

TOWNSHIP OF JACKSON

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015**

**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, 2015**



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

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Jackson Township
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 Jackson Township, County of Ocean, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on 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 Jackson Township, County of Ocean, State of New Jersey, as of December 31, 2015 and 2014, 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, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 0.77% and 0.87% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2015 and 2014.

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 , County of Ocean, State of New Jersey, as of December 31, 2015 and 2014, 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, 2015 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Jackson Township adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental 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.


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 June 30, 2016, on our consideration of the Jackson Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jackson Township's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Haines', with a stylized flourish at the end.

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

Medford, New Jersey
June 30, 2016



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Jackson Township (herein referred to as “the Municipality”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated . Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note I .

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality'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 Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality'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 Municipality'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
June 30, 2016

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, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
ASSETS			
Regular Fund:			
Cash -Treasurer	A-4	\$ 11,784,506	\$ 10,665,503
Cash - Change Fund	A	1,135	1,135
Due from State of New Jersey:			
Senior Citizen & Veteran Deductions	A-5	<u>17,694</u>	<u>11,697</u>
Total Regular Fund		<u>11,803,335</u>	<u>10,678,335</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	1,841,605	1,909,409
Tax Title Liens Receivable	A-7	2,554,719	2,335,043
Property Acquired for Taxes at Assessed Valuation	A-8	6,306,200	6,306,200
Revenue Accounts Receivable	A-9	34,638	20,801
Interfunds Receivable	A-32	<u>1,015</u>	<u>-</u>
Total Receivables & Other Assets With Full Reserves		<u>10,738,177</u>	<u>10,571,453</u>
Deferred Charges:			
Special Emergency 40A:4-53	A-33	<u>4,026</u>	<u>910,765</u>
Total Deferred Charges		<u>4,026</u>	<u>910,765</u>
Total Regular Fund, Receivables & Other Assets With Full Reserves		<u>22,545,538</u>	<u>22,160,553</u>
State & Federal Grants:			
Grants Receivable	A-35	559,124	575,824
Due from Current Fund	A-34	<u>363,490</u>	<u>443,316</u>
Total State & Federal Grants		<u>922,614</u>	<u>1,019,140</u>
Total Assets		<u>\$ 23,468,152</u>	<u>\$ 23,179,693</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, 2015 AND 2014**

	REFERENCE	2015	2014
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-10	\$ 2,041,225	\$ 1,528,256
Reserves for Encumbrances	A-12	984,270	1,219,991
Accounts Payable	A-11	296,002	298,210
Special Emergency Note Payable	A	-	902,713
Prepaid Taxes	A-13	793,411	557,812
Tax Overpayments	A-14	163,340	36,476
County Taxes Payable	A-15	92,779	102,835
Due State of New Jersey - Construction Fees	A-18	25,678	23,767
Due State of New Jersey - Marriage License Fees	A-19	1,275	1,525
Reserve for Revaluation Program	A-20	5,743	5,743
Reserve for Garden State Trust Fund	A-22	1	1
Reserve for State Board of Taxation Appeals	A-23	313,783	313,783
Reserve for Master Plan	A-24	24,086	25,223
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	180,862	991,543
Reserve for Hurricane Sandy	A-28	53,663	53,663
Reserve for SCIBAL Reimbursements - Hurricane Sandy - DPW	A-29	25,235	25,235
Reserve for SCIBAL Reimbursements - Hurricane Sandy - Police	A-30	30,249	30,249
Reserve for Police Cars	A-31	129,297	118,078
Reserve for Road Improvements	A-39	113,662	-
Reserve Other	A	2,118	2,118
Interfund Payable	A-32	365,813	447,460
Total Liabilities		<u>\$ 6,559,860</u>	<u>7,602,049</u>
Reserve for Receivables & Other Assets	A	10,738,177	10,571,453
Fund Balance	A-1	<u>5,247,501</u>	<u>3,987,051</u>
Total Regular Funds		<u>22,545,538</u>	<u>22,160,553</u>
Federal & State Grants:			
Appropriated Reserves	A-36	901,532	795,817
Unappropriated Reserves	A-37	9,854	119,791
Reserves for Encumbrances	A-38	11,228	103,532
Total State & Federal Grants		<u>922,614</u>	<u>1,019,140</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 23,468,152</u>	<u>\$ 23,179,693</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, 2015 AND 2014

		2015	2014
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,650,000	\$ 2,200,000
Miscellaneous Revenue Anticipated	A-2	8,195,226	8,111,471
Receipts From Delinquent Taxes	A-2	1,446,152	1,661,107
Receipts From Current Taxes	A-2	147,776,001	143,352,212
Nonbudget Revenue	A-2	534,337	521,226
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	1,475,562	996,491
Cancelled Accounts Payable	A-11	145,758	244,868
Prior Year Senior Citizen Deductions Allowed	A-5	250	-
Prior Year Interfunds Liquidated	A-1	-	34,627
Cancellation of Grant Appropriation Reserves	A-32	34,940	31,430
		<u>162,258,226</u>	<u>157,153,432</u>
Total Revenue & Other Income Realized			
Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	A-3	17,601,230	17,116,222
Other Expenses	A-3	11,598,019	11,193,589
Deferred Charges & Statutory Expenditures Within "CAPS"	A-3	4,247,962	4,012,914
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	181,469	173,862
Other Expenses	A-3	638,472	1,415,735
Capital Improvements - Excluded from "CAPS":	A-3	110,000	100,000
Municipal Debt Service Excluded From "CAPS"	A-3	3,746,049	3,658,594
Deferred Charges - Municipal - Excluded From "CAPS"	A-3	907,076	625,313
Judgements	A-3	105,000	225,000
Local District School Taxes	A-16	84,672,751	81,958,272
Fire District Taxes	A-17	5,759,393	5,614,930
County Taxes	A-15	27,311,645	26,271,391
Amount Due County for Added & Omitted Taxes	A-15	92,779	102,835
Municipal Open Space Taxes	A-21	1,338,362	1,334,794
Prior Year Interfunds Advanced	A-1	788	-
Prior Year Senior Citizen Deductions Disallowed	A-5	10,572	9,071
Cancellation of Grant Receivable	A-32	26,209	26,926
		<u>158,347,776</u>	<u>153,839,448</u>
Total Expenditures			
Excess in Revenue		3,910,450	3,313,984
Fund Balance January 1	A	<u>3,987,051</u>	<u>2,873,067</u>
Total		7,897,501	6,187,051
Decreased by: Utilized as Revenue	A-2	<u>2,650,000</u>	<u>2,200,000</u>
Balance December 31	A	<u><u>\$ 5,247,501</u></u>	<u><u>\$ 3,987,051</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, 2015**

	ANTICIPATED BUDGET	ADDED PER N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 2,650,000	\$ -	\$ 2,650,000	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	39,000	-	39,050	50
Other	30,000	-	35,853	5,853
Fees & Permits	150,000	-	195,631	45,631
Fines & Costs:				
Municipal Court	460,000	-	479,243	19,243
Interest & Cost on Taxes	360,000	-	423,196	63,196
Interest on Investments & Deposits	20,000	-	51,346	31,346
Housing & Commercial CCO's	100,000	-	138,700	38,700
Consolidated Municipal Property Tax Relief Aid	85,462	-	85,462	-
Energy Receipts Taxes	3,266,687	-	3,266,687	-
Garden State Trust	56,290	-	56,290	-
Uniform Construction Code Fees	1,030,000	-	1,622,333	592,333
Shared Service Agreement-BOE	119,000	-	119,000	-
Clean Communities Program	-	114,730	114,730	-
Recycling Tonnage Grant	100,249	-	100,249	-
Municipal Alliance on Alcoholism & Drug Abuse	-	33,124	33,124	-
Safe & Secure Communities Program	28,805	-	28,805	-
Body Armor Replacement Grant-State	7,332	-	7,332	-
Alcohol Education and Rehabilitation Fund	2,422	-	2,422	-
Drunk Driving Enforcement Fund	9,787	-	9,787	-
Drive Sober or Get Pulled Over	-	10,000	10,000	-
Click It or Ticket	-	4,000	4,000	-
Cops in Shops/Summer Shore Initiative	-	2,000	2,000	-
Handicapped Recreation Opportunities Grant	-	15,000	15,000	-
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)	1,000	-	1,000	-
Cablevision Franchise Fee	244,969	-	249,269	4,300
Bulletproof Vest Program	-	5,765	5,765	-
FEMA Hazard Mitigation Grant-Generator	78,529	-	78,529	-
Capital Fund Balance	100,000	-	100,000	-
Reserve-FEMA Reimbursements	902,713	-	902,713	-
Total	7,209,955	184,619	8,195,226	800,652
Receipts from Delinquent Taxes	1,400,000	-	1,446,152	46,152
Amount to be Raised by Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	30,330,789	-	31,241,158	910,369
Budget Totals	41,590,744	184,619	43,532,536	
Nonbudget Revenues	-	-	534,337	534,337
Total	\$ 41,590,744	\$ 184,619	\$ 44,066,873	\$ 2,291,510

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2015**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	<u>\$ 147,776,001</u>
Net Revenue From Collections	147,776,001
Allocated to School, County, Municipal Open Space & Special Districts	<u>119,174,930</u>
Balance for Support of Municipal Budget Appropriations	28,601,071
Increased by Appropriation for Uncollected Taxes	<u>2,640,087</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 31,241,158</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 1,394,325
Tax Title Lien Collections	<u>51,827</u>
Total	<u><u>\$ 1,446,152</u></u>
Construction Code Official:	
Construction Code Official:	
Plumbing Fees & Permits	\$ 338,129
Electrical Fees & Permits	424,122
Building Inspector Fees & Permits	660,575
Fire Inspection Fees & Permits	114,214
TCO, CCO & COMM	41,544
Building Fines & Penalties	40,993
Misc Other	<u>2,756</u>
Total Construction Code Official	<u><u>\$ 1,622,333</u></u>
Other Fees & Permits:	
Public Works	\$ 35,585
Forester	4,645
Police Department	11,934
Zoning Board	45,544
Planning Board	71,110
Vital Statistics	<u>26,813</u>
Total Other Fees & Permits	<u><u>\$ 195,631</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2015**

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Tower Rental	\$ 85,632
Gas & Fuel Reimbursements	55,368
Municipal Clerk - Miscellaneous	10,411
Restitution	1,065
Administration Fees	275
Tax Collector Fees	13,805
Outside Employment Surcharge	133,680
Police Alarm Fines	4,450
Planning & Zoning Surcharge	12,009
Planning & Zoning	524
Motor Vehicle Inspection Fines	2,205
Non Sufficient Funds	540
PILOT-Windsor Crescent Property Tax	74,334
Tax Search Fees	60
Miscellaneous	<u>139,979</u>
Total Miscellaneous Revenue Not Anticipated	<u>\$ 534,337</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS			EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION		PAID OR CHARGED	ENCUMBERED	RESERVED
OPERATIONS - Within "CAPS"						
General Government:						
Administrative Executive:						
Salaries and Wages	\$ 235,564	\$ 242,594	\$	236,734	\$ -	\$ 5,860
Other Expenses	68,800	68,800		59,623	796	8,381
Township Council:						
Salaries and Wages	44,340	44,340		44,340	-	-
Other Expenses	850	850		203	-	647
Mayor:						
Salaries and Wages	29,500	29,500		29,500	-	-
Other Expenses	5,950	5,950		2,315	-	3,635
Human Services:						
Salaries and Wages	83,466	81,466		72,594	-	8,872
Other Expenses	8,551	8,551		5,992	909	1,650
Municipal Clerk:						
Salaries and Wages	240,484	253,810		245,959	-	7,851
Other Expenses	30,200	30,200		24,216	-	5,984
Election:						
Salaries and Wages	3,200	3,200		3,013	-	187
Other Expenses	5,500	5,500		5,378	-	122
Financial Administration:						
Salaries and Wages	326,873	338,206		317,424	-	20,782
Other Expenses	37,825	29,825		12,937	5,780	11,108
Audit Services:						
Other Expenses	42,000	42,000		-	42,000	-
Data Processing:						
Salaries and Wages	106,926	106,555		74,471	-	32,084
Other Expenses	18,700	18,700		14,041	3,504	1,155
Collection of Taxes:						
Salaries and Wages	284,380	293,901		293,401	-	500
Other Expenses	33,850	33,850		18,505	14,880	465

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Assessment of Taxes:					
Salaries and Wages	328,714	324,015	302,250	-	21,765
Other Expenses	15,735	15,735	4,016	11,500	219
Purchasing:					
Salaries and Wages	102,736	102,736	99,316	-	3,420
Other Expenses	8,930	8,930	6,108	1,036	1,786
Legal Services & Costs:					
Other Expenses	455,000	455,000	445,239	-	9,761
Engineering Services & Costs:					
Salaries and Wages	159,478	131,164	122,573	-	8,591
Other Expenses	143,050	178,050	91,126	68,091	18,833
Historical Commission:					
Other Expenses	125	125	-	-	125
Community Alliance-Alcoholism & Drugs:					
Salaries and Wages	1,140	1,140	-	-	1,140
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	211,076	215,977	215,485	-	492
Other Expenses	54,000	69,000	68,388	24	588
Maintenance of Tax Maps:					
Other Expenses	15,000	15,000	4,531	2,372	8,097
Code Enforcement - Other:					
Rent Leveling Board:					
Salaries and Wages	3,145	3,145	1,500	-	1,645
Other Expenses	45,100	47,100	46,687	-	413
Code Enforcement - Other:					
Salaries and Wages	239,510	232,057	170,997	-	61,060
Other Expenses	7,900	7,900	4,940	241	2,719

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Community Development & Enforcement:					
Salaries and Wages	22,000	22,000	17,177	-	4,823
Other Expenses	11,200	11,200	8,567	758	1,875
Commercial Building Standards:					
Salaries and Wages	12,000	12,000	8,500	-	3,500
Other Expenses	900	900	601	-	299
Unsafe Structures Committee					
Other Expenses	21,000	21,000	585	-	20,415
Insurance:					
General Liability	681,631	681,631	619,640	-	61,991
Workers Compensation	513,700	513,700	513,700	-	-
Employee Group Health	4,085,594	4,085,221	3,733,181	106,205	245,835
Health Benefit Waiver	38,400	38,400	25,840	-	12,560
Unemployment Trust Fund	10,000	-	-	-	-
Public Safety Functions:					
Police Department:					
Salaries and Wages	10,364,375	10,368,163	10,127,579	-	240,584
Other Expenses	600,793	600,793	497,581	79,093	24,119
Police Dispatch/911:					
Salaries and Wages	492,779	498,098	449,255	-	48,843
Emergency Management:					
Salaries and Wages	12,548	12,548	11,989	-	559
Other Expenses	25,300	25,300	14,422	1,173	9,705
Aid to Volunteer Ambulance:					
Other Expenses	15,000	15,000	-	15,000	-
Municipal Prosecutor:					
Other Expenses	42,000	45,000	41,227	-	3,773
Juvenile Conference Committee:					
Salaries and Wages	1,300	1,300	500	-	800
Other Expenses	25	25	-	-	25

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Public Works Functions:					
Streets & Roads Maintenance:					
Salaries and Wages	1,428,247	1,445,112	1,310,556	-	134,556
Other Expenses	255,950	255,950	156,940	82,059	16,951
Snow Removal:					
Other Expenses	506,000	606,000	583,648	22,352	-
Shade Tree Commission:					
Salaries and Wages	1,250	1,250	835	-	415
Other Expenses	10,000	10,000	6,529	-	3,471
Solid Waste Collection:					
Salaries and Wages	47,849	47,849	45,379	-	2,470
Other Expenses	550,000	550,000	502,788	45,708	1,504
Buildings & Grounds:					
Salaries and Wages	767,400	774,816	725,544	-	49,272
Other Expenses	197,700	217,700	176,953	29,055	11,692
Vehicle Maintenance:					
Salaries and Wages	336,038	341,968	323,873	-	18,095
Other Expenses	304,000	295,000	167,508	62,706	64,786
Community Services Act:					
Other Expenses	171,350	171,350	-	171,350	-
Health & Human Services Functions:					
Public Health Services:					
Salaries and Wages	14,280	14,280	10,677	-	3,603
Other Expenses	1,500	1,500	688	170	642
Environmental Health Services- Environmental Commission:					
Salaries and Wages	1,300	1,300	945	-	355
Other Expenses	500	500	-	-	500
Animal Control Services:					
Salaries and Wages	145,690	149,812	140,878	-	8,934
Other Expenses	50,275	49,275	22,814	1,122	25,339
Going Green Committee:					
Other Expenses	25	25	-	-	25

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

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Parks & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	80,598	80,598	79,454	-	1,144
Other Expenses	14,350	14,350	7,488	4,567	2,295
Office for the Golden Age:					
Salaries and Wages	225,933	237,162	236,034	-	1,128
Other Expenses	22,050	22,050	18,888	2,500	662
Handicapped Committee:					
Salaries and Wages	12,315	13,165	12,991	-	174
Other Expenses	7,500	7,500	1,070	-	6,430
Park Maintenance:					
Other Expenses	1,000	1,000	1,000	-	-
Municipal Court Functions:					
Municipal Court:					
Salaries and Wages	372,362	376,060	349,966	-	26,094
Other Expenses	27,790	27,790	18,777	694	8,319
Public Defender:					
Other Expenses	12,000	12,000	-	-	12,000
Other Common Operating Functions:					
Salary & Wage Adjustment:					
Salaries and Wages	158,500	22,426	-	-	22,426
Postage & Photocopy:					
Other Expenses	74,600	74,600	53,162	7,882	13,556
Accumulated Leave Compensation-Sick Trust:					
Other Expenses	170,000	170,000	170,000	-	-

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Utility Expenses & Bulk Purchases:					
Electricity	534,000	531,000	387,493	25,681	117,826
Street Lighting	335,000	332,000	233,259	35,665	63,076
Telecommunication Costs	77,285	77,285	72,975	2,702	1,608
Telecommunication Costs-Lease Obligation	21,715	21,715	-	-	21,715
Natural Gas	120,000	120,000	77,587	14,377	28,036
Heating Oil	2,750	2,750	-	-	2,750
Fuel & Petroleum Products	565,000	484,181	270,384	58,176	155,621
Water	1,000	1,000	-	-	1,000
Landfill/Solid Waste:					
Landfill/Solid Waste Disposal Costs:					
Other Expenses	270,000	263,000	180,493	16,064	66,443
Legler Landfill - Postclosure Monitoring:					
Other Expenses	55,000	63,000	51,327	1,200	10,473
Uniform Construction Code-Appropriations Offset by Dedicated Revenues(NJAC5:23-4.17):					
Construction Code Department:					
Salaries and Wages	765,115	777,517	721,807	-	55,710
Other Expenses	134,937	134,937	101,386	16,989	16,562
Total Operations Including Contingent Within "CAPS"	29,199,622	29,199,249	26,336,242	954,381	1,908,626
Detail:					
Salaries and Wages	17,662,411	17,601,230	16,803,496	-	797,734
Other Expenses	11,537,211	11,598,019	9,532,746	954,381	1,110,892

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Deferred Charges & Statutory Expenditures					
Municipal Within "CAPS":					
Deferred Charges:					
Over Committed Bill	8,201	8,201	8,201	-	-
Statutory Expenditures:					
Public Employees' Retirement System	757,906	757,906	757,906	-	-
Social Security System (O.A.S.I.)	1,399,191	1,399,191	1,290,528	-	108,663
Police & Firemen's Retirement System	2,073,291	2,073,664	2,073,664	-	-
Defined Contribution Retirement Program	9,000	9,000	8,455	-	545
Total Deferred Charges & Statutory Expenditures Within "CAPS"	4,247,589	4,247,962	4,138,754	-	109,208
Total General Appropriations for Municipal Purposes Within "CAPS"	33,447,211	33,447,211	30,474,996	954,381	2,017,834
OPERATIONS - EXCLUDED FROM "CAPS"					
Employee Group Health Insurance	12,019	12,019	12,019	-	-
Service Contracts:					
Sewer & Water Purposes - MUA	3,600	3,600	3,300	300	-
Implementation of 911 Emergency:					
Salaries & Wages	164,259	164,259	164,259	-	-
Relocation Assistance:					
Other Expenses	2,000	2,000	-	-	2,000
LOSAP	29,000	29,000	-	29,000	-
Recycling Tonnage Tax	10,000	10,000	6,720	589	2,691
Shared Service Agreement-BOE/Police SRO	119,000	119,000	119,000	-	-
Supplemental Fire Services Programs:					
Fire District Tax Obligations	13,026	13,026	13,026	-	-

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Public & Private Programs Offset by Revenues:					
OC Office of Senior Services-Information Assistance:					
Salaries and Wages	17,210	17,210	17,210	-	-
Other Expenses	500	500	500	-	-
Safe & Secure Communities Program	28,805	28,805	28,805	-	-
Municipal Alliance on Alcohol & Drug Abuse:					
County Grant	-	33,124	33,124	-	-
State of NJ Body Armor Grant	7,332	7,332	7,332	-	-
Clean Communities Grant	-	114,730	114,730	-	-
Drunk Driving Enforcement Fund	9,787	9,787	9,787	-	-
Matching Funds for Grants	26,858	26,858	11,281	-	15,577
Click It or Ticket	-	4,000	4,000	-	-
Alcohol Education and Rehabilitation	2,422	2,422	2,422	-	-
COPS in Shops Summer Shore Initiative	-	2,000	2,000	-	-
Drive Sober or Get Pulled Over	-	10,000	10,000	-	-
Federal Bureau of Justice Bulletproof Vest Partner	-	5,765	5,765	-	-
FEMA Hazard Mitigation Grant-Generator	78,529	78,529	78,529	-	-
FEMA Hazard Mitigation Grant-Local Share	8,726	8,726	8,726	-	-
Ocean Co Cultural Heritage Commission	2,000	2,000	2,000	-	-
Handicapped Recreation Opportunities Grant:					
State Share	-	15,000	15,000	-	-
Recycling Tonnage Grant	100,249	100,249	100,249	-	-
Total Operations Excluded from "CAPS"	635,322	819,941	769,784	29,889	20,268
Detail:					
Salaries and Wages	181,469	181,469	181,469	-	-
Other Expenses	453,853	638,472	588,315	29,889	20,268

**TOWNSHIP OF JACKSON
CURRENT FUND
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	110,000	110,000	110,000	-	-
Total Capital Improvement Excluded from "CAPS"	110,000	110,000	110,000	-	-
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	3,020,000	3,020,000	3,020,000	-	-
Interest on Bonds	707,189	707,189	707,189	-	-
Interest on Notes	18,860	18,860	18,860	-	-
Deferred Charges-Municipal - Excluded from "CAPS":					
Special Emergency Authorization - 5 Years	902,713	902,713	902,713	-	-
Special Emergency Authorization - 5 Years	4,026	4,026	4,026	-	-
Deferred Charges to future Taxation - Unfunded Bond Issue	337	337	337	-	-
Judgements - Excluded from "CAPS"	105,000	105,000	101,877	-	3,123
Total Capital Improvements, Municipal Debt Service, Deferred Charges & Judgements Excluded from "CAPS"	4,758,125	4,758,125	4,755,002	-	3,123
Total General Appropriations Excluded from "CAPS"	5,503,447	5,688,066	5,634,786	29,889	23,391
Subtotal General Appropriations	38,950,658	39,135,277	36,109,782	984,270	2,041,225
Reserve For Uncollected Taxes	2,640,087	2,640,087	2,640,087	-	-
Total General Appropriations	\$ 41,590,745	\$ 41,775,364	\$ 38,749,869	\$ 984,270	\$ 2,041,225

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, 2015**

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED
Budget		\$ 41,590,745			
Added by N.J.S. 40A:4-87		184,619			
Total		<u>\$ 41,775,364</u>			
Reserve for Uncollected Taxes			\$ 2,640,087		
Appropriated Reserves for Federal & State Grants			451,460		
Deferred Charges - Special Emergency			906,739		
Refunds			(952,448)		
Cash Disbursements			<u>35,704,031</u>		
Total			<u>\$ 38,749,869</u>		

**TOWNSHIP OF JACKSON
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
ASSETS			
Animal Control Trust Fund:			
Cash	B-1	<u>\$ 124,254</u>	<u>\$ 101,722</u>
Total Animal Control Trust Fund		<u>124,254</u>	<u>101,722</u>
Open Space Trust Fund:			
Cash	B-1	<u>3,101,777</u>	<u>2,599,645</u>
Total Open Space Trust Fund		<u>3,101,777</u>	<u>2,599,645</u>
Trust Other Funds:			
Cash	B-1	11,203,743	10,247,940
Interfund - Current Fund	B-4	1,308	4,144
Due from County of Ocean - Community Development Block Grant	B-5	<u>380,207</u>	<u>248,591</u>
Total Trust Other Funds		<u>11,585,258</u>	<u>10,500,675</u>
Length of Service Awards Program (LOSAP) (Reviewed) Funds Held by Trustee	B-9	<u>115,453</u>	<u>116,535</u>
Total Assets		<u><u>\$ 14,926,742</u></u>	<u><u>\$ 13,318,577</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, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
LIABILITIES & RESERVES			
Animal Control Trust Fund:			
Due to State of New Jersey	B-2	\$ 19	\$ 12
Reserve for Animal Control Expenditures	B-3	<u>124,235</u>	<u>101,710</u>
Total Animal Control Trust Fund		<u>124,254</u>	<u>101,722</u>
Open Space Trust Fund:			
Reserve for Open Space	B-8	<u>3,101,777</u>	<u>2,599,645</u>
Total Open Space Trust Fund		<u>3,101,777</u>	<u>2,599,645</u>
Trust Other Funds:			
Various Reserves	B-7	11,245,924	10,259,489
Reserve for Community Development Block Grant Expenditures	B-6	<u>339,334</u>	<u>241,186</u>
Total Trust Other Funds		<u>11,585,258</u>	<u>10,500,675</u>
Length of Service Awards Program (LOSAP) (Reviewed) Funds Held by Trustee	B-10	<u>115,453</u>	<u>116,535</u>
Total Liabilities & Reserves		<u>\$ 14,926,742</u>	<u>\$ 13,318,577</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, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Cash & Cash Equivalents	C-2	\$ 6,770,627	\$ 4,935,299
Investment in Bond Anticipation Note	A	-	902,713
MUA Shared Services Agreement Receivable	C-4	395	395
Deferred Charges to Future Taxation:			
Funded	C-5	20,876,000	24,476,000
Unfunded	C-6	6,933,327	3,971,730
 Total Assets		 <u>\$ 34,580,349</u>	 <u>\$ 34,286,137</u>
 LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bond	C-7	\$ 20,876,000	\$ 24,476,000
Bond Anticipation Notes	C-14	3,971,393	1,891,241
Improvement Authorizations:			
Funded	C-8	1,002,496	1,984,726
Unfunded	C-8	4,440,075	3,541,579
Reserve for Encumbrances	C-9	2,290,645	356,676
Capital Improvement Fund	C-10	10,718	30
Reserve for Debt Service - Open Space Bonds	C-11	1,853,771	1,853,771
Reserve for Debt Service - Other	C-12	120,413	171,426
Reserve for Fire Damage - Annex Building	C-13	10,589	10,589
Fund Balance	C-1	4,249	99
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 34,580,349</u>	 <u>\$ 34,286,137</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$3,530,934 and on December 31, 2014 there was \$2,080,152.

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	99
Increased by:		
Correction of 2014 posting of Bond Premium		104,150
Decreased by:		
Anticipated as 2015 Budget Revenue		100,000
Balance December 31, 2015	\$	4,249

**TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
COMPARATIVE STATEMENT OF ASSETS
AND RESERVES - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	<u>2015</u>	<u>2014</u>
Cash & Cash Equivalents	D-1	<u>\$ 27,320</u>	<u>\$ 27,268</u>
Total Assets		<u><u>\$ 27,320</u></u>	<u><u>\$ 27,268</u></u>
 RESERVES			
Reserve for Public Assistance	D-2	<u>\$ 27,320</u>	<u>\$ 27,268</u>
Total Reserves		<u><u>\$ 27,320</u></u>	<u><u>\$ 27,268</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, 2015 AND 2014**

ASSETS	REFERENCE	<u>2015</u>	<u>2014</u>
Land	E-1	\$ 56,970,100	\$ 54,970,100
Building & Building Improvements	E-1	47,841,902	47,637,784
Machinery & Equipment	E-1	<u>15,465,626</u>	<u>14,658,265</u>
Total		<u>\$ 120,277,628</u>	<u>\$ 117,266,149</u>
INVESTMENT IN FIXED ASSETS			
Investment in Fixed Assets	E	<u>\$ 120,277,628</u>	<u>\$ 117,266,149</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, 2015 AND 2014**

ASSETS	<u>2015</u>	<u>2014</u>
Cash	<u>\$ 157,629</u>	<u>\$ 2,126</u>
Total Assets	<u><u>\$ 157,629</u></u>	<u><u>\$ 2,126</u></u>
 LIABILITIES		
Payroll Deductions Payable	<u>\$ 157,629</u>	<u>\$ 2,126</u>
Total Liabilities	<u><u>\$ 157,629</u></u>	<u><u>\$ 2,126</u></u>

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

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**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

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

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

Component Units

The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB 39 & 61.

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.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

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

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

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

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

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

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

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

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

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

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

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

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

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

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

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

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

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

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

Subsequent Events - The Township of Jackson has evaluated subsequent events occurring after December 31, 2015 through the date of June 30, 2016, which is the date the financial statements were available to be issued.

Length of Service Award Program (“LOSAP”)

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

LOSAP Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements. *N.J.A.C.5:30-14.49* requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accounts Statements for Accounting and Auditing Review Services.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Township implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statements requires the Township to disclose its portion of the collective net pension’s asset and liability of the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police and Firemen’s Retirement System (PFRS).

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

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, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 33,170,991
Total Deposits	<u>\$ 33,170,991</u>
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:	
Current Fund	\$ 11,785,641
Animal Control Trust Fund	124,254
Open Space Trust Fund	3,101,777
Trust - Other Fund	11,203,743
General Capital Fund	6,770,627
Public Assistance Fund	27,320
Payroll Fund	<u>157,629</u>
Total Cash and Cash Equivalents	<u>\$ 33,170,991</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, 2015, the Township's bank balances of \$33,306,298 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$14,458,554
Insured Under F.D.I.C.	250,000
Collateralized Under GUDPA	<u>18,597,744</u>
Total	<u>\$33,306,298</u>

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015, 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, 2015**

Note 3. Investments (continued):

As of December 31, 2015, the Township had the following investments and maturities:

	Fair Value	Book Value	Total Reported Value
LOSAP	\$ 115,453	\$ 115,453	\$ 115,453
Total	\$ 115,453	\$ 115,453	\$ 115,453

Note 4. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$802,512 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PERS net pension liability is valued to be \$20,953,960. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .09334%, which was an increase of .00140% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014		
	12/31/2015	12/31/2014
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	20,953,960	17,212,908
Township's Portion of the Plan's Total Net Pension Liability	0.09334%	0.09194%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$1,341,956.

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

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

of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>(3.90%)</u>	<u>(4.90%)</u>	<u>(5.90%)</u>
Township's proportionate share of the net pension liability	\$ 26,043,208	\$ 20,953,960	\$ 16,687,171

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

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

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

The following represents the membership tiers for PFRS:

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

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 4. Pension Obligations (continued):

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PFRS amounted to \$2,296,453 for 2015.

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

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Township's proportionate share of the PFRS net pension liability is valued to be \$47,057,713. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Township's proportion measured as of June 30, 2015, was .28252%, which was an increase of .01258% from its proportion measured as of June 30, 2014.

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

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

Collective Balances at December 31, 2015 & December 31, 2014		
	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	47,057,713	33,955,381
Township's Portion of the Plan's Total Net Pension Liability	0.28252%	0.26994%

For the year ended December 31, 2015, the Township had an allocated pension expense of \$4,516,757.

Additionally, the State’s proportionate share of the net pension liability attributable to the Township is \$4,126,804 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2015 was .28252%, which was an increase of .01258% from its proportion measured as of June 30, 2014, which is the same proportion as the Township’s.

Township's Proportionate Share of the Net Pension Liability	\$ 47,057,713
State's Proportionate Share of the Net Pension Liability Associated with the Township	4,126,804
Total Net Pension Liability	\$ 51,184,517

For the year ended December 31, 2015, the Township’s total allocated pension expense was \$5,031,516.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

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

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

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

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Township	\$ 67,477,443	\$ 51,184,517	\$ 37,899,091

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

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

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.

Comparison of Tax Rate Information:

	2015	2014	2013
Total Tax Rate	<u>\$2.154</u>	<u>\$2.097</u>	<u>\$2.040</u>
Apportionment of Tax Rate:			
Municipal	0.454	0.448	0.438
Municipal Open Space	0.020	0.020	0.020
County	0.411	0.396	0.390
Local School	1.269	1.233	1.192

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 5. Property Taxes (continued):

Net Valuation Taxable:

2015	\$ 6,669,174,480			
2014	<u>6,647,971,808</u>			
2013				<u>\$ 6,663,145,020</u>

Comparison of Tax Levies and Collection Currently:

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 149,966,664	\$ 147,776,001	98.53%
2014	145,604,219	143,352,211	98.45%
2013	141,851,869	139,207,257	98.13%

Note 5: Property Taxes (continued)

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
2015	\$ 2,557,868	\$ 1,841,605	\$ 4,399,473	2.89%
2014	2,335,043	1,909,409	4,244,452	2.92%
2013	2,055,182	1,876,075	3,931,257	2.77%

Note: 6: Property Acquired By Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, 2015 on the basis of the last assessed valuation of such properties, for the current and previous two years was as follows:

YEAR	AMOUNT
2015	\$ 6,306,200
2014	6,306,200
2013	6,318,700

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

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:			
2015	\$ 5,247,501	\$ 2,999,000	57.15%
2014	3,987,051	2,650,000	66.47%
2013	2,873,067	2,200,000	76.57%
2012	2,549,911	2,200,000	86.28%
2011	2,350,087	1,900,000	80.85%

Note 8. Interfunds, Receivables and Payables

The composition of interfund balances as of December 31, 2015 is as follows:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 1,015	\$ 365,813
Federal and State Grant Fund	363,490	-
Trust - Other Fund	1,308	-
	\$ 365,813	\$ 365,813

The purpose of these interfunds is short-term borrowing.

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.

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 9. Long-Term Debt (continued):

Summary of Township Debt – Annual Debt Statement:

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Issued & Outstanding			
General:			
Bonds, Loans & Notes	\$ 24,847,393	\$ 26,367,241	\$ 27,977,337
Deductions:			
Open Space Trust (40A:2-44h)	4,830,000	5,199,000	5,759,000
Funds Temporarily Held to pay Bonds & Notes	1,974,184	2,025,197	1,911,533
Total Deductions	6,804,184	7,224,197	7,670,533
Net Debt Issued	18,043,209	19,143,044	20,306,804
Authorized But Not Issued			
General - Bonds & Notes	3,530,934	2,080,152	1,891,241
Total Net Debt	\$ 21,574,143	\$ 21,223,196	\$ 22,198,045

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 0.329%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 82,065,973	\$ 82,065,973	\$ -
General Debt	35,309,327	13,735,184	21,574,143
Total	\$ 117,375,300	\$ 95,801,157	\$ 21,574,143

Net Debt, \$21,574,143 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$6,567,000,117 equals 0.329%.

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 9. Long-Term Debt (continued):

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 229,845,004
Net Debt	21,574,143
Remaining Borrowing Power	\$ 208,270,861

During the year ended December 31, 2015, the following changes occurred in issued Bonds, Loans and Notes:

	Balance Decemeber 31, 2014	Issued	Retired	Balance Decemeber 31, 2015	Due Within One Year
General Capital Fund:					
Serial Bonds	\$ 24,476,000	\$ -	\$ 3,600,000	\$ 20,876,000	\$ 3,745,000
BAN's	1,891,241	3,971,393	1,891,241	3,971,393	3,971,393
Current Fund:					
SEN's	902,713	-	902,713	-	-
Total	\$ 29,501,337	\$ 3,971,393	\$ 6,393,954	\$ 24,847,393	\$ 7,716,393

As of December 31, 2015, the Township's Long-Term Debt is as follows:

General Serial Bonds:

\$5,918,000 2003 Open Space Bonds due in annual installments of \$400,000 to \$500,000 through 2020 at interests rates ranging from 3.00% to 4.00%.	\$ 1,500,000
\$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%.	10,302,000
\$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%.	3,119,000
\$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%.	770,000
\$5,485,000 2014 General Obligation Bonds due in annual installments ranging from \$300,000 to \$600,000 through 2025 at interest rates ranging from 2.00% to 3.00%.	5,185,000
Total	\$20,876,000

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 9. Long-Term Debt (continued):

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

Fiscal				
Year	Principal		Interest	Total
2016	\$ 3,745,000	\$	756,466	\$ 4,501,466
2017	3,150,000		618,979	3,768,979
2018	3,215,000		503,354	3,718,354
2019	2,760,000		169,345	2,929,345
2020-2024	6,152,000		921,926	7,073,926
2025-2028	1,854,000		265,475	2,119,475
Total	\$ 20,876,000	\$	3,235,545	\$ 24,111,545

Refunding Bonds and Deferred Bonds Outstanding

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

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

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

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 9. Long-Term Debt (continued):

Refunding Bonds and Deferred Bonds Outstanding (continued)

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

Note 10. Short-Term Debt

Bond Anticipation Notes

The Township issues Bond Anticipation Notes to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid not later than the tenth anniversary of the date of the original note. The original notes are dated July 23, 2014 and bear an interest rate of 1.00% with a maturity date of August 4, 2015. The purpose of the Bond Anticipation Notes are to fund the acquisition, construction, repair and installation of various capital improvements authorized by the Township.

Special Emergency Note Payable

The Township is indebted to itself through excess cash available in the General Capital Fund as of December 31, 2015 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, 2015 the Township has authorized but not issued bonds and notes as follows:

General Capital Fund - Bonds and Notes	<u>\$ 3,530,934</u>
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TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

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, 2015, the following deferred charges are shown on the balance sheets of the various funds:

	Balance 12/31/2015	2016 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Codification of Ordinances	4,026	4,026	-

Note 13. General Fixed Assets

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2015:

	December 31, 2014	Additions	Deletions	December 31, 2015
Fixed Assets not being depreciated:				
Land	\$ 54,970,100	\$ 2,000,000	\$ -	\$ 56,970,100
Buildings & Improvements	47,637,784	204,118	-	47,841,902
Machinery & Equipment	14,658,265	807,361	-	15,465,626
Capital assets not being depreciated	\$ 117,266,149	\$ 3,011,479	\$ -	\$ 120,277,628

All additions are recorded at cost.

Note 14. Risk Management

The Township of Jackson is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The Township is a member of the Ocean County Municipal Joint Insurance Fund (JIF). This public entity risk pool is both an insured and self-administered group of 31 municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance Program.

Note 15. Subsequent Events

The Township has evaluated subsequent events through June 30, 2016, the date the financial statements were available to be issued.

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 16. Deferred Compensation Salary Account

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

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

Note 17. Contingencies

A. Accrued Sick, Vacation and Compensation Time

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

The accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2015 it is calculated that accrued unused sick and vacation time payable are valued at \$2,459,488. 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, 2015, the balance of the fund was \$298,172.

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, 2015 was \$263,019.

C. Litigation

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

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

TOWNSHIP OF JACKSON

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 17. Contingencies (continued):

D. Federal and State Grants

The Township receives financial assistance from the U.S. Government and the State of New Jersey in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require payment to the grantor agency. As of December 31, 2015 the Township estimates that no material liabilities will result from such audits.

Note 18. Other Post Retirement Benefits – GASB 45

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description

The Township contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. was established in 1961 under *N.J.S.A.52:14-17.25 et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The Township's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. The Township will cover the entire cost of post-retirement health benefits for the retirees and his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the Township of Jackson. Post-retirement benefits included Medicare reimbursement.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the S.H.B.P. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the S.H.B.P. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

TOWNSHIP OF JACKSON

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 18. Other Post Retirement Benefits – GASB 45 (continued):

Contributions to pay for the health premiums of participating retirees in the S.H.B.P. are billed to the Township on a monthly basis.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits.

Note 19. Self-Insurance

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

Note 20. Accounts Receivable

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes, rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township’s individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	Trust Other Fund	General Capital Fund	Total
State Aid	\$ 17,694	\$ 559,124	\$ -	\$ -	\$ 576,818
Federal Aid	-	-	380,207	-	380,207
Taxes	10,705,673	-	-	-	10,705,673
Other	34,638	-	-	395	35,033
	<hr/>				
Total	\$ 10,758,005	\$ 559,124	\$ 380,207	\$ 395	\$ 11,697,731
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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, 2015**

Balance December 31, 2014		\$ 10,665,503
Increased by Receipts:		
Nonbudget Revenues	\$ 534,337	
2015 Budget Refunds	952,448	
Taxes Receivable	148,058,038	
Tax Title Liens	51,827	
Tax Overpayments	233,726	
Revenue Accounts Receivable	6,862,060	
Prepaid Taxes	793,411	
State of New Jersey (Ch.29, P.L.1971)	501,681	
Interfunds	1,360,882	
Reserve for FEMA Reimbursements	92,641	
Reserve for Police Cars	61,255	
Reserve for Road Improvements	113,662	
Due to State of New Jersey - Construction Fees	98,870	
Due to State of New Jersey - Marriage Licenses	6,290	
	<hr/>	
Total Receipts		<hr/> 159,721,128 <hr/>
Subtotal		<hr/> 170,386,631 <hr/>
Decreased by Disbursements:		
2015 Appropriations	35,695,830	
2014 Reserved Appropriations	1,793,545	
Accounts Payable	21,360	
Tax Overpayments	70,386	
County Taxes Payable	27,414,480	
Local School District Tax	84,672,751	
Special District Taxes	5,759,393	
Reserve for Master Plan	1,137	
Reserve for Hurricane Sandy	609	
Reserve for Police Cars	50,036	
Note Payable	902,713	
Due to State of New Jersey - Construction Fees	96,959	
Due to State of New Jersey - Marriage Licenses	6,540	
Due to Municipal Open Space Trust Fund	1,338,362	
Interfunds	778,024	
	<hr/>	
Total Disbursements		<hr/> 158,602,125 <hr/>
Balance December 31, 2015		<hr/> <u>\$ 11,784,506</u> <hr/>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF DUE FROM STATE - P.L. 1971, C.20
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	11,697
Increased by:		
Deductions per Tax Duplicate:		
Senior Citizens's	\$	70,000
Veteran's		438,500
Deductions Allowed by Tax Collector:		
2015 Senior Citizen Deductions		3,250
2015 Veteran Deductions		10,500
Prior Years		250
		522,500
		534,197
Decreased by:		
Received from State of New Jersey		501,681
Deductions Disallowed by Tax Collector:		
Current Year		4,250
Prior Years Senior Citizen's & Veteran's		10,572
		516,503
Balance December 31, 2015	\$	17,694

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED TAXES	COLLECTED 2014	2015	DUE FROM STATE OF NEW JERSEY	TRANSFER TO/FROM ARREARS	CANCELED	OVERPAYMENTS APPLIED	TRANSFERRED TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2015
2010	\$ 2,012	\$ -	\$ -	\$ -	\$ 2,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2011	12,351	-	-	-	4,415	-	-	-	-	-	7,936
2012	15,202	-	-	-	7,019	-	-	-	-	-	8,183
2013	57,406	-	-	-	39,908	-	-	-	-	-	17,498
2014	1,822,438	-	10,573	-	1,306,602	-	-	450,227	34,369	14,961	26,852
Total 2015	1,909,409	149,460,896	505,768	557,812	146,698,082	518,000	-	154,936	2,107	254,591	1,781,136
Total	\$ 1,909,409	\$ 149,460,896	\$ 516,341	\$ 557,812	\$ 148,058,038	\$ 518,000	\$ -	\$ 605,163	\$ 36,476	\$ 269,552	\$ 1,841,605

ANALYSIS OF 2015 PROPERTY TAX LEVY

General Purpose	\$ 143,701,503
Special District Tax	5,759,393
Added Taxes (54:4-63.1 et seq)	505,768
Total	\$ 149,966,664
TAX LEVY:	
Local School Tax	\$ 84,672,751
County Taxes (Abstract)	
County Added & Omitted Taxes	\$ 27,311,645
Special District Taxes	92,779
Municipal Open Space	5,759,393
Local Tax for Municipal Purposes	1,338,362
Add: Additional Taxes Levied	30,330,789
Total	\$ 149,966,664

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 2,335,043
Increased by:		
Transfer from Taxes Receivable	\$ 269,552	
Interest & Costs on Taxes	1,951	
		271,503
		2,606,546
Decreased by:		
Collections		51,827
Balance December 31, 2015		\$ 2,554,719

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014		\$ 6,306,200
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**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	COLLECTED	BALANCE DECEMBER 31, 2015
Clerk:				
Alcoholic Beverage Licenses	\$ -	\$ 39,050	\$ 39,050	\$ -
Other Licenses	-	35,853	35,853	-
Fees & Permits	-	195,631	195,631	-
Municipal Court:				
Fines & Costs	20,801	493,080	479,243	34,638
Tax Collector:				
Interest & Costs on Taxes	-	423,196	423,196	-
Interest on Investments & Deposits	-	51,346	51,346	-
Housing and Commercial CCO's	-	138,700	138,700	-
Consolidated Municipal Property Tax Relief	-	85,462	85,462	-
Energy Receipts Tax	-	3,266,687	3,266,687	-
Garden State Trust Fund	-	56,290	56,290	-
Uniform Construction Code Fees	-	1,622,333	1,622,333	-
Cablevision Franchise Fee	-	249,269	249,269	-
Shared Service Agreement - BOE	-	119,000	119,000	-
Capital Fund Balance	-	100,000	100,000	-
	<hr/>			
Total	\$ 20,801	\$ 6,875,897	\$ 6,862,060	\$ 34,638
	<hr/> <hr/>			

Cash Receipts	<u>\$ 6,862,060</u>
Total	<u><u>\$ 6,862,060</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:					
Administrative Executive:					
Salaries and Wages	\$ 28,373	\$ -	\$ 33,770	\$ 5,697	\$ 28,073
Other Expenses	38,491	1,185	39,676	1,898	37,778
Human Services:					
Salaries and Wages	1,289	-	4,828	3,539	1,289
Other Expenses	1,923	317	2,240	522	1,718
Township Council:					
Other Expenses	545	-	545	-	545
Election:					
Salaries and Wages	3,076	-	3,076	-	3,076
Other Expenses	234	-	234	-	234
Municipal Clerk:					
Salaries and Wages	8,801	-	17,559	8,758	8,801
Other Expenses	10,965	2,105	13,070	2,140	10,930
Mayor Office:					
Salaries and Wages	14,750	-	14,750	-	14,750
Other Expenses	2,822	171	2,993	171	2,822
Financial Administration:					
Salaries and Wages	23,791	-	35,350	11,559	23,791
Other Expenses	12,004	12,977	24,981	8,800	16,181
Audit Services:					
Other Expenses	-	42,000	42,000	42,000	-
Data Processing:					
Salaries and Wages	1,532	-	3,868	2,336	1,532
Other Expenses	39	7,056	7,095	7,006	89
Collection of Taxes:					
Salaries and Wages	915	-	11,619	10,704	915
Other Expenses	7,350	10,543	17,893	17,831	62
Assessment of Taxes:					
Salaries and Wages	18,563	-	29,780	10,114	19,666
Other Expenses	8,974	4,019	12,993	4,099	8,894
Purchasing:					
Salaries and Wages	3,098	-	7,223	4,146	3,077
Other Expenses	1,679	1,737	3,416	845	2,571
Legal Services & Costs:					
Other Expenses	40,019	30,833	70,852	37,905	32,947

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Engineering Services & Costs:					
Salaries and Wages	19,163	-	23,533	4,370	19,163
Other Expenses	58,408	54,898	113,306	64,736	48,570
Historical Commission:					
Other Expenses	125	-	125	-	125
Community Alliance-Alcoholism & Drugs:					
Salaries and Wages	1,140	-	1,140	-	1,140
Other Expenses	54	3	57	3	54
Mayor's Community Advisory Board:					
Other Expenses	50	-	50	-	50
Economic Development Advisory Board:					
Other Expenses	1,175	-	1,175	-	1,175
Planning/Zoning Boards:					
Salaries and Wages	5,352	-	12,898	7,671	5,227
Other Expenses	26,263	2,247	25,510	8,870	16,640
Maintenance of Tax Maps:					
Other Expenses	6,319	40	6,359	3,527	2,832
Rent Leveling Board:					
Salaries and Wages	1,645	-	1,770	202	1,568
Other Expenses	1,381	6,850	11,231	11,081	150
Code Enforcement - Other:					
Salaries and Wages	46,414	-	52,922	10,428	42,494
Other Expenses	539	1,734	2,273	1,557	716
Community Development & Enforcement:					
Salaries and Wages	-	-	846	846	-
Other Expenses	2,431	2,091	4,522	1,160	3,362
Commercial Building Standards:					
Salaries and Wages	425	-	425	-	425
Other Expenses	140	210	350	157	193
Unsafe Structures Committee:					
Other Expenses	1,010	11,520	12,530	12,530	-
Insurance:					
General Liability	49,348	754	50,102	13,350	36,752
Workers Compensation	4	-	4	-	4
Employee Group Health	279,253	493	279,746	1,233	278,513
Health Benefit Waiver	7,694	1,120	8,814	1,120	7,694
Police Department:					
Salaries and Wages	44,699	-	433,814	432,544	1,270

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Other Expenses	26,774	108,947	135,721	103,513	32,208
Police Dispatch/911:					
Salaries and Wages	-	-	24,727	15,551	9,176
Emergency Management:					
Salaries and Wages	339	-	773	525	248
Other Expenses	5,117	17,200	22,317	16,889	5,428
Aid to Volunteer Ambulance:					
Other Expenses	-	15,000	15,000	15,000	-
Municipal Prosecutor:					
Other Expenses	4,840	-	4,840	3,300	1,540
Juvenile Conference Committee:					
Salaries and Wages	700	-	800	215	585
Other Expenses	25	-	25	-	25
Streets & Roads Maintenance:					
Salaries and Wages	44,576	-	89,733	46,966	42,767
Other Expenses	60,763	66,612	127,375	53,176	74,199
Snow Removal:					
Other Expenses	-	12,634	12,634	10,257	2,377
Shade Tree Commission:					
Salaries and Wages	205	-	300	120	180
Other Expenses	5,843	217	6,060	1,554	4,506
Solid Waste Collection:					
Salaries and Wages	3,110	-	4,931	1,986	2,945
Other Expenses	12,825	89,624	102,449	89,624	12,825
Buildings & Grounds:					
Salaries and Wages	26,389	-	57,916	36,861	21,055
Other Expenses	9,787	36,620	46,407	41,850	4,557
Vehicle Maintenance:					
Salaries and Wages	25,252	-	37,296	12,792	24,504
Other Expenses	84,638	106,189	190,827	87,280	103,547
Community Services Act:					
Other Expenses	-	114,532	158,000	158,000	-
Public Health Services:					
Salaries and Wages	4,188	-	4,188	616	3,572
Other Expenses	367	346	713	346	367
Environmental Health Services-					
Environmental Commission:					
Salaries and Wages	355	-	355	105	250
Other Expenses	500	-	500	-	500

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Animal Control Services:					
Salaries and Wages	9,145	-	14,339	7,839	6,500
Other Expenses	15,827	6,499	22,326	6,483	15,843
Going Green Committee:					
Other Expenses	25	-	25	-	25
Recreation Services & Programs:					
Salaries and Wages	4,864	-	8,438	3,959	4,479
Other Expenses	529	3,924	4,453	3,963	490
Office for the Golden Age:					
Salaries and Wages	8,499	-	17,584	15,754	1,830
Other Expenses	1,285	5,806	7,091	5,418	1,673
Handicapped Committee:					
Salaries and Wages	268	-	683	545	138
Other Expenses	6,631	291	6,922	291	6,631
Park Maintenance:					
Other Expenses	606	-	606	-	606
Municipal Court:					
Salaries and Wages	18,916	-	32,203	15,800	16,403
Other Expenses	4,951	3,096	8,047	2,518	5,529
Salary & Wage Adjustment					
Salaries and Wages	21,416	-	21,416	-	21,416
Postage & Photocopy:					
Other Expenses	12,510	11,942	24,452	10,762	13,690
Utility Expenses & Bulk Purchases:					
Electricity	15,105	79,675	94,780	92,456	2,324
Street Lighting	76,611	49,418	126,029	35,804	90,225
Telecommunication Costs	5,924	-	5,924	5,924	-
Telecommunication Costs - Lease Obligatio	1,522	20,193	21,715	18,954	2,761
Natural Gas	-	19,464	21,964	21,906	58
Heating Oil	2,750	-	2,750	-	2,750
Fuel & Petroleum Products	30,179	120,866	148,545	62,975	85,570
Water	1,000	-	1,000	-	1,000
Landfill/Solid Waste Disposal Costs:					
Other Expenses	23,831	44,457	68,288	50,124	18,164
Legler Landfill - Postclosure Monitoring:					
Other Expenses	5,000	7,544	12,544	10,544	2,000
Uniform Construction Code:					

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	RESERVE FOR ENCUMBRANCES	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Construction Code Department:					
Salaries and Wages	42,872	-	71,569	32,062	39,507
Other Expenses	15,054	12,145	27,199	12,501	14,698
Statutory Expenditures:					
Social Security System (O.A.S.I.)	72,497	33,578	106,075	35,270	70,805
Defined Contribution Retirement Program	119	270	389	269	120
Public Employee Retirement System					
Delayed Appropriation	84	-	84	-	84
Service Contracts:					
Sewer & Water Purposes - MUA	-	300	300	300	-
Implementation of 911 Emergency:					
Salaries and Wages	14,508	-	14,508	14,508	-
Relocation Assistance	2,000	-	2,000	-	2,000
Recycling Tax	4,247	199	4,446	2,045	2,401
LOSAP	-	29,000	29,000	29,000	-
Shared Service Agreement BOE	-	8,500	8,500	8,500	-
Matching Funds for Grants	8,157	-	8,157	-	8,157
Judgements	2,466	-	2,466	-	2,466
Total General Appropriations	\$ 1,528,256	\$ 1,219,991	\$ 3,434,017	\$ 1,958,455	\$ 1,475,562

Cash Disbursements	\$ 1,793,545
Accounts Payable	164,910
Total	\$ 1,958,455

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 298,210
Increased by:		
Appropriation Reserves Charged		164,910
		463,120
Decreased by:		
Cash Disbursed	\$ 21,360	
Cancelled	145,758	
		167,118
Balance December 31, 2015		\$ 296,002

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 1,219,991
Increased by:		
2015 Budget Appropriations		984,270
Subtotal		2,204,261
Decreased by:		
Transfer to Appropriation Reserves		1,219,991
Balance December 31, 2015		\$ 984,270

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	557,812
Increased by:		
2015 Tax Collections		793,411
		1,351,223
Decreased by:		
Applied to 2015 Taxes Receivable		557,812
Balance December 31, 2015	\$	793,411

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	36,476
Increased by:		
Overpayments Created		233,726
		270,202
Decreased by:		
Overpayments Applied	\$	36,476
Cash Refunds		70,386
		106,862
Balance December 31, 2015	\$	163,340

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 102,835
Increased by:		
County Tax	\$ 23,116,561	
County Library Tax	2,503,076	
County Health Tax	900,739	
County Open Space Preservation Tax	791,269	
Due County for Added & Omitted Taxes	92,779	
		27,404,424
		27,507,259
Decreased by:		
Payments		27,414,480
Balance December 31, 2015		\$ 92,779

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ -
Increased by:		
Levy - Calendar Year 2015		84,672,751
		84,672,751
Decreased by:		
Disbursed		84,672,751
Balance December 31, 2015		\$ -

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ -
Increased by:		
Fire Districts Levy:		
Whitesville Fire District #1	\$ 532,800	
Cassville Fire District #2	1,131,931	
Hulses Corner Fire District #3	2,597,628	
Jackson Mills Fire District #4	<u>1,497,034</u>	
		<u>5,759,393</u>
		5,759,393
Decreased by:		
Disbursed		<u>5,759,393</u>
Balance December 31, 2015		<u><u>\$ -</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - CONSTRUCTION FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 23,767
Increased by:		
Collections		<u>98,870</u>
		122,637
Decreased by:		
Disbursed		<u>96,959</u>
Balance December 31, 2015		<u><u>\$ 25,678</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 1,525
Increased by:		
Collections		<u>6,290</u>
		7,815
Decreased by:		
Disbursed		<u>6,540</u>
Balance December 31, 2015		<u><u>\$ 1,275</u></u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<u><u>\$ 5,743</u></u>
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**SCHEDULE OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ -
Increased by:	
Open Space Tax	\$ 1,333,835
Added & Omitted Taxes	<u>4,527</u>
	<u>1,338,362</u>
	1,338,362
Decreased by:	
Cash Disbursed	<u>1,338,362</u>
Balance December 31, 2015	<u><u>\$ -</u></u>

**SCHEDULE OF RESERVE FOR GARDEN STATE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<u><u>\$ 1</u></u>
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**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR STATE BOARD OF TAXATION APPEALS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	\$ <u>313,783</u>
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**SCHEDULE OF RESERVE FOR MASTER PLAN
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 25,223
Decreased by:	
Disbursements	1,137

Balance December 31, 2015	\$ <u>24,086</u>

**SCHEDULE OF RESERVE FOR SKATE PARK
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	\$ <u>2,118</u>
----------------------------------	-----------------

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR COAH STATE PLAN
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<u><u>\$ 915,250</u></u>
----------------------------------	--------------------------

**SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 991,543
Increased by:	
FEMA Reimbursements	<u>92,641</u>
	1,084,184
Decreased by:	
Cash Disbursements	\$ 609
Adopted Budget	<u>902,713</u>
	<u>903,322</u>
Balance December 31, 2015	<u><u>\$ 180,862</u></u>

**SCHEDULE OF RESERVE FOR HURRICANE SANDY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<u><u>\$ 53,663</u></u>
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**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR SCIBAL REIMBURSEMENTS - HURRICANE SANDY - DPW
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	\$ <u>25,235</u>
----------------------------------	------------------

**SCHEDULE OF RESERVE FOR SCIBAL REIMBURSEMENTS - HURRICANE SANDY - POLICE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	\$ <u>30,249</u>
----------------------------------	------------------

**SCHEDULE OF RESERVE FOR POLICE CARS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 118,078
Increased by:	
Cash Receipts	<u>61,255</u>
	179,333
Decreased by:	
Cash Disbursements	<u>50,036</u>
Balance December 31, 2015	<u>\$ 129,297</u>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF INTERFUNDS - OTHER FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	FEDERAL & STATE GRANT FUND	TRUST OTHER	TOTAL
Balance December 31, 2014 (Interfunds Payable)	<u>\$ (443,316)</u>	<u>\$ (4,144)</u>	<u>\$ (447,460)</u>
Subtotal	<u>(443,316)</u>	<u>(4,144)</u>	<u>(447,460)</u>
Increased by:			
Anticipated Revenue	430,453	-	430,453
Cash Disbursements	403,110	575,041	978,151
Cancellation of Appropriation Reserves	<u>34,940</u>	<u>-</u>	<u>34,940</u>
Subtotal	<u>868,503</u>	<u>575,041</u>	<u>1,443,544</u>
Decreased by:			
Cash Collections:			
Grants Receivable	186,424	-	186,424
Unappropriated Funds	124,584	-	124,584
Interfunds Liquidated	-	572,205	572,205
Grant Appropriations	451,460	-	451,460
Cancellation of Grant Receivables	<u>26,209</u>	<u>-</u>	<u>26,209</u>
Subtotal	<u>788,677</u>	<u>572,205</u>	<u>1,360,882</u>
Balance December 31, 2015 (Interfunds Payable)	<u>\$ (363,490)</u>	<u>\$ (1,308)</u>	<u>\$ (364,798)</u>
Due From Developers Escrow		\$ 1,015	
Due to General Trust		(1,813)	
Due To Parks & Recreation		<u>(510)</u>	
Total		<u>\$ (1,308)</u>	

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2015**

DATE AUTHORIZED	PURPOSE	NET AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2014	REDUCED IN 2015 BUDGET	ADDED IN 2015	BALANCE DECEMBER 31, 2015
2012	Hurricane Sandy (N.J.S. 40A:4-53)	\$ 1,905,000	\$ 381,000	\$ 902,713	\$ 902,713	\$ -	\$ -
2011	Codification of Ordinances (N.J.S. 40A:4-53)	20,130	4,026	8,052	4,026	-	4,026
Total				\$ 910,765	\$ 906,739	\$ -	\$ 4,026

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	443,316
Increased by:			
Deposited in Current Fund:			
Unappropriated Reserves	\$	124,584	
Grants Receivable		186,424	
Cancellation of Grants Receivable		26,209	
2015 Budget Appropriations		451,460	
		788,677	788,677
			1,231,993
Decreased by:			
Disbursed by Current Fund:			
Appropriated Reserves		403,110	
Cancellation of Appropriated Reserves		34,940	
2015 Anticipated Revenue		430,453	
		868,503	868,503
Balance December 31, 2015		\$	363,490

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEARENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	2015 ANTICIPATED REVENUE	CASH RECEIVED	TRANSFER FROM UNAPPROPRIATED RESERVE	CANCELLED	BALANCE DECEMBER 31, 2015
State Grants:	\$	200 \$	- \$	- \$	200 \$	-
COPS in Shops - Fall College Initiative 2014	90	-	-	-	90	-
COPS in Shops - Summer Shore Initiative 2014	-	2,000	2,000	-	-	-
COPS in Shops - Summer Shore Initiative 2015	-	2,422	-	2,422	-	-
Alcohol Education & Rehabilitation	7,500	-	5,800	-	1,700	-
Drive Sober or Get Pulled Over 2014	-	5,000	4,275	-	725	-
Drive Sober or Get Pulled Over Labor Day 2015	-	5,000	-	-	-	5,000
Drive Sober or Get Pulled Over 2015	13,600	-	13,576	-	24	-
Emergency Response Grant 2014	-	114,730	-	114,730	-	-
Clean Communities 2015	3,000	-	3,000	-	-	-
Green Communities	-	100,249	-	100,249	-	-
Recycling Tonnage	-	9,787	-	9,787	-	-
Drunk Driving Enforcement Fund 2015	-	7,332	-	7,332	-	-
NJ Body Armor Replacement Grant 2015	-	33,124	-	-	-	-
Municipal Alliance Alcohol & Drug Alliance 2015	-	-	-	-	-	33,124
Municipal Alliance Alcohol & Drug Alliance 2014	35,374	-	11,929	-	23,445	-
Municipal Alliance Recreational Opportunities 2015	-	15,000	-	-	-	15,000
NJ Handicapped Recreational Opportunities 2014	15,000	-	15,000	-	-	-
NJ Handicapped Recreational Opportunities 2015	-	17,710	17,710	-	-	-
OC Office of Senior Services - Information Assistance Grant	-	4,000	3,975	-	25	-
Click It or Ticket 2015	-	28,805	13,202	-	-	15,603
Safe & Secure Neighborhood 2015	-	1,000	750	-	-	250
Safe & Secure Neighborhood 2014	240	-	240	-	-	-
OC Cultural & Heritage Comm 2015	328,967	-	-	-	-	328,967
OC Cultural & Heritage Comm 2014	81,250	-	-	-	-	81,250
NJ-DOT Municipal Aid-Wright Debow '14	75,000	-	75,000	-	-	-
NJ-DOT Municipal Aid- Brewers Bridge	-	-	-	-	-	-
NJ-DOT Local Aid- Sidewalks	-	-	-	-	-	-
Total State	575,824	346,159	182,060	234,520	26,209	479,194
Federal Grants:						
FEMA Hazard Mitigation - Townhall Generator	-	78,529	-	-	-	78,529
Federal Bureau of Justice - Bulletproof Vest	-	5,765	4,364	-	-	1,401
Total Federal	-	84,294	4,364	-	-	79,930
Total	\$ 575,824	\$ 430,453	\$ 186,424	\$ 234,520	\$ 26,209	\$ 559,124

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	TRANSFERRED FROM 2015 BUDGET	PRIOR YEAR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	REFUND	CANCELLED	BALANCE DECEMBER 31, 2015
State Grants:								
Handicapped Recreation Opportunities - 2013	\$ -	\$ -	\$ 10	\$ 10	\$ -	\$ -	\$ -	\$ -
Handicapped Recreation Opportunities - 2014	13,292	-	2,200	15,492	-	-	-	-
Handicapped Recreation Opportunities - 2015	-	18,000	-	2,936	667	-	-	14,397
Click It or Ticket - 2015	-	4,000	-	3,975	-	-	25	-
Recycling Tonnage Grant - 2009	34,748	-	-	-	-	-	-	34,748
Recycling Tonnage Grant - 2010	44,675	-	-	-	-	-	-	44,675
Recycling Tonnage Grant - 2011	66,707	-	-	-	-	-	-	66,707
Recycling Tonnage Grant - 2012	49,031	-	-	-	-	-	-	49,031
Recycling Tonnage Grant - 2013	2,169	-	-	-	-	-	-	2,169
Recycling Tonnage Grant - 2014	38,388	-	-	4,000	-	-	-	34,388
Recycling Tonnage Grant - 2015	-	100,249	-	-	-	-	-	100,249
Body Armor Replacement Grant - 2012	-	-	-	-	2,207	2,207	-	-
Body Armor Replacement Grant - 2013	2,887	-	-	-	3,297	432	-	22
Body Armor Replacement Grant - 2014	9,405	-	-	-	-	-	-	9,405
Body Armor Replacement Grant - 2015	-	7,332	-	-	-	-	-	7,332
Drunk Driving Enforcement Fund - 2012	75	-	-	75	-	-	-	-
Drunk Driving Enforcement Fund - 2013	2,765	-	-	1,551	-	-	-	1,214
Drunk Driving Enforcement Fund - 2014	8,465	-	158	236	-	-	-	8,387
Drunk Driving Enforcement Fund - 2015	-	9,787	-	-	-	-	-	9,787
Alcohol Education & Rehabilitation - 2008	148	-	-	148	-	-	-	-
Alcohol Education & Rehabilitation - 2009	1,502	-	-	1,152	-	-	-	350
Alcohol Education & Rehabilitation - 2010	3,094	-	-	-	-	-	-	3,094
Alcohol Education & Rehabilitation - 2012	1,496	-	-	-	-	-	-	1,496
Alcohol Education & Rehabilitation - 2013	2,428	2,422	-	-	-	-	-	4,850
Municipal Alliance - 2015	42,553	-	-	10,287	-	-	32,266	-
Municipal Alliance - 2015/2016	-	41,405	-	-	-	-	-	41,405
Safe & Secure Communities Program 2014	15,603	-	-	15,603	-	-	-	-
Safe & Secure Communities Program 2015	-	28,805	-	20,403	-	-	-	8,402
Clean Communities Program - 2012	3	-	255	236	-	-	-	22
Clean Communities Program - 2013	23,597	-	-	22,980	553	-	-	64
Clean Communities Program - 2014	87,147	-	-	83,925	3,103	-	-	119
Clean Communities Program - 2015	-	114,730	-	2,481	-	-	-	112,249
Green Communities-2013	2,269	-	-	-	-	-	-	2,269
Green Communities-2014	3,000	-	-	3,000	-	-	-	-
COPS in Shops - Summer Shore Initiative 201	-	2,000	-	2,000	-	-	-	-
COPS in Shops - Fall College Initiative 2014	200	-	-	-	-	-	200	-
Recycling Mini Grant	2,907	-	-	-	-	-	-	2,907
Y/E Crackdown - 2014	6,900	-	-	5,200	-	-	1,700	-

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	TRANSFERRED FROM 2015 BUDGET	PRIOR YEAR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	REFUND	CANCELLED	BALANCE DECEMBER 31, 2015
Labor Day 2015	-	5,000	-	4,275	-	-	725	-
Y/E Crackdown - 2015	-	5,000	-	-	-	-	-	5,000
Emergency Response Grant 2014	24	-	13,576	13,576	-	-	24	-
Stormwater Management	372	-	-	-	-	-	-	372
Going Green Sustainable/Small Cities 2012	1,000	-	-	-	-	-	-	1,000
NJ-DOT Municipal Aid-Wright Debow '14	328,967	-	-	-	-	-	-	328,967
NJ-DOT Local Aid- Sidewalks	-	-	86,335	86,335	-	-	-	-
OC Heritage & Cultural Comm - 2015	-	2,000	-	2,000	-	-	-	-
OC Heritage & Cultural Comm - 2014	-	-	498	498	-	-	-	-
Total State Grants	795,817	340,730	103,032	302,374	9,827	2,639	34,940	895,077
Federal Grants:								
Ocean County Office of Senior Services - Information Systems Grant 2014	-	-	500	500	-	-	-	-
Information Systems Grant 2015	-	17,710	-	17,709	-	-	-	1
FEMA Hazard Mitigation Grant - Townhall Generator	-	87,255	-	80,801	-	-	-	6,454
Federal Bureau of Justice Bulletproof Vest Partnership	-	5,765	-	4,364	1,401	-	-	-
Total Federal Grants	-	110,730	500	103,374	1,401	-	-	6,455
Totals	\$ 795,817	\$ 451,460	\$ 103,532	\$ 405,748	\$ 11,228	\$ 2,639	\$ 34,940	\$ 901,532

**TOWNSHIP OF JACKSON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	RECEIVED 2015	ANTICIPATED AS REVENUE	BALANCE DECEMBER 31, 2015
State Grants:				
Alcohol Education & Rehabilitation	\$ 2,423	\$ 2,534	\$ 2,423	\$ 2,534
NJ Body Armor	7,333	7,320	7,333	7,320
Clean Communities	-	114,730	114,730	-
Drunk Driving Enforcement Fund	9,786	-	9,786	-
Recycling Tonnage	100,249	-	100,249	-
	<hr/>			
Total	\$ 119,791	\$ 124,584	\$ 234,521	\$ 9,854
	<hr/> <hr/>			

**SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 103,532
Increased by:	
Charged to Appropriation Reserves	11,228
	<hr/>
	114,760
Decreased by:	
Applied to Appropriated Reserves	103,532
	<hr/>
Balance December 31, 2015	\$ 11,228
	<hr/> <hr/>

**TOWNSHIP OF JACKSON
CURRENT FUND
SCHEDULE OF RESERVE FOR ROAD IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	-
Increased by:		
Cash Receipts		113,662
Balance December 31, 2015	\$	113,662

TRUST FUND

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**TOWNSHIP OF JACKSON
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ANIMAL CONTROL TRUST FUND	OPEN SPACE TRUST FUND	TRUST OTHER FUND
Balance December 31, 2014	\$ 101,722	\$ 2,599,645	\$ 10,247,940
Increased by Receipts:			
Reserve for Animal Control Trust Fund			
Expenditures	\$ 57,519	\$ -	\$ -
Interfund Due Current	-	-	575,041
Various Reserves	-	-	6,487,252
Due from Ocean County Community Development Block Grant	-	-	7,767
Reserve for Open Space	-	1,343,546	-
Due to State of New Jersey	6,962	-	-
Total Receipts	64,481	1,343,546	7,070,060
Total	166,203	3,943,191	17,318,000
Decreased by Disbursements:			
Due to State of New Jersey	6,955	-	-
Animal Control Trust Fund Expenditures (R.S.4:19015.11)	34,994	-	-
Interfund - Current Fund	-	-	572,205
Community Development Block Grant	-	-	41,235
Various Reserves	-	-	5,500,817
Reserve for Open Space	-	841,414	-
Total Disbursements	41,949	841,414	6,114,257
Balance December 31, 2015	\$ 124,254	\$ 3,101,777	\$ 11,203,743

**TOWNSHIP OF JACKSON
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	12
Increased by:		
Cash Receipts		6,962
Subtotal		6,974
Decreased by:		
Cash Disbursements		6,955
Balance December 31, 2015	\$	19

**ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	101,710
Increased by:		
2015 Dog License Fees Collected		57,519
Subtotal		159,229
Decreased by:		
Expenditures Under R.S.4:19-15:11 - Cash		34,994
Balance December 31, 2015	\$	124,235

LICENSE FEES COLLECTED

YEAR	AMOUNT
2014	\$ 76,603
2013	62,569
Total	\$ 139,172

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF INTERFUND - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	(4,144)
Increased by:		
Cash Receipts		575,041
		570,897
Decreased by:		
Cash Disbursements		572,205
Balance December 31, 2015	\$	(1,308)

**SCHEDULE OF DUE FROM COUNTY OF OCEAN COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	248,591
Increased by:		
Grant Awards 2015		139,383
		387,974
Decreased by:		
Cash Receipts		7,767
Balance December 31, 2015	\$	380,207
<u>Analysis of Balance, December 31, 2015</u>		
CT-1512-13	\$	94,241
CT-1512-14		146,583
CT-1512-15		139,383
	\$	380,207

TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015

Balance December 31, 2014	\$ 241,186
Increased by:	
Community Development Block Grants	<u>139,383</u>
	380,569
Decreased by:	
Cash Disbursed	<u>41,235</u>
Balance December 31, 2015	<u><u>\$ 339,334</u></u>

**TOWNSHIP OF JACKSON
TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	INCREASES	DECREASES	BALANCE DECEMBER 31, 2015
Reserve for:				
Municipal Alliance	\$ 1,294	\$ 125	\$ -	\$ 1,419
Developer Escrow	4,168,500	1,507,813	958,169	4,718,144
Recreation Trust	234,586	632,830	617,852	249,564
Handicapped Commission	17,570	7,214	6,220	18,564
Tax Title Liens Premiums/ Redemptions	1,379,054	2,924,676	2,588,881	1,714,849
Unemployment Trust	252,638	23,764	13,383	263,019
Parking Offense Adjudication Ac	2,050	138	-	2,188
Recycling Trust	495,828	87,183	135,281	447,730
Harmony Trust	474	-	-	474
Special Law Enforcement Fund	81,033	20,267	12,884	88,416
Public Defender Fees	28,778	23,813	27,601	24,990
Tree Escrow	621,630	14,375	27,885	608,120
Sick Leave Trust Fund	264,090	170,000	135,918	298,172
Off Duty Police	144,661	512,703	518,715	138,649
Youth Advisory	72	-	-	72
Management of Feral Cats	47	-	-	47
Snow Removal	219,354	195,298	110,988	303,664
C.O.A.H.	1,708,687	249,925	201,304	1,757,308
Clean Communities Donation	2,057	8,604	7,962	2,699
Developers Contribution Curbs & Sidewalks	132,140	46,100	50,000	128,240
Detention Basin	504,783	62,423	87,774	479,432
Section 125 Flex Spending	163	1	-	164
	<hr/>			
Total	<u>\$ 10,259,489</u>	<u>\$ 6,487,252</u>	<u>\$ 5,500,817</u>	<u>\$ 11,245,924</u>

**TOWNSHIP OF JACKSON
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 2,599,645
Increased by:		
Open Space Tax levy	\$ 1,333,835	
Open Space Added/Omitted Levy	4,527	
Interest Earned	5,184	
	<u>1,343,546</u>	<u>1,343,546</u>
Subtotal		3,943,191
Decreased by:		
Payment of Bond Principal	580,000	
Interest on Bonds	218,884	
Purchases	42,530	
	<u>841,414</u>	<u>841,414</u>
Balance December 31, 2015		<u><u>\$ 3,101,777</u></u>

**TOWNSHIP OF JACKSON
 LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")
 SCHEDULE OF FUNDS HELD BY TRUSTEE
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	116,535
Decreased by:		
Fees		1,082.00
Balance December 31, 2015	\$	115,453

**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD PROGRAM
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	116,535
Decreased by:		
Fees		1,082.00
Balance December 31, 2015	\$	115,453

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GENERAL CAPITAL FUND

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**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 4,935,299
Increased by:		
Bond Anticipation Notes	\$ 3,971,393	
Investment in Bond Anticipation Note	902,713	
Refund Prior Expenditures	336	
Reserve for Debt Service - Other	53,137	
Capital Improvement Fund	110,000	
		5,037,579
		9,972,878
Decreased by:		
Bond Anticipation Notes	1,891,241	
From Current Fund	100,000	
Improvement Authorizations	1,211,010	
		3,202,251
Balance December 31, 2015		\$ 6,770,627

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

		BALANCE DECEMBER 31, 2015
Capital Improvement Fund		\$ 10,718
Reserve for Encumbrances		2,290,645
Capital Fund Balance		4,249
Reserve for Debt Service - Open Space Bonds		1,853,771
Reserve for Building Department Facilities		10,589
Reserve for Debt Service - Other		120,413
MUA Shared Services Agreement Receivable		(395)
Improvement Authorizations:		
Ordinance Number:	DESCRIPTION	
27-04(ii)	Various Improvements to Justice Complex	50,143
09-07(iii)	Construction of Public Works Storage Building	1,638
09-07(iv)/28-07	Acquisition of Security, Telecommunications & GPS Equipment	32,649
09-07(vi)	Improvements to Library & Municipal Facilities	19,906
29-08(ii)	Telephone/Data System Upgrade	100,036
29-08(iv)	Hydraulic System Transfer Station	15,056
19-09(ii)	Public Water Service Installation	81,040
19-09(iii)	Acquisition of Office Equipment	22,430
19-09(iv)	Implementation of Recycling Center	32,310
19-09(v)	Acquisition of Equipment for Police Department	8,028
19-09(vi)	Acquisition of Equipment for Public Works	25,730
19-09(vii)	Acquisition of Passenger Bus for Senior Center	4,862
25-10	Municipal Capital Improvements	198,260
25-10	Township Recycling Center	27,420
25-10	Technology Upgrades	49,006
25-10	Police Department Equipment	67,491
25-10	Public Works Equipment	90,864
403R-10	DOT Municipal Aid 2011 - Patterson Road	4,732
03-12	Road Improvements	35,973
03-12	DPW Equipment	35,154
03-12	Ambulance	8,522
03-12	Non-Passenger Vehicles	11,263
18-13(i)	Acquisition of DPW Equipment	270,937
18-13(ii)	Acquisition of Pool Equipment	26
18-13(iii)	Record Retention/Microfilming	123,400
18-13(vii)	Section 20 Costs	169,549
20-14(i)	Acquisition of DPW Equipment	761,702
20-14(iii)	Acquisition of Senior Center Bus	5,258
20-14(iv)	Acquisition of UCC non-passenger Vehicles	3,990
20-14(v)	Various Park Improvements	7,455
20-14	Section 20 Costs	196,595
21-15	DPW Equipment/Road Repair	14,260
21-15	Roads/Sidewalks/Drainage	60,375
21-15	Police Equipment	(49,776)
21-15	Various Park Improvements	2,818
21-15	Various Building Improvements	2,530
21-15	Municipal Court Equipment	(10,995)
Total		<u>\$ 6,770,627</u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM JACKSON MUA FOR SHARED SERVICES AGREEMENT
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	\$	<u>395</u>
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**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	24,476,000
Decreased by:		
Budget Appropriation to Pay Bonds	\$	3,020,000
Paid by Open Space Trust Fund		<u>580,000</u>
		<u>3,600,000</u>
Balance December 31, 2015	\$	<u>20,876,000</u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE DECEMBER 31, 2015					UNEXPENDED IMPROVEMENT AUTHORIZATIONS
		BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	BALANCE DECEMBER 31, 2015	BOND ANTICIPATION NOTES	EXPENDITURES	
18-13(i)	Acquisition of DPW Equipment	\$ 493,055	\$ -	\$ 493,055	\$ 493,055	\$ -	\$ -
18-13(ii)	Acquisition of Pool Equipment	73,126	-	73,126	73,126	-	-
18-13(iii)	Record Retention/Microfilming	156,750	-	156,750	156,750	-	-
18-13(iv)	Acquisition of First Aid Ambulance	167,200	-	167,200	167,200	-	-
18-13(v)	Acquisition of Senior Center Bus	60,610	-	60,610	60,610	-	-
18-13(vi)	Various Road/Drainage and Sidewalk Improvements	940,500	-	940,500	940,500	-	-
20-14(i)	Acquisition of DPW Equipment	955,009	-	955,009	955,009	-	-
20-14(ii)	Various Road/Drainage and Sidewalk Improvements	942,857	-	942,857	942,857	-	-
20-14(iii)	Acquisition of Senior Center Bus	71,238	-	71,238	71,238	-	-
20-14(iv)	Acquisition of UCC non-passenger Vehicles	69,143	-	69,143	69,143	-	-
20-14(v)	Various Park Improvements	41,905	-	41,905	41,905	-	-
21-15	DPW Equipment/Road Repair	-	283,740	283,740	-	-	283,740
21-15	Roads Sidewalks and Drainage Projects	-	939,625	939,625	-	-	939,625
21-15	Police Equipment	-	267,578	267,578	-	49,776	217,802
21-15	Various Park Improvements	-	46,182	46,182	-	-	46,182
21-15	Various Building Improvements	-	41,470	41,470	-	-	41,470
21-15	Municipal Court Equipment	-	49,263	49,263	-	10,995	38,268
21-15	Section 20 Costs	-	259,076	259,076	-	-	259,076
23-15	JetVac and Sweeper	-	1,075,000	1,075,000	-	-	1,075,000
Total		\$ 3,971,393	\$ 2,961,934	\$ 6,933,327	\$ 3,971,393	\$ 60,771	\$ 2,901,163

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT OF ISSUE	ORIGINAL DATE OF ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2014	ISSUED	PAID	BALANCE DECEMBER 31, 2015
			DECEMBER 31, 2015	PAYMENT AMOUNT					
Open Space Bonds	\$ 5,918,000	12/01/2003	12/01/2016	\$ 500,000	4.00%	\$ 1,975,000	-	\$ 475,000	\$ 1,500,000
			12/01/2017	500,000	4.00%				
			12/01/2018	500,000	4.00%				
General Improvements	16,102,000	12/01/2008	12/01/2016	2,025,000	3.75%	12,247,000	-	1,945,000	10,302,000
			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	12/01/2016	100,000	3.75%	3,224,000	-	105,000	3,119,000
			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, 2015**

IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT OF ISSUE	ORIGINAL DATE OF ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2014	ISSUED	PAID	BALANCE DECEMBER 31, 2015
			DECEMBER 31, 2015 PAYMENT DATE	PAYMENT AMOUNT					
Refunding Bonds	8,010,000	4/30/2009	12/01/2016	770,000	4.00%	1,545,000	-	775,000	770,000
General Obligation	5,485,000	7/23/2014	6/1/2016	350,000	2.00%	5,485,000	-	300,000	5,185,000
			6/1/2017	500,000	3.00%				
			6/1/2018	500,000	3.00%				
			6/1/2019	500,000	3.00%				
			6/1/2020	500,000	2.00%				
			6/1/2021	515,000	2.00%				
			6/1/2022	520,000	2.00%				
6/1/2023	600,000	2.125%							
6/1/2024	600,000	2.25%							
6/1/2025	600,000	2.375%							
			Total	\$ 22,492,000	\$ -	\$ 3,600,000	\$ 20,876,000		

Current Fund Budget Appropriation \$ 3,020,000
Open Space Trust Appropriation 580,000
\$ 3,600,000

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES	RECLASS PRIOR YEAR ENCUMBRANCES	BALANCE DECEMBER 31, 2015	
		UNFUNDED	FUNDED					UNFUNDED	FUNDED
13-03	Improvements to Recreational Facilities	\$ -	\$ 2,402	\$ -	\$ -	\$ 2,402	\$ -	\$ -	\$ -
27-04(ii)	Various Improvements to the Justice Complex	-	50,172	-	5,019	21,761	26,751	-	50,143
10-06(i)	Construction of Public Works Storage Building	-	9,305	-	9,305	-	-	-	-
09-07(i)	Municipal Park Facilities (Recreation Fields)	-	11,173	-	10,000	1,173	-	-	-
09-07(iii)	Construction of Public Works Storage Building	-	1,638	-	-	-	-	-	1,638
28-07A	Telecommunications & GPS Equipment	-	30,357	-	14,723	-	17,015	-	32,649
09-07(vi)	Improvements to Library & Municipal Facilities	-	64,830	-	128,464	4,922	88,462	-	19,906
29-08(ii)	Telephone/Data System Upgrade	-	163,196	-	63,160	-	-	-	100,036
29-08(iv)	Hydraulic System Transfer Station	-	147,469	-	-	132,413	-	-	15,056
19-09(i)	Various Road Improvements	-	47,092	-	47,092	-	-	-	-
19-09(ii)	Public Water Service Installation	-	81,040	-	-	-	-	-	81,040
19-09(iii)	Acquisition of Office Equipment	-	33,726	-	9,168	2,128	-	-	22,430
19-09(iv)	Implementation of Recycling Center	-	32,310	-	-	-	-	-	32,310
19-09(v)	Acquisition of Equipment for Police Department	-	8,028	-	-	-	-	-	8,028
19-09(vi)	Acquisition of Equipment for Public Works	-	25,730	-	-	-	-	-	25,730
10-09(vii)	Acquisition of Passenger Bus for Senior Center	-	4,862	-	-	-	-	-	4,862
25-10	Road & Drainage Improvements	-	66,917	-	1,261	65,656	-	-	-
25-10	Municipal Capital Improvements	-	198,260	-	2,375	-	2,375	-	198,260
25-10	Township Recycling Center	-	27,420	-	-	-	-	-	27,420
25-10	Technology Upgrades	-	49,006	-	-	-	-	-	49,006
25-10	Police Department Equipment	-	77,971	-	2,250	10,480	2,250	-	67,491
25-10	DPW Equipment	-	90,864	-	-	-	-	-	90,864
403R-10	DOT Municipal Aid 2011 - Patterson Road	-	4,732	-	-	-	-	-	4,732
03-12	Road Improvements	-	513,734	-	549,644	147,939	219,822	-	35,973
03-12	DPW Equipment	-	60,949	-	25,795	-	-	-	35,154
03-12	Ambulance	-	8,522	-	-	-	-	-	8,522
03-12	Non-Passenger Vehicles	-	11,263	-	-	-	-	-	11,263
18-13(i)	Acquisition of DPW Equipment	292,780	-	-	-	21,843	-	270,937	-
18-13(ii)	Acquisition of Pool Equipment	6,503	-	-	6,477	-	-	26	-
18-13(iii)	Record Retention/Microfilming	141,750	8,250	-	-	26,600	-	123,400	-

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	PAID OR CHARGED	RESERVE FOR ENCUMBRANCES	RECLASS PRIOR YEAR ENCUMBRANCES	BALANCE DECEMBER 31, 2015	
		UNFUNDED	FUNDED					UNFUNDED	FUNDED
18-13(vi)	Various Road/Drainage and Sidewalk Improvements	850,500	49,500	-	-	900,000	-	-	-
18-13(vii)	Section 20 Costs	170,705	-	-	1,156	-	-	169,549	-
20-14(i)	Acquisition of DPW Equipment	863,849	47,751	-	149,898	-	-	761,702	-
20-14(ii)	Various Road/Drainage and Sidewalk Improvements	852,857	47,143	-	-	900,000	-	-	-
20-14(iii)	Acquisition of Senior Center Bus	64,438	3,562	-	62,682	60	-	5,258	-
20-14(iv)	Acquisition of UCC non-passenger Vehicles	62,543	3,457	-	62,010	-	-	3,990	-
20-14(v)	Various Park Improvements	37,905	2,095	-	7,129	25,416	-	7,455	-
20-14	Section 20 Costs	197,749	-	-	1,154	-	-	196,595	-
21-15	DPW Equipment/Road Repair	-	-	298,000	-	-	-	283,740	14,260
21-15	Roads/Sidewalks/Drainage	-	-	1,000,000	-	-	-	939,625	60,375
21-15	Police Equipment	-	-	284,170	-	14,120	-	217,802	-
21-15	Various Park Improvements	-	-	49,000	-	-	-	46,182	2,818
21-15	Various Building Improvements	-	-	44,000	-	-	-	41,470	2,530
21-15	Municipal Court Equipment	-	-	52,000	-	13,732	-	38,268	-
21-15	Section 20 Costs	-	-	259,076	-	-	-	259,076	-
23-15	JetVac and Sweeper	-	-	1,075,000	-	-	-	1,075,000	-
Total		\$ 3,541,579	\$ 1,984,726	\$ 3,061,246	\$ 1,211,010	\$ 2,290,645	\$ 356,675	\$ 4,440,075	\$ 1,002,496

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	356,676
Increased by:		
Charged to Improvement Authorizations		2,290,645
		2,647,321
Decreased by:		
Prior Year Encumbrance Canceled		356,676
		356,676
Balance December 31, 2015	\$	2,290,645

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	30
Increased by:		
2015 Budget Appropriation		110,000
		110,030
Decreased by:		
Appropriated to Finance Improvement Authorizations		99,312
		99,312
Balance December 31, 2015	\$	10,718

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE - OPEN SPACE BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<u><u>\$ 1,853,771</u></u>
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**SCHEDULE OF RESERVE FOR DEBT SERVICE - OTHER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 171,426
Increased by:	
Premium from Bond Anticipation Notes & Bonds Issued	<u>53,137</u>
	224,563
Decreased by:	
2014 Bond Premium incorrectly recorded	<u>104,150</u>
Balance December 31, 2015	<u><u>\$ 120,413</u></u>

**SCHEDULE OF RESERVE FOR FIRE DAMAGE - ANNEX BUILDING
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<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, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2014	INCREASED	DECREASED	BALANCE DECEMBER 31, 2015
08-13	Acquisition, Construction, Repair & Installation of Various Capital Improvements	8/4/2014	8/10/15	8/9/16	2.00%	\$ 1,891,241	\$ 1,891,241	\$ 1,891,241	\$ 1,891,241
20-14	Acquisition, Construction, Repair & Installation of Various Capital Improvements	8/10/15	8/10/15	8/9/16	2.00%	-	2,080,152	-	2,080,152
Total						\$ 1,891,241	\$ 3,971,393	\$ 1,891,241	\$ 3,971,393

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	BANS ISSUED	BALANCE DECEMBER 31, 2015
20-14(i)	Acquisition of DPW Equipment	\$ 955,009	\$ -	\$ 955,009	\$ -
20-14(ii)	Various Road/Drainage and Sidewalk Improvements	942,857	-	942,857	-
20-14(iii)	Acquisition of Senior Center Bus	71,238	-	71,238	-
20-14(iv)	Acquisition of UCC non-passenger Vehicles	69,143	-	69,143	-
20-14(v)	Various Park Improvements	41,905	-	41,905	-
21-15	DPW Equipment/Road Repair	-	283,740	-	283,740
21-15	Roads Sidewalks and Drainage Proje	-	939,625	-	939,625
21-15	Police Equipment	-	267,578	-	267,578
21-15	Various Park Improvements	-	46,182	-	46,182
21-15	Various Building Improvements	-	41,470	-	41,470
21-15	Municipal Court Equipment	-	49,263	-	49,263
21-15	Section 20 Costs	-	259,076	-	259,076
23-15	JetVac and Sweeper	-	1,075,000	-	1,075,000
05-15	Refunding 2008 Bond Issuance	-	569,000	-	569,000
	Total	<u>\$ 2,080,152</u>	<u>\$ 3,530,934</u>	<u>\$ 2,080,152</u>	<u>\$ 3,530,934</u>

**TOWNSHIP OF JACKSON
GENERAL CAPITAL FUND
SCHEDULE OF INVESTMENT IN BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 902,713
Decreased by:	
Payments Received	<u>902,713</u>
Balance December 31, 2015	<u><u>\$ -</u></u>

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PUBLIC ASSISTANCE FUND

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**TOWNSHIP OF JACKSON
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	27,268
Increased by:		
Interest Earned		52
Balance December 31, 2015	\$	27,320

**SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	27,268
Increased by:		
Interest Earned		52
Balance December 31, 2015	\$	27,320

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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, 2015**

GENERAL FIXED ASSETS	BALANCE DECEMBER 31, 2014	ADDITIONS	DELETIONS	ADJUSTMENTS	BALANCE DECEMBER 31, 2015
Land	\$ 54,970,100	\$ 2,000,000	\$ -	\$ -	\$ 56,970,100
Building & Building Improvements	47,637,784	204,118	-	-	47,841,902
Machinery & Equipment	14,658,265	807,361	-	-	15,465,626
	<hr/>				
Total	\$ 117,266,149	\$ 3,011,479	\$ -	\$ -	\$ 120,277,628
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**TOWNSHIP OF JACKSON
COUNTY OF OCEAN**

**PART II
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

We have audited the financial statements – statutory basis of the Township of Jackson in the County of Ocean for the year ended December 31, 2015.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and the activities of the Mayor and Council and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 for the period of January 1, 2015 to June 30, 2015 and \$40,000 for the period of July 1, 2015 to December 31, 2015, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made. The minutes indicate that bids were requested by public advertising for the following items:

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

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*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Township Council.

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 for the period of January 1, 2015 to June 30, 2015 and in excess of \$6,000 for the period of July 1, 2015 to December 31, 2015, thereafter "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 and Assessments

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

The governing body on January 5, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as 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

Collection of Interest on Delinquent Taxes and Assessments (continued):

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Township also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

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

Tax Collector’s Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2015 with the governing body.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 included real estate taxes for 2015 and 2014.

The last tax sale was held on October 2, 2015 and was complete.

Inspection of 2015 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2015	76
2014	76
2013	96

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

Deductions From Taxes

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

Examination of Bills

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

Deposit of Funds Paid to Local Unit

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

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

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

Our testing revealed no exceptions.

Payroll Fund

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

Municipal Court

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

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

A test sample was selected of fifteen (15) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Follow Up on Prior Year Findings

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

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

NAME	POSITION
Michael Reina	Mayor
Barry Calogero	Council President
Scott Martin	Council Vice President
Robert Nixon	Councilman
Kenneth Bressi	Councilman
Ann Updegrave	Councilwoman
Helene Schlegel	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 Joint Insurance Fund.

Acknowledgment

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

A handwritten signature in black ink, appearing to read 'R. Haines', with a stylized flourish at the end.

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

Medford, New Jersey
June 30, 2016