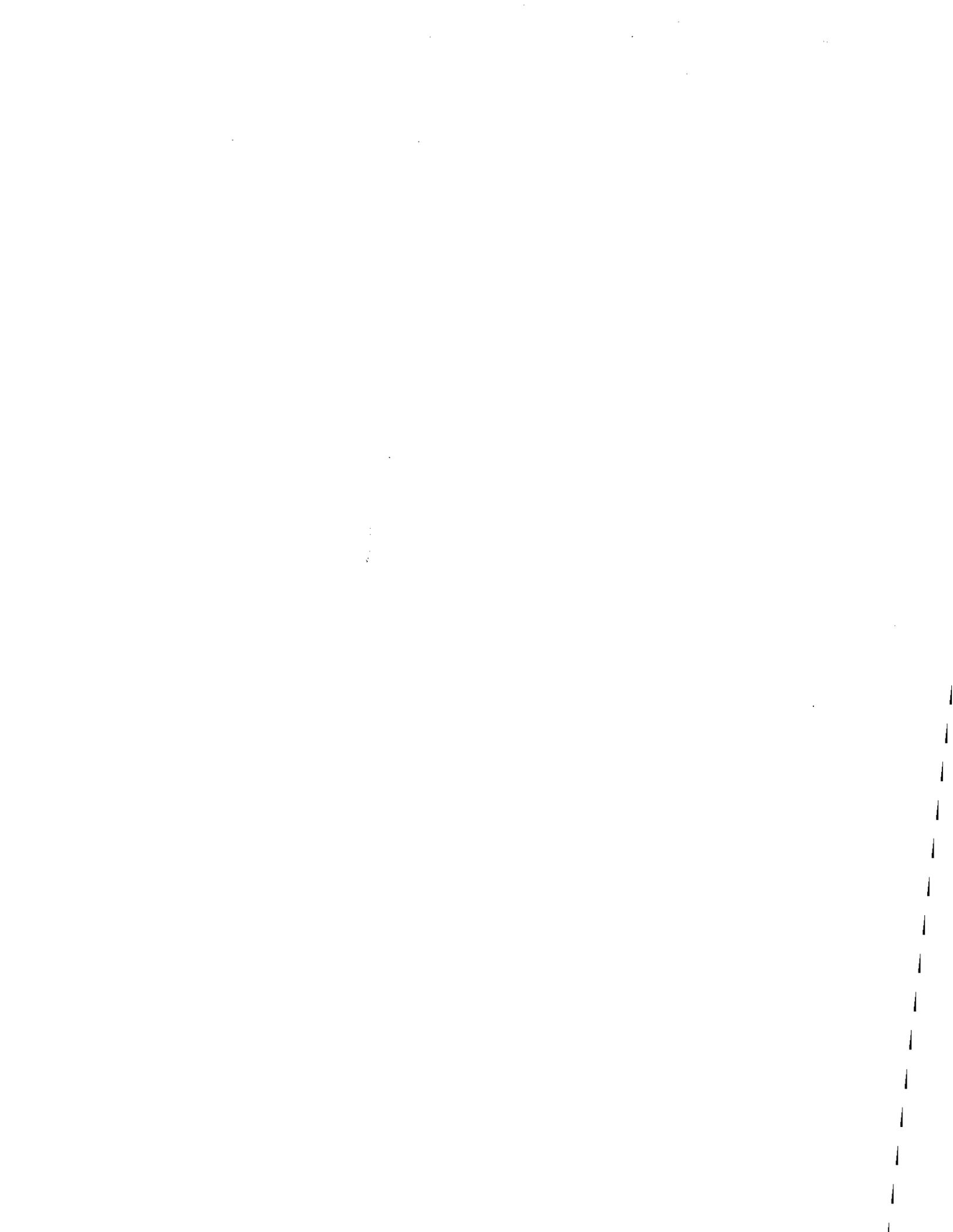
| GENERAL FIXED ASSETS | BALANCE DECEMBER 31, 2009 | ADDITIONS | DELETIONS | BALANCE DECEMBER 31, 2010 |
|----------------------------------|---------------------------------|----------------|------------------|---------------------------------|
| Land | \$56,121,100 | 103,300 | 1,230,600 | 54,993,800 |
| Building & Building Improvements | 47,250,739 | 271,665 | | 47,522,404 |
| Machinery & Equipment | 10,657,389 | 548,931 | 158,600 | 11,047,720 |
| Total | <u>\$114,029,228</u> | <u>923,896</u> | <u>1,389,200</u> | <u>113,563,924</u> |



SINGLE AUDIT SECTION

TOWNSHIP OF JACKSON
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

| STATE PROGRAM | STATE ACCOUNT NUMBER OR GRANT NUMBER | GRANT PERIOD | CASH RECEIVED | PROGRAM EXPENDITURES |
|---|--|-----------------|------------------|-------------------------|
| Department of Transportation: | | | | |
| New Jersey Transportation Trust Fund Act: | | | | |
| Road Program - 2009 | 80-078-6310-xxx-xxxxxx | Open | \$213,750 | 259,729 |
| Road Program - 2010 | 80-078-6310-xxx-xxxxxx | Open | 150,000 | 200,000 |
| Total Department of Transportation | | | 363,750 | 459,729 |
| Department of Environmental Protection: | | | | |
| State Forestry Services - Management Plan | 2009/2010 | Various | | 500 |
| Stormwater Management | 2009/2010 | Various | | 19,084 |
| Clean Communities Act | 4900-765-178900-60 | Various | 74,356 | 57,813 |
| Recycling Tonnage Grant | 4900-752-178840-60 | Various | | 20,465 |
| Total Department of Environmental Protection | | | 74,356 | 97,362 |
| Department of Law & Public Safety: | | | | |
| Drunk Driving Enforcement Fund | 6400-100-078-6400 | Open | 9,279 | 31,618 |
| Over the Limit/Under Arrest | 2009/2010 | Various | 9,375 | 7,975 |
| COPS in Shops | 2009/2010 | Various | 4,000 | 4,000 |
| Safe & Secure Communities | 00-066-1020-107-09094 | Various | 33,451 | 34,729 |
| Total Department of Law & Public Safety | | | 56,105 | 78,322 |
| Department of Community Affairs: | | | | |
| Recreation Opportunities for Individuals with Disabilities | 00-022-8050-035-05157 | Open | 13,620 | 17,105 |
| Total Department of Community Affairs | | | 13,620 | 17,105 |
| Department of Health: | | | | |
| Direct Programs: | | | | |
| Alcohol Education & Rehabilitation | 760-046-4240-001 | Open | | 732 |
| Pass-Through Programs from: | | | | |
| Ocean County Board of Health: Municipal Drug Alliance | 2009/2010 | Various | 25,116 | 34,841 |
| Total Department of Health | | | 25,116 | 35,573 |
| Total State Financial Assistance | | | \$532,947 | 688,091 |



TOWNSHIP OF JACKSON

**NOTES TO SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Note 1. General

The accompanying schedules of financial assistance present the activity of all state financial assistance programs of the Township of Jackson. The Township is defined in Note 1 to the Township's general-purpose financial statements. All federal awards and state financial assistance received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of federal awards and state financial assistance.

Note 2. Basis of Accounting

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

Note 3. Relationship to Financial Statements – Statutory Basis

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

| | State |
|----------------------------|------------------|
| State & Federal Grant Fund | \$228,362 |
| Capital Fund | <u>459,729</u> |
| Total | <u>\$688,091</u> |

Note 4. Relationship to Federal and State Financial Report

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

Note 5. Major Programs

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

**TOWNSHIP OF JACKSON
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2010**

Section I – Summary of Auditor’s Results

Financial Statements

| | |
|---|--------------------|
| Type of auditor’s report issued: | <u>Unqualified</u> |
| Internal control over financial reporting: | |
| 1) Material weakness(es) identified? | Yes |
| 2) Where significant deficiencies identified that are not considered to be material weaknesses? | No |
| Noncompliance material to basic financial Statements noted? | No |

State Awards

| | |
|---|------------------|
| Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| Auditee qualified as low-risk auditee? | No |
| Type of auditor’s report issued on compliance for major programs | <u>Qualified</u> |
| Internal Control over major programs: | |
| 1) Material weakness(es) identified? | Yes |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter 04-04 | No |

Identification of major programs:

| GMIS Number(s) | Name of State Program |
|----------------|--|
| 480-078-6310 | New Jersey Transportation Trust Fund Act |

**TOWNSHIP OF JACKSON
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2010**

Section II – Financial Statement Findings

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

Finding 2010-01:

Criteria or Specific Requirement:

Our audit procedures disclosed that minutes of the meetings of the Jackson Township Council are not being promptly prepared and authenticated.

Condition:

For the year ended December 31, 2010, the Jackson Township Council minutes have been prepared and authenticated through September of 2010. The council meeting minutes should be prepared and authenticated in a prompt manner.

Context:

All Council meeting minutes should be promptly prepared and authenticated.

Effect:

There is no assurance regarding the discussion that may have taken place at a meeting of the Council and no assurance regarding official actions of the Council that may have had a financial impact.

Cause:

The Council meeting minutes have not been prepared and authenticated during the period of September 2010 through December 2010.

Recommendation:

That all minutes be promptly prepared, retained, and authenticated for all meetings of the Jackson Township Council.

Views of Responsible Officials and Planned Corrective Action:

The minutes of the Jackson Township Council will be promptly prepared, retained, and authenticated in the future.

**TOWNSHIP OF JACKSON
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2010**

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

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

No Current Year Findings

**TOWNSHIP OF JACKSON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended December 31, 2010**

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

No Prior Year Findings

SUPPLEMENTARY DATA

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

| | YEAR 2010 | YEAR 2009 | YEAR 2008 |
|-------------------------------------|--------------|------------|------------|
| Issued - General - Bonds & Notes | \$32,490,000 | 35,690,000 | 39,183,176 |
| Bonds & Notes Authorized Not Issued | 3,453,079 | 1,331,751 | 1,072 |
| | <hr/> | | |
| Net Bonds & Notes Issued | \$35,943,079 | 37,021,751 | 39,184,248 |
| | <hr/> <hr/> | | |

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .3739%

| | GROSS DEBT | DEDUCTIONS | NET DEBT |
|----------------------------|---------------|-------------|------------|
| Local School District Debt | \$103,235,000 | 103,235,000 | |
| General Debt | 35,943,079 | 9,160,771 | 26,782,308 |
| | <hr/> | | |
| Total | \$139,178,079 | 112,395,771 | 26,782,308 |
| | <hr/> <hr/> | | |

Net Debt, \$26,782,308 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended \$7,162,362,470 equals .3739%.

Equalized Valuation Basis:

| | |
|------|-----------------|
| 2010 | \$6,913,834,225 |
| 2009 | 7,111,605,604 |
| 2008 | 7,461,647,582 |

Average

\$7,162,362,470

Borrowing Power Under 40A:2-6:

| | |
|---|---------------|
| 3-1/2% of Equalized Valuation Bases (Municipal) | \$250,682,686 |
| Net Debt | 26,782,308 |
| | <hr/> |
| Remaining Borrowing Power | \$223,900,378 |
| | <hr/> <hr/> |

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

| | YEAR 2010 | | YEAR 2009 | |
|--|--------------------|----------------|--------------------|----------------|
| | AMOUNT | PERCENT | AMOUNT | PERCENT |
| Revenue and Other Income Realized | | | | |
| Fund Balance Utilized | \$3,800,000 | 2.66% | 4,850,000 | 3.44% |
| Miscellaneous - From Other Than Local Property Tax Levies | 10,615,768 | 7.42% | 11,917,802 | 8.46% |
| Collection of Delinquent Taxes & Tax Title Liens | 1,737,098 | 1.21% | 1,619,989 | 1.15% |
| Collection of Current Tax Levy | 126,963,411 | 88.71% | 122,457,385 | 86.94% |
| Total Income | 143,116,277 | 100.00% | 140,845,176 | 100.00% |
| Expenditures | | | | |
| Budget Expenditures - Municipal | | | | |
| Purposes | 37,254,793 | 26.51% | 37,872,644 | 27.42% |
| County Taxes | 23,308,025 | 16.59% | 23,354,400 | 16.91% |
| Local School Taxes | 73,569,074 | 52.35% | 69,925,928 | 50.63% |
| Fire District Taxes | 5,043,372 | 3.59% | 4,935,206 | 3.57% |
| Municipal Open Space Tax | 1,361,215 | 0.97% | 2,035,519 | 1.47% |
| Total Expenditures | 140,536,479 | 100.00% | 138,123,697 | 100.00% |
| Excess in Revenue | 2,579,798 | | 2,721,479 | |
| Fund Balance January 1 | 3,990,488 | | 6,119,009 | |
| Total | 6,570,286 | | 8,840,488 | |
| Less: | | | | |
| Utilization as Anticipated Revenue | 3,800,000 | | 4,850,000 | |
| Fund Balance December 31 | \$2,770,286 | | 3,990,488 | |

**Comparison of Tax Levies
and Collection Currently**

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

| | YEAR | TAX LEVY | CURRENTLY | | |
|----------------------------|------|---------------|---------------------|--------------------------------|----------------|
| | | | CASH COLLECTIONS | PERCENTAGE OF COLLECTION | |
| | 2010 | \$129,636,144 | 127,105,742 | 98.05% | |
| | 2009 | 125,107,358 | 122,661,461 | 98.04% | |
| | 2008 | 122,000,131 | 120,024,869 | 98.38% | |
| | | | * | | |
| | | | 2010 | 2009 | 2008 |
| Total Tax Rate | | | <u>\$1.830</u> | <u>\$1.770</u> | <u>\$3.904</u> |
| Apportionment of Tax Rate: | | | | | |
| Municipal | | | 0.378 | 0.362 | 0.794 |
| Municipal Open Space | | | 0.020 | 0.030 | 0.030 |
| County | | | 0.343 | 0.344 | 0.770 |
| Local School | | | 1.089 | 1.034 | 2.310 |

Net Valuation Taxable:

| | | | |
|------|------------------------|---|------------------------|
| 2010 | <u>\$6,759,795,179</u> | | |
| 2009 | <u>\$6,764,152,857</u> | * | |
| 2008 | | | <u>\$2,982,801,631</u> |

* Revaluation

Delinquent Taxes and Tax Title Liens

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

| YEAR ENDED DECEMBER 31 | AMOUNT OF TAX TITLE LIENS | AMOUNT OF DELINQUENT TAXES | TOTAL DELINQUENT | PERCENTAGE OF TAX LEVY |
|---------------------------|---------------------------------|----------------------------------|---------------------|---------------------------|
| 2010 | \$1,449,327 | 1,959,150 | 3,408,477 | 2.63% |
| 2009 | 1,283,850 | 1,884,659 | 3,168,509 | 2.53% |
| 2008 | 1,052,483 | 1,753,859 | 2,806,342 | 2.30% |

Comparative Schedule of Fund Balances

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

| Current Fund: | Balance December 31 | Utilized in Budget of Succeeding Year | Percentage of Fund Balance Used |
|----------------------|--------------------------------|--|--|
| 2010 | \$2,770,286 | 2,400,000 | 86.63% |
| 2009 | 3,990,487 | 3,800,000 | 95.23% |
| 2008 | 6,119,009 | 4,850,000 | 79.26% |
| 2007 | 8,010,270 | 5,900,000 | 73.66% |
| 2006 | 7,183,127 | 5,100,000 | 71.00% |
| 2005 | 6,764,515 | 5,000,000 | 73.92% |

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2010:

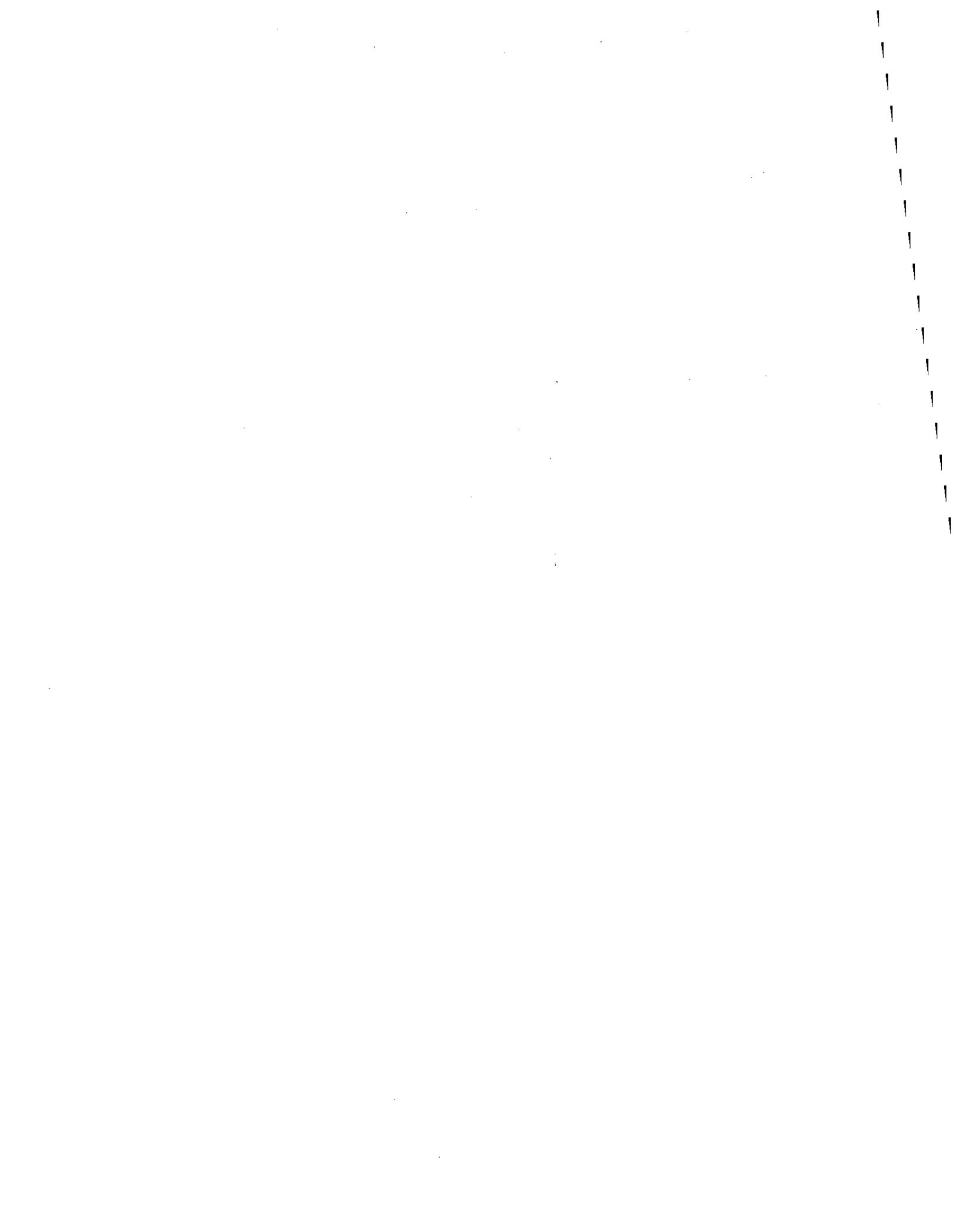
| NAME | TITLE |
|-------------------|-------------------------------|
| Michael Reina | Mayor |
| Michael J. Kafton | Council President |
| Bobbie Rivere | Council Vice President |
| Scott Martin | Councilman |
| Kenneth Bressi | Councilman |
| Ann M. Updegrave | Councilwoman |
| Phil DelTurco | Administrator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

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

**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010**





Certified Public Accountants & Consultants

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

We have audited the financial statements of the Township of Jackson in the County of Ocean for the year ended December 31, 2010. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement. The Township employs a qualified purchasing agent.

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

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

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

The governing body on January 5, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED by the Township Council of the Township of Jackson, County of Ocean, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made eight (8) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

BE IT FURTHER RESOLVED, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2010 included 2010, 2009, 2008, 2007, and 2006 real estate taxes.

The last tax sale was held on October 7, 2010 and was complete.

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

| YEAR | NUMBER OF LIENS |
|------|-----------------|
| 2010 | 119 |
| 2009 | 99 |
| 2008 | 72 |

Deductions From Taxes

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

Examination of Bills

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

Municipal Clerk

Finding 2010-01:

Our audit procedures disclosed that minutes of the meetings of the Jackson Township Council are not being promptly prepared and authenticated.

Recommendation:

That all minutes be promptly prepared, retained, and authenticated for all meetings of the Jackson Township Council.

Municipal Court

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

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

Payroll

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

Follow-Up of Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings with the exception of those marked with an asterisk (*).

Acknowledgment

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

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read 'RRH', with a long horizontal stroke extending to the right.

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

Medford, New Jersey
March 23, 2011