

TOWNSHIP OF JACKSON

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2013**

**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

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**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Jackson, County of Ocean, State of New Jersey as of December 31, 2013 and 2012 and the related comparative statement of operations and changes in fund balance--regulatory basis for the years then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Jackson, County of Ocean, State of New Jersey, as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2013 and 2012. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent .73% and .58% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2013 and 2012.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Jackson, County of Ocean, State of New Jersey, as of December 31, 2013 and 2012, and the results of its operations and changes in fund balance - -regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 07, 2014, on our consideration of the Township of Jackson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Jackson's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Medford, New Jersey
May 07, 2014

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Jackson (herein referred to as “the Township”), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements, and have issued our report thereon dated May 07, 2014 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which are described in the accompanying Schedule of Findings & Questioned Costs as Finding 2013-01.

Response to Findings

Township of Jackson's response to the findings identified in our audit is described in the accompanying Schedule of Findings & Questioned Costs section. Township of Jackson's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Medford, New Jersey
May 07, 2014

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

	REFERENCE	<u>2013</u>	<u>2012</u>
ASSETS			
Regular Fund:			
Cash -Treasurer	A-4	\$ 9,986,194	\$ 9,574,771
Cash - Change Fund	A	1,135	675
Due from State of New Jersey:			
Senior Citizen & Veteran Deductions	A-5	<u>19,694</u>	<u>11,413</u>
Total Regular Fund		<u>10,007,023</u>	<u>9,586,859</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	1,876,075	2,028,373
Tax Title Liens Receivable	A-7	2,055,182	1,854,048
Property Acquired for Taxes at Assessed Valuation	A-8	6,318,700	6,318,700
Revenue Accounts Receivable	A-9	30,432	43,676
Interfunds Receivable	A-32	<u>35,342</u>	<u>31,701</u>
Total Receivables & Other Assets With Full Reserves		<u>10,315,731</u>	<u>10,276,498</u>
Deferred Charges:			
Special Emergency 40A:4-53	A-33	1,536,078	1,921,104
Overexpenditure of Appropriation Reserves	A-33	<u>10,064</u>	<u>-</u>
Total Deferred Charges		<u>1,546,142</u>	<u>1,921,104</u>
Total Regular Fund, Receivables & Other Assets With Full Reserves		<u>21,868,896</u>	<u>21,784,461</u>
State & Federal Grants:			
Grants Receivable	A-35	67,109	297,935
Due from Current Fund	A-34	<u>380,368</u>	<u>267,415</u>
Total State & Federal Grants		<u>447,477</u>	<u>565,350</u>
Total Assets		<u>\$ 22,316,373</u>	<u>\$ 22,349,811</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, 2013 AND 2012**

	REFERENCE	2013	2012
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-10	\$ 1,248,825	\$ 1,551,422
Reserves for Encumbrances	A-12	933,654	1,018,195
Accounts Payable	A-11	404,530	294,938
Tax Anticipation Note Payable			
Special Emergency Note Payable	A	1,524,000	1,905,000
Prepaid Taxes	A-13	627,663	640,208
Tax Overpayments	A-14	28,997	90,991
County Taxes Payable	A-15	68,550	113,221
Due State of New Jersey - Construction Fees	A-18	14,176	7,894
Due State of New Jersey - Marriage License Fees	A-19	1,325	1,350
Reserve for Revaluation Program	A-20	5,743	5,743
Reserve for Garden State Trust Fund	A-22	1	56,291
Reserve for State Board of Taxation Appeals	A-23	313,783	421,223
Reserve for Master Plan	A-24	26,577	27,973
Reserve for Skate Park	A-25	2,118	2,118
Reserve for COAH State Plan	A-26	915,250	915,250
Reserve for FEMA Reimbursements	A-27	584,765	9,662
Reserve for Hurricane Sandy	A-28	1,105,528	1,629,158
Reserve for SCIBAL Reimbursements - Hurricane Sandy - DPV	A-29	26,462	-
Reserve for SCIBAL Reimbursements - Hurricane Sandy - Poli	A-30	30,249	-
Reserve for Police Cars	A-31	56,910	-
Interfund Payable	A-32	760,992	267,415
		<u>8,680,098</u>	<u>8,958,052</u>
Total Liabilities			
Reserve for Receivables & Other Assets	A	10,315,731	10,276,498
Fund Balance	A-1	2,873,067	2,549,911
		<u>21,868,896</u>	<u>21,784,461</u>
Total Regular Funds			
Federal & State Grants:			
Appropriated Reserves	A-36	364,682	339,861
Unappropriated Reserves	A-37	81,369	63,991
Reserves for Encumbrances	A-38	1,426	161,498
		<u>447,477</u>	<u>565,350</u>
Total State & Federal Grants			
Total Liabilities, Reserves & Fund Balance		<u>\$ 22,316,373</u>	<u>\$ 22,349,811</u>

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

TOWNSHIP OF JACKSON
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

		2013	2012
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,200,000	\$ 1,900,000
Miscellaneous Revenue Anticipated	A-2	6,237,879	6,517,646
Receipts From Delinquent Taxes	A-2	1,592,420	1,501,020
Receipts From Current Taxes	A-2	139,207,257	135,345,779
Nonbudget Revenue	A-2	573,276	489,929
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	1,436,603	1,336,505
Cancelled Accounts Payable	A-11	14,684	71,880
Prior Year Interfunds Liquidated	A-1	32,225	-
Cancellation of Grant Appropriation Reserves	A-32	27,664	-
		<u>151,322,008</u>	<u>147,162,759</u>
Total Revenue & Other Income Realized			
Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	A-3	16,617,410	16,230,483
Other Expenses	A-3	10,893,161	12,648,516
Deferred Charges & Statutory Expenditures Within "CAPS"	A-3	4,240,936	4,290,560
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	170,698	150,958
Other Expenses	A-3	341,812	345,883
Capital Improvements - Excluded from "CAPS":	A-3	50,000	50,000
Municipal Debt Service Excluded From "CAPS"	A-3	3,689,309	3,785,305
Deferred Charges - Municipal - Excluded From "CAPS"	A-3	385,026	54,026
Judgements	A-3	106,500	106,500
Local District School Taxes	A-16	79,451,953	78,091,655
Fire District Taxes	A-17	5,515,270	5,368,215
County Taxes	A-15	25,907,822	24,355,837
Amount Due County for Added & Omitted Taxes	A-15	68,550	113,221
Municipal Open Space Taxes	A-21	1,336,209	1,348,484
Prior Year Senior Citizen Deductions Disallowed	A-5	1,500	26,287
Cancellation of Grant Receivable	A-32	22,696	193
Interfunds Created		-	1,812
		<u>148,798,852</u>	<u>146,967,935</u>
Total Expenditures			
Excess in Revenue		2,523,156	194,824
Expenditures Included Above which are by Statute			
Deferred Charges to budgets of Succeeding Years	A-1	-	1,905,000
Statutory Excess to Fund Balance		2,523,156	2,099,824
Fund Balance January 1	A	<u>2,549,911</u>	<u>2,350,087</u>
Total		5,073,067	4,449,911
Decreased by: Utilized as Revenue	A-2	<u>2,200,000</u>	<u>1,900,000</u>
Balance December 31	A	<u><u>\$ 2,873,067</u></u>	<u><u>\$ 2,549,911</u></u>

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

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	ANTICIPATED BUDGET	ADDED PER N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	39,000	-	39,050	50
Other	24,000	-	35,552	11,552
Fees & Permits	135,000	-	190,447	55,447
Fines & Costs:				
Municipal Court	440,000	-	503,517	63,517
Interest & Cost on Taxes	360,000	-	396,980	36,980
Interest on Investments & Deposits	90,000	-	44,154	(45,846)
Housing & Commercial CCO's	90,000	-	110,570	20,570
Consolidated Municipal Property Tax Relief Aid	152,963	-	152,963	-
Energy Receipts Taxes	3,199,186	-	3,199,186	-
Garden State Trust	56,290	-	56,290	-
Uniform Construction Code Fees	980,000	-	1,018,225	38,225
Clean Communities Program	-	100,554	100,554	-
Recycling Tonnage Grant	55,764	-	55,764	-
Municipal Alliance on Alcoholism & Drug Abuse	26,539	-	26,539	-
Safe & Secure Communities Program	-	28,805	28,805	-
Body Armor Replacement Grant-State	7,418	-	7,418	-
Cops in Shops/College Fall Initiative	2,800	-	2,800	-
Cops in Shop/Summer Shore Initiative	-	2,000	2,000	-
Alcohol Education and Rehabilitation Fund	809	-	809	-
Drunk Driving Enforcement Fund	9,597	-	9,597	-
Click It or Ticket 2013	-	4,000	4,000	-
Handicapped Recreation Opportunities Grant	15,000	15,000	30,000	-
Ocean County Office of Senior Services Information Assistance	17,700	-	17,700	-
Ocean County Office of Senior Services Information Assistance - Donation	10	-	10	-
Ocean County Cultural & Heritage Commission Special Project Grant (Concerts)	1,200	-	1,200	-
Cablevision Franchise Fee	203,749	-	203,749	-
Total	5,907,025	150,359	6,237,879	180,495
Receipts from Delinquent Taxes	1,733,000	-	1,592,420	(140,580)
Amount to be Raised by Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	29,228,694	-	29,651,679	422,985
Budget Totals	39,068,719	150,359	39,681,978	
Nonbudget Revenues	-	-	573,276	573,276
Total	\$ 39,068,719	\$ 150,359	\$ 40,255,254	\$ 1,036,176

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, 2013**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	<u>\$ 139,207,257</u>
Net Revenue From Collections	139,207,257
Allocated to School, County, Municipal Open Space & Special Districts	<u>112,279,804</u>
Balance for Support of Municipal Budget Appropriations	26,927,453
Increased by Appropriation for Uncollected Taxes	<u>2,724,226</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 29,651,679</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 1,569,998
Tax Title Lien Collections	<u>22,422</u>
Total	<u><u>\$ 1,592,420</u></u>
Construction Code Official:	
Construction Code Official:	
Plumbing Fees & Permits	\$ 208,714
Electrical Fees & Permits	251,483
Building Inspector Fees & Permits	391,032
Fire Inspection Fees & Permits	123,191
TCO, CCO & COMM	21,755
Building Fines & Penalties	14,700
Misc Other	<u>7,350</u>
Total Construction Code Official	<u><u>\$ 1,018,225</u></u>
Other Fees & Permits:	
Public Works	\$ 35,316
Forester	3,490
Police Department	14,225
Zoning Board	39,219
Planning Board	72,126
Vital Statistics	<u>26,071</u>
Total Other Fees & Permits	<u><u>\$ 190,447</u></u>

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

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2013**

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Tower Rental	\$	68,682
Gas & Fuel Reimbursements		74,041
Municipal Clerk - Miscellaneous		7,358
Restitution		950
Administration Fees		354
Library Water		2,500
Tax Collector Fees		115,896
PILOT - Windsor Cresent		20,275
Outside Employment Surcharge		138,092
Police Alarm Fines		7,425
Planning & Zoning Surcharge		4,772
Motor Vehicle Inspection Fines		3,743
Non Sufficient Funds		120
Vending Machines		414
Court Overpayments		200
Bid Fees		1,450
Ocean County Rent of Polling Places		4,582
Insurance Reimbursements		24,305
Shared Services - Animal Control		4,811
Auction Proceeds		8,000
Resolution Fees		3,900
JIF Dividend		17,916
Administrative Fee - Senior Citizen's & Veteran's		10,759
Telephone Revenue		49,266
Miscellaneous		3,465
		<hr/>
Total Miscellaneous Revenue Not Anticipated	\$	<u>573,276</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
OPERATIONS - Within "CAPS"					
General Government:					
Administrative Executive:					
Salaries and Wages	\$ 161,557	\$ 180,557	\$ 178,808	\$ -	\$ 1,749
Other Expenses	77,170	72,170	41,394	848	29,928
Township Council:					
Salaries and Wages	44,340	44,340	44,340	-	-
Other Expenses	850	850	275	53	522
Mayor:					
Salaries and Wages	6,000	6,000	-	-	6,000
Other Expenses	15,200	15,200	10,070	1,816	3,314
Human Services:					
Salaries and Wages	115,866	122,866	121,530	-	1,336
Other Expenses	8,480	8,480	6,118	538	1,824
Municipal Clerk:					
Salaries and Wages	231,995	235,495	234,300	-	1,195
Other Expenses	31,840	31,840	21,852	4,374	5,614
Election:					
Salaries and Wages	14,500	14,500	5,433	-	9,067
Other Expenses	14,000	14,000	5,016	-	8,984
Financial Administration:					
Salaries and Wages	316,571	304,771	298,860	-	5,911
Other Expenses	40,215	35,215	13,967	6,817	14,431
Audit Services:					
Other Expenses	41,500	41,500	-	41,500	-
Data Processing:					
Salaries and Wages	61,047	67,047	65,694	-	1,353
Other Expenses	19,500	19,500	10,149	1,884	7,467
Collection of Taxes:					
Salaries and Wages	264,421	274,421	273,640	-	781
Other Expenses	33,135	33,135	16,423	8,262	8,450
Assessment of Taxes:					
Salaries and Wages	292,264	290,264	288,389	-	1,875
Other Expenses	16,055	16,055	9,962	3,981	2,112
Purchasing:					

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, 2013**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Salaries and Wages	59,183	80,783	79,575	-	1,208
Other Expenses	7,788	7,788	4,454	3,234	100
Legal Services & Costs:					
Other Expenses	450,000	443,000	380,067	-	62,933
Engineering Services & Costs:					
Salaries and Wages	153,363	163,363	161,825	-	1,538
Other Expenses	139,215	139,215	72,908	64,322	1,985
Historical Commission:					
Other Expenses	125	125	-	-	125
Community Alliance-Alcoholism & Drugs:					
Salaries and Wages	1,140	1,140	95	-	1,045
Other Expenses	100	100	-	-	100
Mayor's Community Advisory Board:					
Other Expenses	50	50	-	-	50
Economic Development Advisory Board:					
Other Expenses	1,175	1,175	-	-	1,175
Land Use Administration:					
Planning/Zoning Boards:					
Salaries and Wages	195,949	204,549	203,379	-	1,170
Other Expenses	54,390	47,390	29,211	720	17,459
Maintenance of Tax Maps:					
Other Expenses	15,100	15,100	7,934	4,742	2,424
Code Enforcement - Other:					
Rent Leveling Board:					
Salaries and Wages	3,145	3,145	1,375	-	1,770
Other Expenses	33,100	40,100	33,025	-	7,075
Code Enforcement - Other:					
Salaries and Wages	224,740	212,740	200,787	-	11,953
Other Expenses	6,795	6,795	3,445	1,762	1,588
Community Development & Enforcement:					
Salaries and Wages	24,500	24,500	24,356	-	144
Other Expenses	12,000	12,000	9,929	2,050	21
Commercial Building Standards:					
Salaries and Wages	12,000	12,000	7,000	-	5,000
Other Expenses	750	750	500	-	250

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, 2013**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Insurance:					
General Liability	571,980	576,980	525,178	-	51,802
Workers Compensation	590,309	590,309	590,184	-	125
Employee Group Health	3,860,028	3,854,528	3,726,390	7,944	120,194
Health Benefit Waiver	30,720	25,720	23,600	-	2,120
Unemployment Trust Fund	25,000	-	-	-	-
Public Safety Functions:					
Police Department:					
Salaries and Wages	9,835,250	9,960,250	9,919,488		40,762
Other Expenses	589,341	589,341	541,519	36,065	11,757
Police Dispatch/911:					
Salaries and Wages	460,463	410,463	365,952	-	44,511
Emergency Management:					
Salaries and Wages	12,549	12,549	7,938	-	4,611
Other Expenses	17,450	17,450	2,100	14,288	1,062
Aid to Volunteer Ambulance:					
Other Expenses	15,000	15,000	-	15,000	-
Municipal Prosecutor:					
Other Expenses	42,000	42,000	37,282	3,333	1,385
Juvenile Conference Committee:					
Salaries and Wages	1,300	1,300	700	-	600
Other Expenses	25	25	-	-	25
Public Works Functions:					
Streets & Roads Maintenance:					
Salaries and Wages	1,222,758	1,254,758	1,186,432	-	68,326
Other Expenses	227,505	232,505	173,231	58,130	1,144
Snow Removal:					
Other Expenses	360,000	360,000	231,556	67,374	61,070
Shade Tree Commission:					
Salaries and Wages	1,250	1,250	1,140	-	110
Other Expenses	10,000	10,000	5,991	100	3,909
Solid Waste Collection:					
Salaries and Wages	50,647	48,147	45,325	-	2,822
Other Expenses	550,000	550,000	448,120	89,624	12,256
Buildings & Grounds:					

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, 2013**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Salaries and Wages	788,239	788,239	768,814	-	19,425
Other Expenses	159,950	187,950	126,561	44,507	16,882
Vehicle Maintenance:					
Salaries and Wages	306,378	299,378	288,652	-	10,726
Other Expenses	294,175	289,175	156,725	80,942	51,508
Community Services Act:					
Other Expenses	153,000	153,000	9,636	143,364	-
Health & Human Services Functions:					
Public Health Services:					
Salaries and Wages	14,000	14,000	9,805	-	4,195
Other Expenses	1,500	1,500	825	193	482
Environmental Health Services-					
Environmental Commission:					
Salaries and Wages	1,300	1,300	1,050	-	250
Other Expenses	500	500	400	-	100
Animal Control Services:					
Salaries and Wages	177,265	167,265	150,332	-	16,933
Other Expenses	58,540	52,640	32,285	1,876	18,479
Going Green Committee:					
Other Expenses	25	25	-	-	25
Parks & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	134,195	116,595	100,999	-	15,596
Other Expenses	11,940	11,940	6,019	2,949	2,972
Office for the Golden Age:					
Salaries and Wages	207,460	209,960	203,979	-	5,981
Other Expenses	19,755	19,755	15,554	888	3,313
Handicapped Committee:					
Salaries and Wages	10,741	11,941	11,408	-	533
Other Expenses	7,445	7,445	221	162	7,062
Park Maintenance:					
Other Expenses	1,000	1,000	834	-	166
Municipal Court Functions:					
Municipal Court:					
Salaries and Wages	356,417	359,317	334,467	-	24,850

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, 2013**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Other Expenses	24,890	24,890	15,943	3,621	5,326
Public Defender:					
Other Expenses	12,000	12,000	12,000	-	-
Other Common Operating Functions:					
Salary & Wage Adjustment:					
Salaries and Wages	135,000	-	-	-	-
Postage & Photocopy:					
Other Expenses	76,500	76,500	59,171	6,098	11,231
Accumulated Leave Compensation-Sick Trust:					
Other Expenses	125,000	150,000	150,000	-	-
Utility Expenses & Bulk Purchases:					
Electricity	585,000	580,000	389,880	55,150	134,970
Street Lighting	377,000	372,000	293,384	-	78,616
Telecommunication Costs	59,285	69,285	63,153	4,570	1,562
Natural Gas	100,000	100,000	82,015	7,000	10,985
Heating Oil	5,000	5,000	-	-	5,000
Fuel & Petroleum Products	550,000	550,000	453,516	96,160	324
Water	2,500	2,500	-	-	2,500
Landfill/Solid Waste:					
Landfill/Solid Waste Disposal Costs:					
Other Expenses	240,000	240,000	198,015	23,725	18,260
Legler Landfill - Postclosure Monitoring:					
Other Expenses	55,000	55,000	49,669	331	5,000
Uniform Construction Code-Appropriations Offset by Dedicated Revenues(NJAC5:23-4.17):					
Construction Code Department:					
Salaries and Wages	731,917	718,217	708,321	-	9,896
Other Expenses	57,965	65,665	64,152	1,357	156
Total Operations Including Contingent Within "CAPS"	27,515,571	27,510,571	25,455,996	911,654	1,142,921
Detail:					
Salaries and Wages	16,629,710	16,617,410	16,294,188	-	323,222
Other Expenses	10,885,861	10,893,161	9,161,808	911,654	819,699

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, 2013**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
	759,294	759,294	759,294	-	-
	1,325,258	1,325,258	1,244,908	-	80,350
	2,137,931	2,137,931	2,137,931	-	-
	4,000	4,000	3,980	-	20
	14,453	14,453	14,453	-	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	4,240,936	4,240,936	4,160,566	-	80,370
Total General Appropriations for Municipal Purposes Within "CAPS"	31,756,507	31,751,507	29,616,562	911,654	1,223,291

**Deferred Charges & Statutory Expenditures
Municipal Within "CAPS":**

- Statutory Expenditures:
- Public Employees' Retirement System
- Social Security System (O.A.S.I.)
- Police & Firemen's Retirement System
- Defined Contribution Retirement Program
- Public Employees' Retirement System
- Delayed Appropriation

Total Deferred Charges & Statutory Expenditures Within "CAPS"

Total General Appropriations for Municipal Purposes Within "CAPS"

OPERATIONS - EXCLUDED FROM "CAPS"

- Service Contracts:
- Sewer & Water Purposes - MUA
- Implementation of 911 Emergency:
- Salaries & Wages
- Relocation Assistance:
- Other Expenses
- LOSAP
- Recycling Tonnage Tax
- Supplemental Fire Services Programs:
- Fire District Tax Obligations

Public & Private Programs Offset by Revenues:

- OC Office of Senior
- Services-Information Assistance:
- Salaries and Wages
- Other Expenses
- Safe & Secure Communities Program
- Municipal Alliance on Alcohol & Drug Abuse:

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, 2013**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
County Grant	26,539	26,539	26,539	-	-
Local Matching Funds	6,635	6,635	6,635	-	-
Clean Communities Grant		100,554	100,554	-	-
Drunk Driving Enforcement Fund	9,597	9,597	9,597	-	-
State of New Jersey Body Armor Grant	7,418	7,418	7,418	-	-
Matching Funds for Grants	8,365	5,365	-	-	5,365
Special Projects Grant (Concerts)	1,200	1,200	1,200	-	-
Special Projects Grant - Match	1,200	1,200	1,200	-	-
Click It or Ticket		4,000	4,000	-	-
Alcohol Education and Rehabilitation	809	809	809	-	-
COPS in Shops Fall Initiative	2,800	2,800	2,800	-	-
COPS in Shops Summer Shore Initiative	-	2,000	2,000	-	-
Handicapped Recreation Opportunities Grant:					
State Share	15,000	30,000	30,000	-	-
Local Share	3,000	6,000	6,000	-	-
Recycling Tonnage Grant	55,764	55,764	55,764	-	-
Total Operations Excluded from "CAPS"	357,151	512,510	467,545	22,000	22,965
Detail:					
Salaries and Wages	170,698	170,698	170,698	-	-
Other Expenses	186,453	341,812	296,847	22,000	22,965
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	50,000	50,000	50,000	-	-
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	2,845,000	2,845,000	2,845,000	-	-
Interest on Bonds	754,218	754,218	754,218	-	-
Interest on Notes	68,376	68,376	68,376	-	-
Lease Obligation - Avaya	21,715	21,715	21,715	-	-
Deferred Charges-Municipal - Excluded from "CAPS":					
Special Emergency Authorization - 5 Years	385,026	385,026	385,026	-	-
Judgements - Excluded from "CAPS"	106,500	106,500	103,931	-	2,569

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, 2013**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Total Capital Improvements, Municipal Debt Service, Deferred Charges & Judgements Excluded from "CAPS"	4,230,835	4,230,835	4,228,266	-	2,569
Total General Appropriations Excluded from "CAPS"	4,587,986	4,743,345	4,695,811	22,000	25,534
Subtotal General Appropriations Reserve For Uncollected Taxes	36,344,493	36,494,852	34,312,373	933,654	1,248,825
	2,724,226	2,724,226	2,724,226	-	-
Total General Appropriations	\$ 39,068,719	\$ 39,219,078	\$ 37,036,599	\$ 933,654	\$ 1,248,825
Budget		\$ 39,068,719			
Added by N.J.S. 40A:4-87		153,359			
Less N.J.S. 40A:4-85		(3,000)			
Total		\$ 39,219,078			
Reserve for Uncollected Taxes			\$ 2,724,226		
Appropriated Reserves for Federal & State Grants			301,031		
Deferred Charges - Special Emergency			385,026		
Refunds			(578,110)		
Cash Disbursements			34,204,426		
Total			\$ 37,036,599		

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, 2013 AND 2012**

	REFERENCE	<u>2013</u>	<u>2012</u>
ASSETS			
Animal Control Trust Fund:			
Cash	B-1	<u>\$ 139,043</u>	<u>\$ 115,374</u>
Total Animal Control Trust Fund		<u>139,043</u>	<u>115,374</u>
Open Space Trust Fund:			
Cash	B-1	<u>4,061,833</u>	<u>2,842,134</u>
Total Open Space Trust Fund		<u>4,061,833</u>	<u>2,842,134</u>
Trust Other Funds:			
Cash	B-1	10,911,889	9,534,348
Due from County of Ocean - Community Development Block Grant	B-5	<u>177,460</u>	<u>315,036</u>
Total Trust Other Funds		<u>11,089,349</u>	<u>9,849,384</u>
Length of Service Awards Program (LOSAP) (Unaudited) Funds Held by Trustee	B-9	<u>112,314</u>	<u>74,328</u>
Total Assets		<u><u>\$ 15,402,539</u></u>	<u><u>\$ 12,881,220</u></u>

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

**TOWNSHIP OF JACKSON
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

	REFERENCE	<u>2013</u>	<u>2012</u>
LIABILITIES & RESERVES			
Animal Control Trust Fund:			
Due to State of New Jersey	B-2	\$ 5	\$ 40
Due to Current Fund	A	26,314	28,347
Reserve for Animal Control Expenditures	B-3	<u>112,724</u>	<u>86,987</u>
Total Animal Control Trust Fund		<u>139,043</u>	<u>115,374</u>
Open Space Trust Fund:			
Reserve for Open Space	B-8	<u>4,061,833</u>	<u>2,842,134</u>
Total Open Space Trust Fund		<u>4,061,833</u>	<u>2,842,134</u>
Trust Other Funds:			
Various Reserves	B-7	10,917,960	9,652,142
Interfund - Current Fund	B-4	9,028	3,354
Reserve for Community Development Block Grant Expenditures	B-6	<u>162,361</u>	<u>193,888</u>
Total Trust Other Funds		<u>11,089,349</u>	<u>9,849,384</u>
Length of Service Awards Program (LOSAP) (Unaudited)			
Funds Held by Trustee	B-10	<u>112,314</u>	<u>74,328</u>
Total Liabilities & Reserves		<u><u>\$ 15,402,539</u></u>	<u><u>\$ 12,881,220</u></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, 2013 AND 2012**

ASSETS	REFERENCE	2013	2012
Cash & Cash Equivalents	C-2	\$ 3,867,877	\$ 5,121,576
Investment in Bond Anticipation Note	A	1,524,000	1,905,000
State Grants Receivable	C-4, C-5	1,052,865	1,639,111
Due From Current Fund	C-6	380,624	
MUA Shared Services Agreement Receivable	C-7	395	395
Deferred Charges to Future Taxation:			
Funded	C-8	22,492,000	25,877,000
Unfunded	C-9	7,376,578	5,485,337
 Total Assets		 <u>\$ 36,694,339</u>	 <u>\$ 40,028,419</u>
 LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bond	C-10	\$ 22,492,000	\$ 25,877,000
Bond Anticipation Notes	C-17	5,485,337	5,485,337
Improvement Authorizations:			
Funded	C-11	1,560,220	1,875,743
Unfunded	C-11	3,236,671	3,641,119
Reserve for Encumbrances	C-12	1,608,852	818,812
Capital Improvement Fund	C-13	4,038	53,577
Reserve for Debt Service - Open Space Bonds	C-14	1,853,771	1,853,771
Reserve for Debt Service - Other	C-15	57,762	27,372
Reserve for Fire Damage - Annex Building	C-16	10,589	10,589
Reserve for DOT Receivable - Brewers Bridge		325,000	325,000
Fund Balance	C-1	60,099	60,099
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 36,694,339</u>	 <u>\$ 40,028,419</u>

There were bonds and notes authorized but not issued on December 31, 2013 of \$1,891,241. (Exhibit C-18)

**TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
COMPARATIVE STATEMENT OF ASSETS
AND RESERVES - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

ASSETS	REFERENCE	<u>2013</u>	<u>2012</u>
Cash & Cash Equivalents	D-1	<u>\$ 29,730</u>	<u>\$ 29,676</u>
Total Assets		<u><u>\$ 29,730</u></u>	<u><u>\$ 29,676</u></u>
 RESERVES 			
Reserve for Public Assistance	D-2	<u>\$ 29,730</u>	<u>\$ 29,676</u>
Total Reserves		<u><u>\$ 29,730</u></u>	<u><u>\$ 29,676</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 GENERAL FIXED ASSETS
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2013 AND 2012**

ASSETS	REFERENCE	<u>2013</u>	<u>2012</u>
Land	E-1	\$ 54,983,000	\$ 54,983,000
Building & Building Improvements	E-1	47,646,529	47,576,250
Machinery & Equipment	E-1	<u>12,809,822</u>	<u>11,513,014</u>
Total		<u>\$ 115,439,351</u>	<u>\$ 114,072,264</u>
INVESTMENT IN FIXED ASSETS			
Investment in Fixed Assets	E	<u>\$ 115,439,351</u>	<u>\$ 114,072,264</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, 2013 AND 2012**

ASSETS	<u>2013</u>	<u>2012</u>
Cash	\$ 2,316	\$ 152,213
Total Assets	<u>\$ 2,316</u>	<u>\$ 152,213</u>
 LIABILITIES		
Payroll Deductions Payable	\$ 2,316	\$ 152,213
Total Liabilities	<u>\$ 2,316</u>	<u>\$ 152,213</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, 2013**

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TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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.

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

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

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

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.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

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

Revenues

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

Expenditures

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

Foreclosed Property

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

Interfunds

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

Insurance

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

Inventories of Supplies

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

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.

Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

Deferred Charges To Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Investments

Investments are stated at actual cost.

Subsequent Events

The Township has evaluated subsequent events occurring after December 31, 2013 through the date of May 07, 2014, which is the date the financial statements were available to be issued.

Budgets

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

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

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

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

Length of Service Award Program (“LOSAP”)

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

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

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

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 2. Cash and Cash Equivalents:

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2013, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 29,000,017
Total Deposits	<u>\$ 29,000,017</u>
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:	
Current Fund	\$ 9,987,329
Animal Control Trust Fund	139,043
Open Space Trust Fund	4,061,833
Trust - Other Fund	10,911,889
General Capital Fund	3,867,877
Public Assistance Fund	29,730
Payroll Fund	<u>2,316</u>
Total Cash and Cash Equivalents	<u>\$ 29,000,017</u>

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

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

As of December 31, 2013, the Township's bank balances of \$29,678,133 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$15,269,784
Insured Under F.D.I.C.	250,000
Collateralized Under GUDPA	<u>14,158,349</u>
Total	<u>\$29,678,133</u>

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2013

Note 3. Investments

A. Custodial Credit Risk

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

B. Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2013, are provided in the above schedule.

C. Investment Credit Risk

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

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2013

Note 3. Investments (continued):

As of December 31, 2013, the Township had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Total Reported Value</u>
LOSAP	\$ 163,556	\$ 163,556	\$ 163,556
Current Fund Special Emergency Notes Held by General Capital Fund	1,524,000	1,524,000	<u>1,524,000</u>
Total			<u>\$ 1,687,556</u>

Note 4. 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.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2013

Note 4. Pension (continued):

B. Funding Policy (continued):

Plan members are required to contribute 6.5%, effective October 1, 2011, of their annual covered salary for P.E.R.S, 10%, effective October 1, 2011, of their annual covered salary for P.F.R.S. and the Township is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Township are established and may be amended by the plan's Board of Trustees.

The Township's contributions to P.E.R.S. for the years ending December 31, 2013, 2012 and 2011 were \$759,294, \$823,495 and \$824,322, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2013, 2012 and 2011 were \$2,137,931, \$2,169,961 and \$2,442,131, respectively, equal to the required contributions for each year.

C. Post-Employment Benefits

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

Note 5. Property Taxes

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

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

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 5. Property Taxes (continued):

Comparison of Tax Rate Information:

	2013	2012	2011
Total Tax Rate	<u>\$2.040</u>	<u>\$1.968</u>	<u>\$1.947</u>
Apportionment of Tax Rate:			
Municipal	0.438	0.421	0.412
Municipal Open Space	0.020	0.020	0.020
County	0.390	0.364	0.349
Local School	1.192	1.163	1.166

Net Valuation Taxable:

2013	<u>\$ 6,663,145,020</u>		
2012		<u>\$ 6,710,626,337</u>	
2011			<u>\$ 6,746,824,494</u>

Comparison of Tax Levies and Collection Currently:

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2013	\$ 141,851,869	\$ 139,207,257	98.13%
2012	138,030,448	135,345,779	98.06%
2011	137,185,250	134,754,435	98.23%

Delinquent Taxes and Tax Title Liens:

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2013	\$ 2,055,182	\$ 1,876,075	\$ 3,931,257	2.77%
2012	1,845,048	2,028,373	3,873,421	2.81%
2011	1,613,503	1,998,331	3,611,834	2.63%

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 6: Property Acquired By Tax Title Lien Liquidation

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

YEAR	AMOUNT
2013	\$ 6,318,700
2012	6,318,700
2011	6,318,700

Note 7: Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2013	\$ 2,873,067	*	*
2012	2,549,911	1,900,000	74.51%
2011	2,350,087	1,900,000	80.85%
2010	2,770,286	2,400,000	86.63%
2009	3,990,487	3,800,000	95.23%

*2014 budget not introduced at date of audit

Note 8. Interfunds, Receivables and Payables

The composition of interfund balances as of December 31, 2013 is as follows:

Fund	Receivable	Payable
Current Fund	\$ 35,342	\$ 760,992
Federal and State Grant Fund	380,368	-
Trust - Animal Control Fund	-	26,314
Trust - Other Fund	-	9,028
General Capital Fund	380,624	-
	\$ 796,334	\$ 796,334

The purpose of these interfunds is short-term borrowing.

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 9. 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.

Summary of Township Debt – Annual Debt Statement:

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
Issued & Outstanding			
General:			
Bonds, Loans & Notes	<u>\$ 27,977,337.00</u>	<u>\$ 31,362,337.00</u>	<u>\$ 29,200,000.00</u>
Deductions:			
Open Space Trust (40A:2-44h)	5,759,000.00	6,299,000.00	6,822,000.00
Funds Temporarily Held to pay Bonds & Notes	<u>1,911,533.00</u>	<u>1,881,143.00</u>	<u>1,853,771.00</u>
Total Deductions	<u>7,670,533.00</u>	<u>8,180,143.00</u>	<u>8,675,771.00</u>
Net Debt Issued	<u>20,306,804.00</u>	<u>23,182,194.00</u>	<u>20,524,229.00</u>
Authorized But Not Issued			
General - Bonds & Notes	<u>1,891,241.00</u>	<u>-</u>	<u>-</u>
Total Net Debt	<u><u>\$ 22,198,045.00</u></u>	<u><u>\$ 23,182,194.00</u></u>	<u><u>\$ 20,524,229.00</u></u>

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 9. Long-Term Debt (continued):

Summary of Statutory Debt Condition – Annual Debt Statement:

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.334%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 94,271,973	\$ 94,271,973	\$ -
General Debt	29,868,578	7,670,533	22,198,045
Total	\$ 124,140,551	\$ 101,942,506	\$ 22,198,045

Net Debt, \$22,198,048 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$6,653,462,303 equals 0.334%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 232,871,181
Net Debt	22,198,048
Remaining Borrowing Power	\$ 210,673,133

During the year ended December 31, 2013, the following changes occurred in issued Bonds, Loans and Notes:

	Balance Decemeber 31, 2012	Issued	Retired	Balance Decemeber 31, 2013	Due Within One Year
General Capital Fund:					
Serial Bonds	\$ 25,877,000	\$ -	\$ 3,385,000	\$ 22,492,000	\$ 3,501,000
BAN's	5,485,337	5,485,337	5,485,337	5,485,337	5,485,337
Current Fund:					
SEN's	1,905,000	-	381,000	1,524,000	381,000
Total	\$ 33,267,337	\$ 5,485,337	\$ 9,251,337	\$ 29,501,337	\$ 9,367,337

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 9. Long-Term Debt (continued):

As of December 31, 2013, 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%	\$ 931,000
\$5,918,000 2003 Open Space Bonds due in annual installments of \$400,000 to \$500,000 through 2020 at interests rates ranging from 3.00% to 4.00%.	2,425,000
\$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%.	13,497,000
\$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%.	3,334,000
\$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>2,305,000</u>
Total	<u>\$22,492,000</u>

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

Fiscal	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2014	\$ 3,501,000	\$ 887,976	\$ 4,388,976
	2015	3,300,000	758,241	4,058,241
	2016	3,395,000	633,266	4,028,266
	2017	2,650,000	502,779	3,152,779
	2018	2,715,000	402,154	3,117,154
	2019-2023	5,397,000	781,271	6,178,271
	2024-2028	<u>1,534,000</u>	<u>223,475</u>	<u>1,757,475</u>
	Total	<u>\$ 22,492,000</u>	<u>\$ 4,189,162</u>	<u>\$ 26,681,162</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.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2013

Note 9. Long-Term Debt (continued):

Refunding Bonds and Deferred Bonds Outstanding (continued):

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.

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.

Note 10. Short-Term Debt

Bond Anticipation Notes

The Township issues Bond Anticipation Notes to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid not later than the tenth anniversary of the date of the original note. The original notes are dated August 8, 2012 and bear an interest rate of 1.25% with a maturity date of one year from date of issue. The purpose of the Bond Anticipation Notes are to fund the acquisition, construction, repair and installation of various capital improvements authorized by the Township.

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 10. Short-Term Debt (continued):

Special Emergency Note Payable

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

Note 11. Bonds and Notes Authorized But Not Issued

At December 31, 2013 the Township has authorized but not issued bonds and notes as follows:

General Capital Fund - Bonds and Notes \$ 1,891,241

Note 12. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheets of the various funds:

	Balance 12/31/2013	2014 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Appropriations - 5 Years	\$ 1,536,078	\$ 385,026	\$ 1,151,052
Overexpenditure of Appropriation Reserve	10,064	10,064	-

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 14. General Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2013:

	December 31, 2012	Additions	Deletions	December 31, 2013
Fixed Assets not being depreciated:				
Land	\$ 54,983,000	\$ -	\$ -	\$ 54,983,000
Buildings & Improvements	47,576,250	70,279	-	47,646,529
Machinery & Equipment	11,513,014	1,344,176	(47,368)	12,809,822
Capital assets not being depreciated	\$ 114,072,264	\$ 1,414,455	\$ (47,368)	\$ 115,439,351

All additions are recorded at cost.

Note 15. Risk Management

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

Note 16. Deferred Compensation Salary Account

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

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2013

Note 17. Contingencies

A. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate.

The accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2013 it is calculated that accrued unused sick and vacation time payable are valued at \$2,490,844. The likelihood that this liability would be due and payable all at once is remote since the Township's employees' ages and anticipated retirement dates vary.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2013, the balance of the fund was \$256,794.

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, 2013 was \$264,794.

C. Litigation

The Township is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Township Officials, based upon the opinion of the Township's Counsel, presently believe that the outcome of each such proceeding or claim which is pending or know to be threatened, or all of them combined, will not have a material adverse effect on the

Township's financial position or adversely affect the Township's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

D. Federal and State Grants

The Township receives financial assistance from the U.S. Government and the State of New Jersey in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require payment to the grantor agency. As of December 31, 2013 the Township estimates that no material liabilities will result from such audits.

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SUPPLEMENTAL EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 9,574,771
Increased by Receipts:		
Nonbudget Revenues	\$ 573,276	
2013 Budget Refunds	578,110	
Taxes Receivable	139,311,486	
Overpayments Created	300,742	
Tax Title Liens	22,422	
Revenue Accounts Receivable	5,894,393	
Prepaid Taxes	627,663	
State of New Jersey (Ch.29, P.L.1971)	537,969	
Interfunds	1,116,041	
Reserve for FEMA Reimbursements	575,103	
Reserve for SCIBAL Reimbursements Hurricane Sandy - DPW	26,462	
Reserve for SCIBAL Reimbursements Hurricane Sandy - Police	30,249	
Reserve for Police Cars	56,910	
Due to State of New Jersey - Construction Fees	59,399	
Due to State of New Jersey - Marriage Licenses	5,930	
	<hr/>	
Total Receipts		<hr/> 149,716,155 <hr/>
Subtotal		<hr/> 159,290,926 <hr/>
Decreased by Disbursements:		
2013 Appropriations	34,204,426	
2012 Reserved Appropriations	891,655	
Accounts Payable	106,073	
Tax Overpayments	83,425	
County Taxes Payable	26,021,043	
Local School District Tax	79,451,953	
Special District Taxes	5,515,270	
Reserve for Master Plan	1,396	
Reserve for Tax Appeals	107,440	
Reserve for Hurricane Sandy	544,507	
Due to State of New Jersey - Construction Fees	53,117	
Due to State of New Jersey - Marriage Licenses	5,955	
Due to Municipal Open Space Trust Fund	1,336,209	
Change Funds	460	
Interfunds	981,803	
	<hr/>	
Total Disbursements		<hr/> 149,304,732 <hr/>
Balance December 31, 2013		<hr/> \$ 9,986,194 <hr/>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF DUE FROM STATE - P.L. 1971, C.20
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	11,413
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens's	\$	74,500	
Veteran's		462,500	
Deductions Allowed by Tax Collector:			
2013 Senior Citizen Deductions		3,750	
2013 Veteran Deductions		7,000	547,750
Subtotal			559,163
Decreased by:			
Received from State of New Jersey		537,969	
Deductions Disallowed by Tax Collector:			
Prior Years Senior Citizen's & Veteran's		1,500	539,469
Balance December 31, 2013		<u>\$</u>	<u>19,694</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2013**

YEAR	BALANCE DECEMBER 31, 2012	2013 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	CANCELED	OVERPAYMENTS APPLIED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2013
				2012	2013					
2007	\$ 2,733	\$ -	\$ -	\$ 2,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008	5,349	-	-	5,349	-	-	-	-	-	-
2009	4,078	-	-	4,078	-	-	-	-	-	-
2010	14,810	-	4,242	8,973	-	-	-	-	-	10,079
2011	72,447	-	543	(78,686)	250	130,799	153	-	-	20,474
2012	1,928,956	-	2,798	1,540,406	(1,750)	249,288	88,492	3,567	-	51,751
Total	2,028,373	-	7,583	1,482,853	(1,500)	380,087	88,645	3,567	-	82,304
2013	-	141,851,869	640,208	137,828,633	547,750	628,556	190,666	222,285	-	1,793,771
Total	\$ 2,028,373	\$ 141,851,869	\$ 7,583	\$ 139,311,486	\$ 546,250	\$ 1,008,643	\$ 279,311	\$ 225,852	\$ -	\$ 1,876,075

ANALYSIS OF 2013 PROPERTY TAX LEVY

General Purpose	\$ 135,975,422
Special District Tax	5,515,270
Added Taxes (54:4-63.1 et seq)	<u>361,177</u>
Total	<u>\$ 141,851,869</u>
TAX LEVY:	
Local School Tax	\$ 79,451,953
County Taxes (Abstract)	25,907,822
County Added & Omitted Taxes	68,550
Special District Taxes	5,515,270
Municipal Open Space	1,336,209
Local Tax for Municipal Purposes	29,228,694
Add: Additional Taxes Levied	<u>343,371</u>
Total	<u>\$ 141,851,869</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 1,854,048
Increased by:		
Transfer from Taxes Receivable	\$ 225,852	
Interest & Costs on Taxes	599	226,451
Subtotal		2,080,499
Decreased by:		
Collections	22,422	
Cancellation	2,895	25,317
Balance December 31, 2013		<u>\$ 2,055,182</u>

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012	<u>\$ 6,318,700</u>
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**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	ACCRUED IN 2013	COLLECTED	BALANCE DECEMBER 31, 2013
Clerk:				
Alcoholic Beverage Licenses	\$ -	\$ 39,050	\$ 39,050	\$ -
Other Licenses	-	35,552	35,552	-
Fees & Permits	-	190,447	190,447	-
Municipal Court:				-
Fines & Costs	43,676	490,273	503,517	30,432
Tax Collector:		-		-
Interest & Costs on Taxes	-	396,980	396,980	-
Interest on Investments & Deposits	-	44,154	44,154	-
Housing and Commercial CCO's	-	110,570	110,570	-
Consolidated Municipal Property				-
Tax Relief	-	152,963	152,963	-
Energy Receipts Tax	-	3,199,186	3,199,186	-
Garden State Trust Fund	-	56,290	56,290	-
Uniform Construction Code Fees	-	1,018,225	1,018,225	-
Cablevision Franchise Fee	-	203,749	203,749	-
Total	\$ 43,676	\$ 5,937,439	\$ 5,950,683	\$ 30,432

Cash Receipts	\$ 5,894,393
Reserve	<u>56,290</u>
Total	<u>\$ 5,950,683</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDITURE
General Government:						
Administrative Executive:						
Salaries and Wages	\$ 402	\$ -	\$ 4,156	\$ 14,220	\$ -	\$ 10,064
Other Expenses	6,457	10,589	17,046	12,609	4,437	-
Human Services:						
Salaries and Wages	3,060	-	5,706	1,695	4,011	-
Other Expenses	3,820	110	3,930	295	3,635	-
Township Council:						
Other Expenses	279	366	645	366	279	-
Election:						
Salaries and Wages	122	-	122	43	79	-
Other Expenses	8,416	-	8,416	-	8,416	-
Municipal Clerk:						
Salaries and Wages	230	-	7,443	5,393	2,050	-
Other Expenses	13,550	4,609	17,459	4,851	12,608	-
Mayor Office:						
Salaries and Wages	2,000	-	2,000	-	2,000	-
Other Expenses	1,060	480	1,540	906	634	-
Financial Administration:						
Salaries and Wages	1,875	-	9,734	5,667	4,067	-
Other Expenses	8,622	5,038	13,660	4,898	8,762	-
Audit Services:						
Other Expenses	-	35,000	35,000	35,000	-	-
Data Processing:						
Salaries and Wages	1,676	-	2,897	856	2,041	-
Other Expenses	10,702	1,088	11,790	795	10,995	-
Collection of Taxes:						
Salaries and Wages	1,447	-	10,113	5,068	5,045	-
Other Expenses	506	16,153	16,659	16,131	528	-
Assessment of Taxes:						
Salaries and Wages	845	-	10,403	5,680	4,723	-
Other Expenses	1,953	4,431	6,384	4,311	2,073	-
Purchasing:						
Salaries and Wages	3,745	-	5,544	2,202	3,342	-
Other Expenses	1,653	5,085	6,738	4,012	2,726	-
Legal Services & Costs:						
Other Expenses	44,136	-	44,136	22,721	21,415	-

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDITURE
Engineering Services & Costs:						
Salaries and Wages	1,321	-	4,838	2,325	2,513	-
Other Expenses	2,263	94,314	96,577	94,312	2,265	-
Historical Commission:						
Other Expenses	125	-	125	-	125	-
Community Alliance-Alcoholism & Drugs:						
Salaries and Wages	1,045	-	1,045	190	855	-
Other Expenses	100	-	100	-	100	-
Mayor's Community Advisory Board:						
Other Expenses	50	-	50	-	50	-
Economic Development Advisory Board:						
Other Expenses	750	-	750	-	750	-
Planning/Zoning Boards:						
Salaries and Wages	1,392	-	7,004	3,872	3,132	-
Other Expenses	15,234	600	15,834	3,285	12,549	-
Maintenance of Tax Maps:						
Other Expenses	4,500	4,035	8,535	3,988	4,547	-
Rent Leveling Board:						
Salaries and Wages	1,452	-	1,452	142	1,310	-
Other Expenses	5,157	-	5,157	1,715	3,442	-
Code Enforcement - Other:						
Salaries and Wages	6,648	-	12,968	2,851	10,117	-
Other Expenses	904	3,534	4,438	3,762	676	-
Housing & Inspection Code:						
Other Expenses	107	-	107	-	107	-
Commercial Building Standards:						
Other Expenses	168	82	250	82	168	-
Insurance:						
General Liability	47,587	2,500	50,087	5,000	45,087	-
Employee Group Health	201,189	-	201,189	19	201,170	-
Health Benefit Waiver	5,360	-	5,360	-	5,360	-
Police Department:						
Salaries and Wages	129,645	-	144,322	40,598	103,724	-
Other Expenses	31,686	42,342	74,028	61,804	12,224	-
Police Dispatch/911:						
Salaries and Wages	6,802	-	28,940	24,586	4,354	-
Emergency Management:						
Salaries and Wages	510	-	510	90	420	-

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDITURE
Other Expenses	384	15,634	16,018	15,650	368	-
Aid to Volunteer Ambulance:						
Other Expenses	-	15,000	15,000	15,000	-	-
Municipal Prosecutor:						
Other Expenses	5,333	-	5,333	3,333	2,000	-
Juvenile Conference Committee:						
Salaries and Wages	278	-	278	107	171	-
Other Expenses	25	-	25	-	25	-
Streets & Roads Maintenance:						
Salaries and Wages	84,256	-	90,239	9,048	81,191	-
Other Expenses	66,890	56,205	123,095	48,766	74,329	-
Snow Removal:						
Other Expenses	199,661	7,106	206,767	11,691	195,076	-
Shade Tree Commission:						
Salaries and Wages	188	-	188	10	178	-
Other Expenses	3,724	-	3,724	495	3,229	-
Solid Waste Collection:						
Salaries and Wages	27,080	-	27,080	698	26,382	-
Other Expenses	9,000	-	9,000	-	9,000	-
Buildings & Grounds:						
Salaries and Wages	2,154	-	2,154	662	1,492	-
Other Expenses	10,846	27,367	38,213	14,129	24,084	-
Vehicle Maintenance:						
Salaries and Wages	21,180	-	21,180	1,306	19,874	-
Other Expenses	5,632	58,543	64,175	37,613	26,562	-
Community Services Act:						
Other Expenses	-	200,000	200,000	200,000	-	-
Public Health Services:						
Salaries and Wages	4,934	-	4,934	590	4,344	-
Other Expenses	244	313	557	313	244	-
Environmental Health Services- Environmental Commission:						
Salaries and Wages	145	-	145	105	40	-
Other Expenses	480	-	480	31	449	-
Animal Control Services:						
Salaries and Wages	16,901	-	22,764	6,578	16,186	-
Other Expenses	21,816	3,538	25,354	6,710	18,644	-
Going Green Committee:						
Other Expenses	200	-	200	-	200	-

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDITURE
Recreation Services & Programs:						
Salaries and Wages	6,642	-	12,610	2,954	9,656	-
Other Expenses	3,874	1,363	5,237	810	4,427	-
Office for the Golden Age:						
Salaries and Wages	4,671	-	14,719	10,348	4,371	-
Other Expenses	2,857	1,284	4,141	1,043	3,098	-
Handicapped Committee:						
Salaries and Wages	1,720	-	2,138	284	1,854	-
Other Expenses	938	127	1,065	127	938	-
Park Maintenance:						
Other Expenses	1,000	4,000	5,000	4,000	1,000	-
Municipal Court:						
Salaries and Wages	15,676	-	26,328	9,545	16,783	-
Other Expenses	1,742	2,886	4,628	2,915	1,713	-
Public Defender:						
Other Expenses	12,000	-	12,000	-	12,000	-
Salary & Wage Adjustment:						
Salaries and Wages	-	162,856	11,970	-	11,970	-
Postage & Photocopy:						
Other Expenses	378	7,654	8,032	7,840	192	-
Utility Expenses & Bulk Purchases:						
Electricity	143,161	26,874	170,035	65,017	105,018	-
Street Lighting	55,334	49,966	105,300	83,055	22,245	-
Telecommunication Costs	1,070	9,571	10,641	5,217	5,424	-
Water	3,300	-	3,300	-	3,300	-
Natural Gas	28,372	4,000	32,372	11,398	20,974	-
Heating Oil	1,330	243	1,573	-	1,573	-
Sewage Processing & Disposal	1,200	-	1,200	-	1,200	-
Fuel & Petroleum Products	4,942	53,010	57,952	39,605	18,347	-
Landfill/Solid Waste Disposal Costs:						
Other Expenses	74,293	12,605	86,898	39,406	47,492	-
Legler Landfill - Postclosure Monitoring:						
Other Expenses	-	6,885	6,885	-	6,885	-
Uniform Construction Code:						
Construction Code Department:						
Salaries and Wages	26,126	-	43,800	11,016	32,784	-
Other Expenses	4,533	17,261	21,794	20,629	1,165	-

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED	OVER- EXPENDITURE
Statutory Expenditures:						
Social Security System (O.A.S.I.)	77,148	-	77,148	13,820	63,328	-
Defined Contribution Retirement Program	835	-	835	-	835	-
Service Contracts:						
Sewer & Water Purposes - MUA	2,206	-	2,206	247	1,959	-
Relocation Assistance	2,000	-	2,000	-	2,000	-
Recycling Tax	3,461	474	3,935	1,553	2,382	-
LOSAP	-	22,000	22,000	22,000	-	-
Matching Funds for Grants	6,855	-	6,855	-	6,855	-
Judgements	1,856	-	1,856	-	1,856	-
Total General Appropriations	\$ 1,551,422	\$ 997,121	\$ 2,548,543	\$ 1,122,004	\$ 1,436,603	\$ 10,064

Cash Disbursements	\$ 891,655
Accounts Payable	230,349
Total	\$ 1,122,004

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 294,938
Increased by:		
Appropriation Reserves Charged		<u>230,349</u>
Subtotal		525,287
Decreased by:		
Cash Disbursed	\$ 106,073	
Cancelled	<u>14,684</u>	<u>120,757</u>
Balance December 31, 2013		<u><u>\$ 404,530</u></u>

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 1,018,195
Increased by:		
2013 Budget Appropriations		<u>933,654</u>
Subtotal		1,951,849
Decreased by:		
Transfer to Appropriation Reserves		<u>1,018,195</u>
Balance December 31, 2013		<u><u>\$ 933,654</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 640,208
Increased by:		
2014 Tax Collections	\$ 538,158	
Overpayments Applied to 2014 Taxes	89,505	627,663
		<hr/>
Subtotal		1,267,871
Decreased by:		
Applied to 2013 Taxes Receivable		640,208
		<hr/>
Balance December 31, 2013		<u><u>\$ 627,663</u></u>

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 90,991
Increased by:		
Overpayments Created		300,742
		<hr/>
Subtotal		391,733
Decreased by:		
Overpayments Applied	\$ 279,311	
Cash Refunds	83,425	362,736
		<hr/>
Balance December 31, 2013		<u><u>\$ 28,997</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 113,221
Increased by:		
County Tax	\$ 21,713,655	
County Library Tax	2,491,927	
County Health Tax	901,551	
County Open Space Preservation Tax	800,689	
Due County for Added & Omitted Taxes	<u>68,550</u>	<u>25,976,372</u>
Subtotal		26,089,593
Decreased by:		
Payments		<u>26,021,043</u>
Balance December 31, 2013		<u><u>\$ 68,550</u></u>

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ -
Increased by:		
Levy - Calendar Year 2013		<u>79,451,953</u>
Subtotal		79,451,953
Decreased by:		
Disbursed		<u>79,451,953</u>
Balance December 31, 2013		<u><u>\$ -</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	-
Increased by:			
Fire Districts Levy:			
Whitesville Fire District #1	\$	493,000	
Cassville Fire District #2		1,072,931	
Hulses Corner Fire District #3		2,496,881	
Jackson Mills Fire District #4		1,452,458	5,515,270
			<hr/>
Subtotal			5,515,270
Decreased by:			
Disbursed			<hr/> 5,515,270
Balance December 31, 2013		<hr/> \$	<hr/> -

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - CONSTRUCTION FEES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	7,894
Increased by:			
Collections			<hr/> 59,399
Subtotal			67,293
Decreased by:			
Disbursed			<hr/> 53,117
Balance December 31, 2013		<hr/> \$	<hr/> 14,176

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	1,350
Increased by:			
Collections			<hr/> 5,930
Subtotal			7,280
Decreased by:			
Disbursed			<hr/> 5,955
Balance December 31, 2013		<hr/> \$	<hr/> 1,325

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012		\$ 5,743
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**SCHEDULE OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ -
Increased by:		
Open Space Tax	\$ 1,332,631	
Added & Omitted Taxes	<u>3,578</u>	1,336,209
Subtotal		1,336,209
Decreased by:		
Cash Disbursed		<u>1,336,209</u>
Balance December 31, 2013		<u>\$ -</u>

**SCHEDULE OF RESERVE FOR GARDEN STATE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 56,291
Decreased by:		
Utilized as Anticipated Revenue		<u>56,290</u>
Balance December 31, 2013		<u>\$ 1</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR STATE BOARD OF TAXATION APPEALS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 421,223
Decreased by:	
Cash Paid to Appelants (Including 5% Interest from Date of Payment)	<u>107,440</u>
Balance December 31, 2013	<u><u>\$ 313,783</u></u>

**SCHEDULE OF RESERVE FOR MASTER PLAN
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 27,973
Decreased by:	
Disbursements	<u>1,396</u>
Balance December 31, 2013	<u><u>\$ 26,577</u></u>

**SCHEDULE OF RESERVE FOR SKATE PARK
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012	<u><u>\$ 2,118</u></u>
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**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR COAH STATE PLAN
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012		\$ 915,250
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**SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 9,662
Increased by:		
FEMA Reimbursements		575,103
		575,103
Balance December 31, 2013		\$ 584,765
		584,765

**SCHEDULE OF RESERVE FOR HURRICANE SANDY
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 1,629,158
Increased by:		
Prior Year Encumbrances Payable		21,074
		21,074
Subtotal		1,650,232
Decreased by:		
Cash Disbursements	\$ 544,507	
Prior Year Encumbrances Cancelled	197	544,704
	544,704	
Balance December 31, 2013		\$ 1,105,528
		1,105,528

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR SCIBAL REIMBURSEMENTS - HURRICANE SANDY - DPW
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ -
Increased by:	
Cash Reimbursements	<u>26,462</u>
Balance December 31, 2013	<u><u>\$ 26,462</u></u>

**SCHEDULE OF RESERVE FOR SCIBAL REIMBURSEMENTS - HURRICANE SANDY - POLICE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ -
Increased by:	
Cash Reimbursements	<u>30,249</u>
Balance December 31, 2013	<u><u>\$ 30,249</u></u>

**SCHEDULE OF RESERVE FOR POLICE CARS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ -
Increased by:	
Cash Receipts	<u>56,910</u>
Balance December 31, 2013	<u><u>\$ 56,910</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF INTERFUNDS - OTHER FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	FEDERAL & STATE GRANT FUND	GENERAL CAPITAL	DOG TRUST	TRUST OTHER	TOTAL
Balance December 31, 2012:					
Interfunds Receivable	\$ -	\$ -	\$ 28,347	\$ 3,354	\$ 31,701
(Interfunds Payable)	<u>(267,415)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(267,415)</u>
Subtotal	<u>(267,415)</u>	<u>-</u>	<u>28,347</u>	<u>3,354</u>	<u>(235,714)</u>
Increased by:					
Anticipated Revenue	287,196	-	-	-	287,196
Interfunds Created	-	-	26,314	-	26,314
Cash Disbursements	408,618	376	-	572,809	981,803
Cancellation of Appropriation Reserves	<u>27,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,664</u>
Subtotal	<u>723,478</u>	<u>376</u>	<u>26,314</u>	<u>572,809</u>	<u>1,322,977</u>
Decreased by:					
Cash Collections:					
Grants Receivable	312,334	-	-	-	312,334
Unappropriated Funds	200,370	-	-	-	200,370
Interfunds Liquidated	-	-	28,347	567,135	595,482
Grant Appropriations	301,031	-	-	-	301,031
Interfund Loan	-	381,000	-	-	381,000
Cancellation of Grant Receivables	<u>22,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,696</u>
Subtotal	<u>836,431</u>	<u>381,000</u>	<u>28,347</u>	<u>567,135</u>	<u>1,812,913</u>
Balance December 31, 2013:					
Interfunds Receivable	-	-	26,314	9,028	35,342
(Interfunds Payable)	<u>\$ (380,368)</u>	<u>\$ (380,624)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (760,992)</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2013**

DATE AUTHORIZED	PURPOSE	NET AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2012	REDUCED IN 2013 BUDGET	ADDED IN 2013	BALANCE DECEMBER 31, 2013
2012	Hurricane Sandy (N.J.S. 40A:4-53)	\$ 1,905,000	\$ 381,000	\$ 1,905,000	\$ 381,000	\$ -	\$ 1,524,000
2011	Codification of Ordinances (N.J.S. 40A:4-53)	20,130	4,026	16,104.00	4,026.00	-	12,078
2013	Overexpenditure of Appropriation Reserve	10,064	-	-	-	10,064	10,064
Total				\$ 1,921,104	\$ 385,026	\$ 10,064	\$ 1,546,142

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	267,415
Increased by:			
Deposited in Current Fund:			
Unappropriated Reserves	\$	200,370	
Grants Receivable		312,334	
Cancellation of Grants Receivable		22,696	
2013 Budget Appropriations		301,031	836,431
Subtotal			1,103,846
Decreased by:			
Disbursed by Current Fund:			
Appropriated Reserves		408,618	
Cancellation of Appropriated Reserves		27,664	
2013 Anticipated Revenue		287,196	723,478
Balance December 31, 2013		\$	<u><u>380,368</u></u>

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEARENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	2013 ANTICIPATED REVENUE	CASH RECEIVED	TRANSFER FROM UNAPPROPRIATED RESERVE	CANCELLED	BALANCE DECEMBER 31, 2013
State Grants:						
COPS in Shops - Fall College Initiative 2013	\$ -	2,800 \$	2,800 \$	-	-	-
COPS in Shops - Summer Shore Initiative 2013	-	2,000	2,000	-	-	-
Alcohol Education & Rehabilitation 2013	-	809	-	809	-	-
Drive Sober or Get Pulled Over 2012	4,400	-	4,400	-	-	-
Pedestrian Safety Grant 2012	15,000	-	-	-	-	15,000
Emergency Response Grant 2012	16,441	-	16,440	-	1	-
Clean Communities 2013	-	100,554	-	100,554	-	-
Recycling Tonnage 2013	-	55,764	-	55,764	-	-
Drunk Driving Enforcement Fund 2013	-	9,597	-	9,597	-	-
NJ Body Armor Replacement Grant 2013	-	7,418	-	7,418	-	-
Municipal Alliance Alcohol & Drug Alliance 2009	192	-	-	-	192	-
Municipal Alliance Alcohol & Drug Alliance 2010	1,892	-	-	-	1,892	-
Municipal Alliance Alcohol & Drug Alliance 2011	7,285	-	-	-	7,285	-
Municipal Alliance Alcohol & Drug Alliance 2012	24,631	-	11,725	-	12,906	-
Municipal Alliance Alcohol & Drug Alliance 2013	-	26,539	5,633	-	-	20,906
NJ Handicapped Recreational Opportunities 2013	-	30,000	15,000	-	-	15,000
Click It or Ticket 2013	-	4,000	3,700	-	-	300
Safe & Secure Neighborhood 2012	15,603	-	15,603	-	-	-
Safe & Secure Neighborhood 2013	-	28,805	13,202	-	-	15,603
OC Cultural & Heritage Comm 2012	187	-	187	-	-	-
OC Cultural & Heritage Comm 2013	-	1,200	900	-	-	300
Total State	85,631	269,486	91,590	174,142	22,276	67,109
Federal Grants:						
Bullet Proof Vest 2012	13,650	-	13,230	-	420	-
ARRA - EECBG	198,654	-	198,654	-	-	-
OCDOF Senior Citizen Information Grant 2013	-	17,710	8,860	8,850	-	-
Total Federal	212,304	17,710	220,744	8,850	420	
Total	\$ 297,935	\$ 287,196	\$ 312,334	\$ 182,992	\$ 22,696	\$ 67,109

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	TRANSFERRED FROM 2013 BUDGET	PRIOR YEAR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	REFUND	CANCELLED	BALANCE DECEMBER 31, 2013
State Grants:								
Handicapped Recreation Opportunities - 2012	\$ -	\$ 36,000	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000
Click It or Ticket - 2013	-	4,000	-	3,700	-	-	-	300
Recycling Tonnage Grant - 2006	3	-	-	3	-	-	-	-
Recycling Tonnage Grant - 2007	33	-	-	33	-	-	-	-
Recycling Tonnage Grant - 2008	7,618	-	-	7,618	-	-	-	-
Recycling Tonnage Grant - 2009	35,530	-	-	782	-	-	-	34,748
Recycling Tonnage Grant - 2010	44,675	-	-	-	-	-	-	44,675
Recycling Tonnage Grant - 2011	69,207	-	-	2,500	-	-	-	66,707
Recycling Tonnage Grant - 2012	49,031	-	-	-	-	-	-	49,031
Recycling Tonnage Grant - 2013	-	55,764	-	34,356	-	-	-	21,408
Body Armor Replacement Grant - 2009	3,861	-	-	3,861	-	-	-	-
Body Armor Replacement Grant - 2012	4,504	-	-	2,033	-	-	-	2,471
Body Armor Replacement Grant - 2013	-	7,418	-	-	-	-	-	7,418
Drunk Driving Enforcement Fund - 2012	3,516	-	-	3,441	75	-	-	-
Drunk Driving Enforcement Fund - 2013	-	9,597	-	9,522	75	-	-	-
Alcohol Education & Rehabilitation - 2008	148	-	-	-	-	-	-	148
Alcohol Education & Rehabilitation - 2009	2,302	-	-	800	-	-	-	1,502
Alcohol Education & Rehabilitation - 2010	3,094	-	-	-	-	-	-	3,094
Alcohol Education & Rehabilitation - 2012	1,187	809	-	500	-	-	-	1,496
Municipal Alliance - 2010	3,079	-	-	-	-	-	3,079	-
Municipal Alliance - 2011	8,920	-	-	-	-	-	8,920	-
Municipal Alliance - 2012	4,898	-	1,990	-	-	7,532	14,420	-
Municipal Alliance - 2013	-	33,174	-	28,882	-	-	-	4,292
Safe & Secure Communities Program 2012	15,603	-	-	15,603	-	-	-	-
Safe & Secure Communities Program 2013	-	28,805	-	13,202	-	-	-	15,603
Clean Communities Program - 1999	1,022	-	-	-	-	-	1,022	-
Clean Communities Program - 2009	6	-	-	-	-	-	6	-
Clean Communities Program - 2011	677	-	-	673	-	-	4	-
Clean Communities Program - 2012	51,652	-	2,450	50,050	244	-	-	3,808
Clean Communities Program - 2013	-	100,554	-	31,286	845	-	-	68,423
Green Communities	2,269	-	-	-	-	-	-	2,269
COPS in Shops - Summer Shore Initiative 2013	-	2,000	-	2,000	-	-	-	-
COPS in Shops - Fall College Initiative 2013	-	2,800	-	2,800	-	-	-	-

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	TRANSFERRED FROM 2013 BUDGET	PRIOR YEAR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	REFUND	CANCELLED	BALANCE DECEMBER 31, 2013
Recycling Mini Grant	2,907	-	-	-	-	-	-	2,907
Drive Sober or Get Pulled Over Y/E Crackdown - 2012	4,400	-	-	4,400	-	-	-	-
Emergency Response Grant 2012	-	-	16,440	16,440	-	-	-	-
Pedestrian Safety Grant 2012	15,000	-	-	-	-	-	-	15,000
Stormwater Management	372	-	-	-	-	-	-	372
Going Green Sustainable/Small Cities 2012	1,000	-	-	-	-	-	-	1,000
Management Plan Grant - 2009	198	-	-	-	-	-	198	-
OC Heritage & Cultural Comm - 2012	15	-	-	-	-	-	15	-
OC Heritage & Cultural Comm - 2013	-	2,400	-	2,400	-	-	-	-
Total State Grants	336,727	283,321	20,880	254,885	1,239	7,532	27,664	364,672
Federal Grants:								
ARRA EECGB	3,134	-	140,617	143,751	-	-	-	-
Ocean County Office of Senior Services - Information Systems Grant 2013	-	17,710	-	17,513	187	-	-	10
Total Federal Grants	3,134	17,710	140,617	161,264	187	-	-	10
Totals	\$ 339,861	\$ 301,031	\$ 161,497	\$ 416,149	\$ 1,426	\$ 7,532	\$ 27,664	\$ 364,682

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	RECEIVED 2013	ANTICIPATED AS REVENUE	BALANCE DECEMBER 31, 2013
State Grants:				
Alcohol Education & Rehabilitation	\$ 809	\$ 2,428	\$ 809	\$ 2,428
NJ Body Armor	7,418	9,405	7,418	9,405
Clean Communities	-	100,554	100,554	-
Drunk Driving Enforcement Fund	-	20,104	9,597	10,507
Recycling Tonnage	55,764	59,029	55,764	59,029
	<hr/>			
Total State	63,991	191,520	174,142	81,369
<hr/>				
Federal Grants:				
OCDOF Senior Citizen Information Grant	-	8,850	8,850	-
	<hr/>			
Total Federal	-	8,850	8,850	-
<hr/>				
Total	\$ 63,991	\$ 200,370	\$ 182,992	\$ 81,369
	<hr/> <hr/>			

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 161,498
Increased by:	
Charged to Appropriation Reserves	<u>1,426</u>
Subtotal	162,924
Decreased by:	
Applied to Appropriated Reserves	<u>161,498</u>
Balance December 31, 2013	<u><u>\$ 1,426</u></u>

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TRUST FUND

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**TOWNSHIP OF JACKSON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2013**

	ANIMAL CONTROL TRUST FUND	OPEN SPACE TRUST FUND	TRUST OTHER FUND
Balance December 31, 2012	\$ 115,374	\$ 2,842,134	\$ 9,534,348
Increased by Receipts:			
Reserve for Animal Control Trust Fund			\$ -
Expenditures	63,688		572,809
Interfund Due Current	-		6,044,890
Various Reserves	-		
Due from Ocean County Community Development Block Grant	-	2,016,908	297,576
Reserve for Open Space	-		-
Due to State of New Jersey	7,707		-
Total Receipts	71,395	2,016,908	6,915,275
Total	186,769	4,859,042	16,449,623
Decreased by Disbursements:			
Due to State of New Jersey	7,742		-
Animal Control Trust Fund Expenditures (R.S.4:19015.11)	11,637		-
Interfund - Current Fund	28,347		567,135
Community Development Block Grant	-		191,527
Various Reserves	-		4,779,072
Reserve for Open Space	-	797,209	-
Total Disbursements	47,726	797,209	5,537,734
Balance December 31, 2013	\$ 139,043	\$ 4,061,833	\$ 10,911,889

**TOWNSHIP OF JACKSON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$	40
Increased by:		
Cash Receipts		7,707
Subtotal		7,747
Decreased by:		
Cash Disbursements		7,742
Balance December 31, 2013	\$	5

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$	86,987
Increased by:		
2013 Dog License Fees Collected		63,688
Subtotal		150,675
Decreased by:		
Expenditures Under R.S.4:19-15:11 - Cash	\$	11,637
Due to Current Fund - Statutory Excess		26,314
		37,951
Balance December 31, 2013	\$	112,724

LICENSE FEES COLLECTED

YEAR	AMOUNT
2012	\$ 64,187
2011	48,537
Total	\$ 112,724

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 3,354
Increased by:		
Cash Receipts		<u>572,809</u>
Subtotal		576,163
Decreased by:		
Cash Disbursements	\$ 566,941	
Adjustment	<u>194</u>	<u>567,135</u>
Balance December 31, 2013		<u><u>\$ 9,028</u></u>

**SCHEDULE OF DUE FROM COUNTY OF OCEAN COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$ 315,036
Increased by:		
Grant Awards 2013		<u>160,000</u>
Subtotal		475,036
Decreased by:		
Cash Receipts		<u>297,576</u>
Balance December 31, 2013		<u><u>\$ 177,460</u></u>
 <u>Analysis of Balance, December 31, 2013</u>		
CT-908-10		13,753
CT-1512-12		3,707
CT-1512-13		<u>160,000</u>
		<u><u>\$ 177,460</u></u>

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 193,888
Increased by:	
Community Development Block Grants	<u>160,000</u>
Subtotal	353,888
Decreased by:	
Cash Disbursed	<u>191,527</u>
Balance December 31, 2013	<u><u>\$ 162,361</u></u>

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2012	INCREASES	DECREASES	ADJUSTMENTS	BALANCE DECEMBER 31, 2013
Reserve for:					
Municipal Alliance	\$ 844	\$ 300	\$ -	\$ -	\$ 1,144
Developer Escrow	4,586,667	1,895,417	1,657,228	-	4,824,856
Recreation Trust	180,586	108,136	73,977	-	214,745
Handicapped Commission	15,011	19,299	22,629	-	11,681
Tax Title Liens Premiums/ Redemptions	568,316	2,368,256	1,849,208	-	1,087,364
Unemployment Trust	271,579	22,180	28,996	-	264,763
Parking Offense Adjudication Ac	1,688	176	-	-	1,864
Recycling Trust	463,610	124,783	126,267	-	462,126
Harmony Trust	474	-	-	-	474
Special Law Enforcement Fund	81,846	54,721	86,798	-	49,769
Public Defender Fees	10,316	38,346	28,800	-	19,862
Industrial Commission	1	-	-	-	1
Tree Escrow	543,185	272,391	164,040	194	651,730
Sick Leave Trust Fund	159,975	150,000	53,181	-	256,794
Off Duty Police	130,450	568,937	618,992	-	80,395
Youth Advisory	72	-	-	-	72
Management of Feral Cats	47	-	-	-	47
Snow Removal	200,349	100,000	-	-	300,349
C.O.A.H.	1,634,109	123,552	51,083	-	1,706,578
Clean Communities Donation	2,419	32,875	16,104	-	19,190
Developers Contribution Curbs & Sidewalks	54,525	49,395	-	-	103,920
Detention Basin	745,917	114,156	-	-	860,073
Section 125 Flex Spending	156	1,970	1,963	-	163
Total	\$ 9,652,142	\$ 6,044,890	\$ 4,779,266	\$ 194	\$ 10,917,960

**TOWNSHIP OF JACKSON
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012		\$	2,842,134
Increased by:			
Open Space Tax levy	\$	1,332,631	
Open Space Added/Omitted Levy		3,578	
Interest Earned		5,699	
Green Acres Fund		675,000	2,016,908
Subtotal			4,859,042
Decreased by:			
Payment of Bond Principal		540,000	
Interest on Bonds		257,209	797,209
Balance December 31, 2013		\$	<u><u>4,061,833</u></u>

**TOWNSHIP OF JACKSON
LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")
SCHEDULE OF FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 74,328
Increased by:	
Township Contributions	26,997
Appreciation	<u>11,389</u>
Subtotal	112,714
Decreased by:	
Fees	<u>400</u>
Balance December 31, 2013	<u><u>\$ 112,314</u></u>

**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 74,328
Increased by:	
Township Contributions	26,997
Appreciation	<u>11,389</u>
Subtotal	112,714
Decreased by:	
Fees	<u>400</u>
Balance December 31, 2013	<u><u>\$ 112,314</u></u>

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GENERAL CAPITAL FUND

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**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012	<u>\$ 60,099</u>
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**SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 5,121,576
Increased by:	
Bond Anticipation Notes	\$ 5,485,337
State Grants Receivable	586,246
Due Current Fund	376
Reserve for Debt Service - Other	30,390
Capital Improvement Fund	<u>50,000</u>
Subtotal	6,152,349
Decreased by:	
Bond Anticipation Notes	5,485,337
Improvement Authorizations	<u>1,920,711</u>
Subtotal	7,406,048
Balance December 31, 2013	<u>\$ 3,867,877</u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	BALANCE DECEMBER 31, 2013
Capital Improvement Fund	\$ 4,038
Reserve for Encumbrances	1,608,852
Capital Fund Balance	60,099
Reserve for Debt Service - Open Space Bonds	1,853,771
Reserve for Building Department Facilities	10,589
Reserve for Debt Service - Other	57,762
Reserve for DOT Grant Receivable	325,000
Grants Receivable	(1,052,865)
Due From Current Fund	(380,624)
MUA Shared Services Agreement Receivable	(395)
Investment in Bond Anticipation Note	(1,524,000)
Improvement Authorizations:	
Ordinance Number:	DESCRIPTION
13-03	Improvements to Recreational Facilities 9,315
27-04(ii)	Various Improvements to Justice Complex 53,180
10-06(i)	Construction of Public Works Storage Building 9,305
09-07(i)	Municipal Park Facilities (Recreation Fields) 1,173
09-07(iii)	Construction of Public Works Storage Building 1,638
09-07(iv)/28-07	Acquisition of Security, Telecommunications & GPS Equipment 65,507
09-07(vi)	Improvements to Library & Municipal Facilities 182,368
29-08(ii)	Telephone/Data System Upgrade 201,692
29-08(iv)	Hydraulic System Transfer Station 147,469
19-09(i)	Various Roadway Improvements 49,297
19-09(ii)	Public Water Service Installation 83,244
19-09(iii)	Acquisition of Office Equipment 35,931
19-09(iv)	Implementation of Recycling Center 34,514
19-09(v)	Acquisition of Equipment for Police Department 10,234
19-09(vi)	Acquisition of Equipment for Public Works 27,935
19-09(vii)	Acquisition of Passenger Bus for Senior Center 7,066
25-10	Road & Drainage Improvements 71,853
25-10	Municipal Capital Improvements 202,839
25-10	Township Recycling Center 29,624
25-10	Technology Upgrades 51,211
25-10	Police Department Equipment 85,267
25-10	Public Works Equipment 101,192
403R-10	DOT Municipal Aid 2011 - Patterson Road 4,732
40-11	Storm Water Basin 725,860
03-12	Road Improvements 767,539
03-12	DPW Equipment 63,156
03-12	Ambulance 10,727
03-12	Non-Passenger Vehicles 15,673
18-13(i)	Acquisition of DPW Equipment (199,938)
18-13(ii)	Acquisition of Pool Equipment (67,064)
18-13(iii)	Record Retention/Microfilming (6,750)
18-13(iv)	Acquisition of First Aid Ambulance (7,200)
18-13(v)	Acquisition of Senior Center Bus (2,610)
18-13(vi)	Various Road/Drainage and Sidewalk Improvements (40,500)
18-13(vii)	Section 20 Costs 180,171
	180,171
 Total	 \$ 3,867,877

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM STATE OF N.J. DEPARTMENT OF TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 458,750
Decreased by:	
Cash Receipts	<u>133,750</u>
Balance December 31, 2013	<u><u>\$ 325,000</u></u>
 <u>Analysis of Balance, December 31, 2013</u>	
2012 Brewers Bridge	<u>\$ 325,000</u>
	<u><u>\$ 325,000</u></u>

**SCHEDULE OF DUE FROM STATE OF N.J. DEPARTMENT OF ENVIRONMENTAL PROTECTION
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 1,180,361
Decreased by:	
Cash Receipts	<u>452,496</u>
Balance December 31, 2013	<u><u>\$ 727,865</u></u>
 <u>Analysis of Balance, December 31, 2013</u>	
2011 Stormwater Basin	<u>\$ 727,865</u>
	<u><u>\$ 727,865</u></u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$	-
Increased by:		
Interfund Loan		381,000
		381,000
Subtotal		381,000
Decreased by:		
Cash Receipts		376
		376
Balance December 31, 2013	\$	380,624

**SCHEDULE OF DUE FROM JACKSON MUA FOR SHARED SERVICES AGREEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012	\$	395
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**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$	25,877,000
Decreased by:		
Budget Appropriation to Pay Bonds	\$ 2,845,000	
Paid by Open Space Trust Fund	540,000	3,385,000
		3,385,000
Balance December 31, 2013	\$	22,492,000

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE DECEMBER 31, 2013					UNEXPENDED IMPROVEMENT AUTHORIZATIONS
		BALANCE DECEMBER 31, 2012	2013 AUTHORIZATIONS	DECREASED 2013	BALANCE DECEMBER 31, 2013	BOND ANTICIPATION NOTES	
19-09(i)	Various Roadway Improvements	\$ 874,000	\$ -	\$ -	\$ 874,000	\$ 874,000	\$ -
19-09(ii)	Public Water Service Installation	93,575	-	-	93,575	93,575	-
19-09(iii)	Acquisition of Office Equipment	48,925	-	-	48,925	48,925	-
19-09(iv)	Implementation of Recycling Center	33,250	-	-	33,250	33,250	-
19-09(v)	Acquisition of Equipment for Police Department	83,600	-	-	83,600	83,600	-
19-09(vi)	Acquisition of Equipment for Public Works	136,178	-	-	136,178	136,178	-
19-09(vii)	Acquisition of Passenger Bus for Senior Center	61,750	-	-	61,750	61,750	-
25-10	Municipal Capital Improvements	199,500	-	-	199,500	199,500	-
25-10	Township Recycling Center	28,500	-	-	28,500	28,500	-
25-10	Technology Upgrades	49,010	-	-	49,010	49,010	-
25-10	Police Department Equipment	342,950	-	-	342,950	342,950	-
25-10	Department of Public Works Equipment	1,501,841	-	-	1,501,841	1,501,841	-
03-12	Road Improvements	1,330,000	-	-	1,330,000	1,330,000	-
03-12	DPW Equipment	369,758	-	-	369,758	369,758	-
03-12	Ambulance	142,500	-	-	142,500	142,500	-
03-12	Non-Passenger Vehicles	190,000	-	-	190,000	190,000	-
18-13(i)	Acquisition of DPW Equipment	-	492,718	-	492,718	-	199,938
18-13(ii)	Acquisition of Pool Equipment	-	73,463	-	73,463	-	67,064
18-13(iii)	Record Retention/Microfilming	-	156,750	-	156,750	-	15,000
18-13(iv)	Acquisition of First Aid Ambulance	-	167,200	-	167,200	-	16,000
18-13(v)	Acquisition of Senior Center Bus	-	60,610	-	60,610	-	5,800
18-13(vi)	Various Road/Drainage and Sidewalk Improvements	-	940,500	-	940,500	-	90,000
Total		\$ 5,485,337	\$ 1,891,241	\$ -	\$ 7,376,578	\$ 5,485,337	\$ 393,802
							\$ 1,497,439

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT OF ISSUE	ORIGINAL DATE OF ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2012	PAID	BALANCE DECEMBER 31, 2013
			PAYMENT DATE	PAYMENT AMOUNT				
General Improvements	\$ 7,931,000	12/01/2003	12/01/2014	\$ 931,000	3.50%	\$ 1,831,000	\$ 900,000	\$ 931,000
Open Space Bonds	5,918,000	12/01/2003	12/01/2014	450,000	3.50%	2,875,000	450,000	2,425,000
			12/01/2015	475,000	3.60%			
			12/01/2016	500,000	4.00%			
			12/01/2017	500,000	4.00%			
			12/01/2018	500,000	4.00%			
General Improvements	16,102,000	12/01/2008	12/01/2014	1,250,000	3.75%	14,677,000	1,180,000	13,497,000
			12/01/2015	1,945,000	3.75%			
			12/01/2016	2,025,000	3.75%			
			12/01/2017	2,025,000	3.75%			
			12/01/2018	2,085,000	4.00%			
			12/01/2019	2,035,000	4.00%			
			12/01/2020	2,132,000	4.125%			
Open Space Bonds	3,739,000	12/01/2008	12/01/2014	110,000	3.75%	3,424,000	90,000	3,334,000
			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%						

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT OF ISSUE	ORIGINAL DATE OF ISSUE	MATURITIES OF BONDS OUTSTANDING			INTEREST RATE	BALANCE DECEMBER 31, 2012	PAID	BALANCE DECEMBER 31, 2013
			PAYMENT DATE	PAYMENT AMOUNT	DECEMBER 31, 2013				
Refunding Bonds	8,010,000	04/30/2009	12/01/2014	760,000	4.00%	3,070,000	765,000	2,305,000	
			12/01/2015	775,000	4.00%				
			12/01/2016	770,000	4.00%				
			Total			\$ 25,877,000	\$ 3,385,000	\$ 22,492,000	

Current Fund Budget Appropriation	\$ 2,845,000
Open Space Trust Appropriation	540,000
	<u>\$ 3,385,000</u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2012		2013 AUTHORIZATIONS	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES	RECLASS PRIOR YEAR ENCUMBRANCES	AUTHORIZATION		BALANCE DECEMBER 31, 2013	
		UNFUNDED	FUNDED					CANCELLED	UNFUNDED	FUNDED	
13-03	Improvements to Recreational Facilities	\$ -	\$ -	\$ -	\$ 5,286	\$ -	\$ 4,939	\$ -	\$ -	\$ -	\$ 9,315
27-04(ii)	Various Improvements to the Justice Complex	-	79,489	-	74,557	33,004	81,252	-	-	-	53,180
10-06(i)	Construction of Public Works Storage Building	-	9,305	-	-	-	-	-	-	-	9,305
09-07(i)	Municipal Park Facilities (Recreation Fields)	-	14,725	-	33,452	-	19,900	-	-	-	1,173
09-07(iii)	Construction of Public Works Storage Building	-	1,764	-	102,755	-	102,629	-	-	-	1,638
28-07A	Telecommunications & GPS Equipment	-	76,962	-	11,455	-	-	-	-	-	65,507
09-07(vi)	Improvements to Library & Municipal Facilities	-	207,616	-	25,248	4,922	4,922	-	-	-	182,368
29-08(i)	Various Road Improvements	-	3,010	-	6,717	-	3,707	-	-	-	-
29-08(ii)	Telephone/Data System Upgrade	-	244,031	-	64,460	-	22,121	-	-	-	201,692
29-08(iv)	Hydraulic System Transfer Station	-	158,072	-	136,940	47,094	173,431	-	-	-	147,469
19-09(i)	Various Road Improvements	20,656	-	-	26,831	-	55,472	-	-	40,840	8,457
19-09(ii)	Public Water Service Installation	83,429	-	-	185	-	-	-	-	83,244	-
19-09(iii)	Acquisition of Office Equipment	42,199	-	-	6,268	-	-	-	-	35,931	-
19-09(iv)	Implementation of Recycling Center	33,250	1,449	-	185	-	-	-	-	33,249	1,265
19-09(v)	Acquisition of Equipment for Police Department	54,039	-	-	43,805	-	-	-	-	10,234	-
19-09(vi)	Acquisition of Equipment for Public Works	41,070	-	-	185	12,950	-	-	-	27,935	-
10-09(vii)	Acquisition of Passenger Bus for Senior Center	7,251	-	-	185	-	-	-	-	7,066	-
25-10	Road & Drainage Improvements	-	251,146	-	178,703	1,311	721	-	-	-	71,853
25-10	Municipal Capital Improvements	199,500	10,276	-	6,937	-	-	-	-	199,499	3,340
25-10	Township Recycling Center	28,500	1,309	-	185	-	-	-	-	28,499	1,125
25-10	Technology Upgrades	49,010	2,386	-	185	-	-	-	-	49,010	2,201
25-10	Police Department Equipment	155,337	-	-	4,557	65,513	-	-	-	85,267	-
25-10	DPW Equipment	1,200,350	-	-	413,170	813,328	127,340	-	-	101,192	-
403R-10	DOT Municipal Aid 2011 - Patterson Road	-	-	-	-	-	4,732	-	-	-	4,732
40-11	DEP Storm Water Basin - 2011	-	715,678	-	199,068	2,456	211,706	-	-	-	725,860
03-12	Road Improvements	1,330,000	69,701	-	490,421	141,741	-	-	-	767,539	-
03-12	DPW Equipment	369,758	19,162	-	81,852	243,912	-	-	-	63,156	-
03-12	Ambulance	10,912	-	-	185	-	-	-	-	10,727	-
03-12	Non-Passenger Vehicles	15,858	-	-	6,125	-	5,940	-	-	15,673	-

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2012		2013 AUTHORIZATIONS	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES	RECLASS PRIOR YEAR ENCUMBRANCES	AUTHORIZATION		BALANCE DECEMBER 31, 2013	
		UNFUNDED	FUNDED					CANCELLED	FUNDED	UNFUNDED	FUNDED
18-13(i)	Acquisition of DPW Equipment	-	-	471,500	-	178,720	-	-	-	292,780	-
18-13(ii)	Acquisition of Pool Equipment	-	-	70,300	-	63,901	-	-	-	6,399	-
18-13(iii)	Record Retention/Microfilming	-	-	150,000	-	-	-	-	-	141,750	8,250
18-13(iv)	Acquisition of First Aid Ambulance	-	-	160,000	-	-	-	-	-	151,200	8,800
18-13(v)	Acquisition of Senior Center Bus	-	-	58,000	-	-	-	-	-	54,810	3,190
18-13(vi)	Various Road/Drainage and Sidewalk Improvements	-	-	900,000	-	-	-	-	-	850,500	49,500
18-13(vii)	Section 20 Costs	-	-	180,980	809	-	-	-	-	180,171	-
Total		\$ 3,641,119	\$ 1,875,743	\$ 1,990,780	\$ 1,920,711	\$ 1,608,852	\$ 818,812	\$ -	\$ -	\$ 3,236,671	\$ 1,560,220

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 818,812
Increased by:	
Charged to Improvement Authorizations	<u>1,608,852</u>
Subtotal	2,427,664
Decreased by:	
Prior Year Encumbrance Canceled	<u>818,812</u>
Balance December 31, 2013	<u><u>\$ 1,608,852</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 53,577
Increased by:	
2013 Budget Appropriation	<u>50,000</u>
Subtotal	103,577
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>99,539</u>
Balance December 31, 2013	<u><u>\$ 4,038</u></u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE - OPEN SPACE BONDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012	<u><u>\$ 1,853,771</u></u>
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**SCHEDULE OF RESERVE FOR DEBT SERVICE - OTHER
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 27,372
Increased by:	
Premium from Bond Anticipation Notes Issued	<u>30,390</u>
Balance December 31, 2013	<u><u>\$ 57,762</u></u>

**SCHEDULE OF RESERVE FOR FIRE DAMAGE - ANNEX BUILDING
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2013 & 2012	<u><u>\$ 10,589</u></u>
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**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2013**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2012	2013 AUTHORIZATIONS	NOTES ISSUED	DEFERRED CHARGES FUNDED	BALANCE DECEMBER 31, 2013
18-13(i)	Acquisition of DPW Equipment	\$ -	\$ 492,718	\$ -	\$ -	\$ 492,718
18-13(ii)	Acquisition of Pool Equipment	-	73,463	-	-	73,463
18-13(iii)	Record Retention/Microfilming	-	156,750	-	-	156,750
18-13(iv)	Acquisition of First Aid Ambulance	-	167,200	-	-	167,200
18-13(v)	Acquisition of Senior Center Bus	-	60,610	-	-	60,610
18-13(vi)	Various Road/Drainage and Sidewalk Improvements	-	940,500	-	-	940,500
	Total	<u>\$ -</u>	<u>\$ 1,891,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,891,241</u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF INVESTMENT IN BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$ 1,905,000
Increased by:	
Investment in Bond Anticipation Note - Hurricane Sandy	<u>1,524,000</u>
Subtotal	3,429,000
Decreased by:	
Payments Received	<u>1,905,000</u>
Balance December 31, 2013	<u><u>\$ 1,524,000</u></u>

PUBLIC ASSISTANCE FUND

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**TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$	29,676
Increased by:		
Interest Earned		54
Balance December 31, 2013	\$	29,730

**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance December 31, 2012	\$	29,676
Increased by:		
Interest Earned		54
Balance December 31, 2013	\$	29,730

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GENERAL FIXED ASSETS

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**TOWNSHIP OF JACKSON
GENERAL FIXED ASSETS GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013**

GENERAL FIXED ASSETS	BALANCE DECEMBER 31, 2012	ADDITIONS	DELETIONS	BALANCE DECEMBER 31, 2013
Land	\$ 54,983,000	\$ -	\$ -	\$ 54,983,000
Building & Building Improvements	47,576,250	70,279	-	47,646,529
Machinery & Equipment	11,513,014	1,344,176	47,368	12,809,822
Total	<u>\$ 114,072,264</u>	<u>\$ 1,414,455</u>	<u>\$ 47,368</u>	<u>\$ 115,439,351</u>

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SINGLE AUDIT SECTION

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**INDEPENDENT AUDITORS'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Township of Jackson's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2013. The Township of Jackson's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Township of Jackson complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Township of Jackson as of and for the year ended December 31, 2013, and have issued our report thereon dated May 07, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

May 07, 2014
Medford, New Jersey

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TOWNSHIP OF JACKSON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2013

<u>DEPARTMENT/PROGRAM TITLE</u>	<u>GRANT OR FEDERAL ACCOUNT NUMBER</u>	<u>PROJECT NUMBER</u>	<u>PROJECT COST</u>	<u>AWARD AMOUNT</u>	<u>GRANT PERIOD</u>	<u>BALANCE</u>		<u>CASH RECEIVED</u>	<u>EXPENDITURES</u>	<u>BALANCE DECEMBER 31, 2013</u>
						<u>DECEMBER 31, 2012</u>	<u>DECEMBER 31, 2013</u>			
Federal Emergency Management Agency:										
Hurricane Sandy Relief - Buildings & Equipment	97.036	02-NJ-4086-PW-0399	\$ 1,010	\$ 909	10/30/2012 - 04/30/2014	\$ -	\$ 909	\$ 909	\$ -	\$ -
Hurricane Sandy Relief - Storm Drain Cleaning	97.036	02-NJ-4086-PW-0411	1,036,973	933,276	10/30/2012 - 04/30/2014	275,842	215,161	215,161	275,842	275,842
Hurricane Sandy Relief - Debris Removal	97.036	02-NJ-4086-PW-0355	628,504	565,654	10/30/2012 - 04/30/2014	-	257,581	257,581	-	-
Hurricane Sandy Relief - Emergency Protective Services	97.036	02-NJ-4086-PW-0000	270,540	243,486	10/30/2012 - 04/30/2014	-	101,453	101,453	-	-
Total Federal Emergency Management Agency						275,842	575,104	575,104		275,842
Department of Energy Direct Programs										
ARRA EECGB	81.128	N/A	N/A	464,500	Open	198,654	198,654	-	-	-
Total Department of Energy Direct Programs						198,654	198,654	-	-	-
Department of Justice										
Bullet Proof Vest	16.607	N/A	N/A	13,650	Open	13,650	13,650	-	-	-
Total Department of Justice						13,650	13,650	-	-	-
Federal Older American Act:										
Ocean County Office of Senior Services - 2013	93.044	N/A	N/A	17,710	Open	-	17,710	17,513	17,513	(197)
Total Federal Older American Act:						-	17,710	17,513	17,513	(197)
Total Federal Financial Assistance						\$ 488,146	\$ 805,118	\$ 592,617	\$ -	\$ 275,645

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TOWNSHIP OF JACKSON

**NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 1. General

The accompanying schedules of expenditures of federal awards present the activity of all federal award programs of the Township of Jackson. The Township is defined in Note 1 to the Township's financial statements.

Note 2. Basis of Accounting

The accompanying schedules of expenditures of federal awards 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 schedule agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's financial statements as follows:

	Federal	Total
State & Federal Grant Fund	\$ 17,513	\$ 17,513
Current Fund	<u>575,014</u>	<u>575,014</u>
Total	<u><u>\$ 592,527</u></u>	<u><u>\$ 592,527</u></u>

Note 4. Relationship to Federal Financial Report

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

Note 5. 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, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Qualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Where significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With section .510(a) of Circular A-133?	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program
97.036	Federal Emergency Management Agency (FEMA)

TOWNSHIP OF JACKSON
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended December 31, 2013

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 2013-01:

Criteria or Specific Requirement:

In accordance with N.J.S.A. 40A:4-57, no officer, board, body or commission shall, during any fiscal year, expend any money (except to pay notes, bonds or interest thereon), incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose.

Condition:

There were over-expenditures of Current Fund appropriation reserve line items as of December 31, 2013.

Context:

The over-expenditures of Current Fund appropriation reserve line items as of December 31, 2013 were \$10,064.

Effect:

The Township is not in compliance with N.J.S.A. 40A:4-57. In addition, a budget appropriation must be provided in the next succeeding budget for any such item appearing on the balance sheet of the appropriate fund.

Cause:

Client oversight.

Recommendation:

That the Township, prior to the encumbering of purchase orders, verify that sufficient funds are available in the applicable budget appropriation line item in order to prevent the over-expenditure of funds.

View of Responsible Officials and Planned Corrective Action:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Section III – Federal Financial Assistance Findings & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133.

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, 2013

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)).

No Prior Year Findings

**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

**PART II
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

We have audited the financial statements of the Township of Jackson in the County of Ocean for the year ended December 31, 2013. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments and Recommendations* for the year then ended.

GENERAL COMMENTS

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

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

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

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

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

Contracts and Agreements Requiring Solicitation of Quotations

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

Collection of Interest on Delinquent Taxes

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

The governing body on January 1, 2013 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, 2013 included 2012, 2011 & 2010 real estate taxes.

The last tax sale was held on October 3, 2013 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
2013	145
2012	145
2011	125

Deductions from Taxes

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

Examination of Bills

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

Municipal Court

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

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

Deposit of Funds Paid to Local Unit

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

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

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

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.

Finding 2013-01:

There were over-expenditures of Current Fund appropriation reserve line items as of December 31, 2013.

Recommendation:

That the Township, prior to the encumbering of purchase orders, verify that sufficient funds are available in the applicable budget appropriation line item in order to prevent the over-expenditure of funds.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Follow-Up of Prior Year Findings

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

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2013:

NAME	TITLE
Michael Reina	Mayor
Ann Updegrave	Council President
Scott Martin	Council Vice President
Kenneth Bressi	Councilman
Barry Calogero	Councilman
Robert Nixon	Councilman
Jose Torres	Administrator
Sharon Pinkava	Chief Financial Officer
Ann Marie Eden	Township Clerk/Search Officer
Daniel Sahin	Magistrate
Erin DiCristina	Court Administrator
Gilmore & Monahan	Attorney

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

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.

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Medford, New Jersey
May 07, 2014