

**PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 3, 2025**

**NEW ISSUE (BOOK-ENTRY ONLY)**

**RATING: NOT RATED**

*In the opinion of Archer & Greiner P.C., Red Bank, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Notes (as defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) will not be treated as a preference item under section 57 of the Code for purposes of computing federal alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code. Bond Counsel is also further of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX MATTERS" herein.*

**\$7,500,000**  
**TOWNSHIP OF JACKSON**  
**IN THE COUNTY OF OCEAN, STATE OF NEW JERSEY**  
**BOND ANTICIPATION NOTES**  
**(NON-CALLABLE) (BANK QUALIFIED)**  
**Coupon: \_\_\_\_% Yield: \_\_\_\_% CUSIP<sup>1</sup>: \_\_\_\_**

**Dated: Date of Delivery**

**Due: December 21, 2026**

The aggregate principal amount of \$7,500,000 Bond Anticipation Notes (the "Notes") are general obligations of the Township of Jackson, in the County of Ocean, State of New Jersey (the "Township"), for which the full faith and credit of the Township are pledged. The Township is authorized and required by law to levy *ad valorem* taxes on all taxable property within the Township without limitation as to rate or amount for the payment of the principal thereof and the interest thereon.

The Notes will be in fully registered book-entry only form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry only form in denominations of \$5,000, or in such amount necessary to issue the principal amount of the Note (subject to approval of the Chief Financial Officer of the Township).

The Notes shall bear interest and shall mature on the dates set forth above. The Notes shall bear interest at the rate shown above, which interest is payable on the due date shown above. The Notes will be payable as to principal upon presentation and surrender thereof at the offices of the Township, acting in the capacity of paying agent (the "Paying Agent") or a hereafter duly designated paying agent. Interest on the Notes will be paid by check, draft or wire transfer, mailed, delivered or transmitted, as applicable, by the Paying Agent to the registered owner thereof as of the Record Date (as defined herein). While DTC is acting as securities depository for the Notes, the principal of and interest on the Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payment to DTC Participants. DTC Direct Participants and Indirect Participants will be responsible for remitting such payments to the Beneficial Owners of the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Notes are authorized by and are issued pursuant to the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 *et seq.*, as amended and supplemented (the "Local Bond Law"), and the bond ordinance of the Township duly adopted by Township Council on the dates set forth herein, approved by the Mayor and published as required by law. The Notes are being issued to: (i) temporarily finance \$7,500,000 in various capital improvements in and for the Township; and (ii) pay the costs associated with the issuance of the Notes.

The Notes are not subject to redemption prior to maturity. See "DESCRIPTION OF THE NOTES – Redemption" herein.

The Notes are not a debt or obligation, legal, moral or otherwise of the State of New Jersey, or any county, municipality or political subdivision thereof other than the Township.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement, including all appendices, to obtain information essential to making an informed investment decision.

The Notes are offered when, as and if issued and delivered subject to the approval of the legality thereof by Archer & Greiner P.C., Red Bank, New Jersey, Bond Counsel, and certain other conditions described herein. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes. Certain legal matters will be passed on for the Township by its Solicitor, Joseph Sordillo, Esquire, of the firm Dasti, McGuckin, McNichols, Connors, Buckley, and Anthony, Forked River, New Jersey. It is anticipated that the Notes will be available for delivery through DTC on or about December 22, 2025.

**PROPOSALS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, WILL BE RECEIVED BY PHOENIX ADVISORS, A DIVISION OF FIRST SECURITY MUNICIPAL ADVISORS, INC., ON BEHALF OF THE CHIEF FINANCIAL OFFICER OF THE TOWNSHIP ON WEDNESDAY, DECEMBER 10, 2025, EITHER (i) ELECTRONICALLY VIA PARITY® OR (ii) BY E-MAIL TRANSMITTAL TO AINVERSO@MUNIADVISORS.COM.**

<sup>1</sup> Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the Borough does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for the Note maturity is subject to being changed after the issuance of the Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Note maturity.

**TOWNSHIP OF JACKSON  
IN THE COUNTY OF OCEAN, STATE OF NEW JERSEY**

**MAYOR AND TOWNSHIP COUNCIL**

Jennifer L. Kuhn, Mayor  
Mordechai Burnstein, Council President  
Giuseppe Palmeri, Council Vice-President  
Nino Borrelli  
Kenneth Bressi  
Christopher Pollak

**CHIEF FINANCIAL OFFICER**

Stephanie Marlin

**TOWNSHIP CLERK**

Sandra Martin

**TOWNSHIP SOLICITOR**

Gregory P. McGuckin, Esquire  
Dasti, McGuckin, McNichols, Connors, Buckley, and Anthony  
Forked River, New Jersey

**INDEPENDENT AUDITORS**

Holman Frenia Allison, P.C.  
Lakewood, New Jersey

**BOND COUNSEL**

Archer & Greiner P.C.  
Red Bank, New Jersey

**MUNICIPAL ADVISOR**

Phoenix Advisors,  
a division of First Security Municipal Advisors, Inc.  
Hamilton, New Jersey

No dealer, broker, salesperson or other person has been authorized by the Township of Jackson, in the County of Ocean, State of New Jersey (the "Township") to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement and if given or made, such information or representation must not be relied upon as having been authorized by the Township. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the Township, The Depository Trust Company, New York, New York ("DTC") and other sources deemed reliable by the Township; however, no representation or warranty is made as to its accuracy or completeness, and as to the information from sources other than the Township, such information is not to be construed as a representation or warranty by the Township.

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or owners of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier. The Township has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

References in this Official Statement to laws, rules, regulations, resolutions, ordinances, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein and may not be reproduced or used in whole or part, for any other purpose. This Official Statement should be read in its entirety.

The presentation of information is intended to show recent historical information except as expressly stated otherwise, is not intended to indicate future or continuing trends in the financial condition of other affairs of the Township. No representation is made that past experience, as is shown by the financial and other information, will necessarily continue or be repeated in the future.

The order and placement of materials in this Official Statement, including the Appendices, are not deemed to be a determination of the relevance, materiality or importance, and this Official Statement, including the Appendices, and must be considered in its entirety.

The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the Federal Securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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**OFFICIAL STATEMENT**  
**OF**  
**\$7,500,000**  
**TOWNSHIP OF JACKSON**  
**IN THE COUNTY OF OCEAN, STATE OF NEW JERSEY**  
**BOND ANTICIPATION NOTES**

**INTRODUCTION**

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the Township of Jackson (the "Township"), in the County of Ocean (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of \$7,500,000 Bond Anticipation Notes (the "Notes") of the Township. This Official Statement, which includes the cover page and appendices attached hereto, has been authorized by the Mayor and Township Council of the Township and executed by and on behalf of the Township by the Chief Financial Officer to be distributed in connection with the sale of the Notes.

This Official Statement contains specific information relating to the Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to the sale, issuance and delivery of the Notes. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts and disbursements, is intended to show recent historical information and, but only to the extent specifically provided herein, certain projections of the immediate future, and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the Township.

**DESCRIPTION OF THE NOTES**

**General Description**

The Notes comprise an issue of general obligation bond anticipation notes of the Township in the aggregate principal amount, which Notes are being issued in anticipation of the issuance of bonds.

The Notes shall be dated and shall bear interest from the dated date, shall mature on the due date and shall bear interest at the rate per annum, which interest is payable at maturity, all as shown on the front cover page. The Notes will be issued as fully registered notes in book-entry only form and when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes (the "Securities Depository"). Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$5,000, or in such amount necessary to issue the principal amount of the Note (subject to approval of the Chief Financial Officer of the Township). Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made directly by the Township as Paying Agent, or some other paying agent as may be designated by the Township, to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to

the owners of beneficial interests in the Notes is the responsibility of the DTC Participants (as hereinafter defined). See "BOOK-ENTRY ONLY SYSTEM" herein.

The Note certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its Direct Participants and transfers of the interests among its Direct Participants. The Direct Participants and Indirect Participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Township or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to Direct Participants, which will in turn remit such payments to the Beneficial owners of the Notes. See "BOOK-ENTRY ONLY SYSTEM" herein.

### **Redemption**

The Notes are not subject to redemption prior to their stated maturity date.

### **Authorization for the Issuance of the Notes**

The Notes have been authorized and are issued pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law") and by the bond ordinances duly adopted by the Township Council on the dates set forth in the chart that follows, approved by the Mayor and published as required by law. The bond ordinances were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of each such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township.

### **Purpose of the Notes**

The Notes are being issued to: (i) temporarily finance \$7,500,000 in various capital improvements in and for the Township; and (ii) pay the costs associated with the issuance of the Notes.

The purposes for which the Notes are to be issued have been authorized by a duly adopted, approved and published bond ordinance of the Township, which bond ordinance is described in the following table by ordinance number, description and date of final adoption, and amount of Notes being issued. The bond ordinance is:

[Remainder of page left intentionally blank]

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>
2023-18	Various 2023 General Capital Improvements	\$2,400,000
2024-26	Various 2024 General Capital Improvements	1,400,000
2025-42	Various 2025 General Capital Improvements	<u>3,700,000</u>
<b>TOTAL</b>		<b><u>\$7,500,000</u></b>

### **SECURITY FOR THE NOTES**

The Notes are valid and legally binding general obligations of the Township for which the full faith and credit of the Township are irrevocably pledged for the punctual payment of the principal of and interest on the Notes. Unless otherwise paid from other sources, the Township has the power and is obligated by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount.

The Township is required by law to include the total amount of principal and interest on all of its general obligation indebtedness, such as the Notes, for the current year in each annual budget unless provision has been made for payment from other sources. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "RISK TO HOLDERS OF NOTES" herein.

The Notes are not a debt or obligation, legal or otherwise, of the State or any political subdivision thereof, other than the Township.

### **NO DEFAULT**

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the Township as of the date hereof.

### **BOOK-ENTRY ONLY SYSTEM**

The Depository Trust Company ("DTC"), New York, New York will act as Securities Depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the Notes, in the aggregate principal amount of the issue of Notes will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing



corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy (the "Omnibus Proxy") to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is

the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Township or the Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered by the Township.

**The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.**

**THE AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.**

**SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.**

#### **Discontinuance of Book-Entry Only System**

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Notes, the following provisions apply: (i) the Notes may be exchanged for an equal aggregate principal amount of Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Township or Paying Agent; (ii) the transfer of any Notes may be registered on the books maintained by the Township or Paying Agent for such purposes only upon the surrender thereof to the Township or Paying Agent together with the duly executed assignment in form satisfactory to the Township or Paying Agent; and (iii) for every exchange or registration of transfer of Notes, the Township or Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Notes. Interest on the Notes will be payable by check or draft, mailed on the Interest Payment Date to the registered owners thereof.

### **PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT**

#### **Procedure for Authorization**

The Township has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of Township debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The Township is not required to submit the proposed incurrence of indebtedness to a public referendum.

The Township, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the recorded affirmative vote of at least two-thirds of the full membership of the Township Township Council and approved by the Mayor. The Local Bond Law requires publication and posting of the bond ordinance. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the Township.

#### **Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and bond anticipation notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and the improvements involving State grants, a five percent (5%) cash down payment must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the Township are general "full faith and credit" obligations.

#### **Short Term Financing**

Local governmental units (including the Township) may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter, unless an amount of such note at least equal to the first legally payable installment of the anticipated bonds (the first year's principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a municipality is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a municipality such as the Township, all such notes and renewals thereof must mature not later than 120 days after the end of the fiscal year in which such notes were issued.

#### **Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)**

Refunding bonds may be issued by a local unit pursuant to the Local Bond Law for the purpose of paying, funding or refunding its outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system and amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds. In certain circumstances, the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board") must approve the authorization of the issuance of refunding bonds.

### **Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)**

There are statutory requirements which limit the amount of debt which the Township is permitted to authorize. The authorized bonded indebtedness of a Township is limited by the Local Bond Law and other laws to an amount equal to three and one half percent (3½%) of its stated average equalized valuation basis, subject to certain exceptions noted below. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the Township for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuation by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the "Division of Taxation"). Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. See "Exceptions to Debt Limitation-Extensions of Credit" herein.

### **Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 et seq.)**

The debt limit of the Township may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the Township must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and convenience or betterment of the inhabitants of the Township and that the proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district. The Township has not exceeded its debt limit.

### **DEBT INFORMATION OF THE TOWNSHIP**

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the Township, the Township must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the Township Clerk. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the Township's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

## **FINANCIAL MANAGEMENT**

### **Accounting and Reporting Practices**

The accounting policies of the Township conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the Township does not record obligations for accumulated unused vacation and sick pay.

### **Local Budget Law (N.J.S.A. 40A:4-1 et seq.)**

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the Township, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director, or in the case of the local examination, the local unit may review the adequacy of such appropriations. Among other restrictions, the Director or, in the case of local examination, the local unit may examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serves to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriation. N.J.S.A. 40A:4-22. If in any year the Township's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of 10,000 persons, must adopt and annually revise a six (6) year capital program (ii) each local unit, with a population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. See "CAPITAL IMPROVEMENT PROGRAM" herein.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate section of the budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "current" or operating budget.

### **State Supervision (N.J.S.A. 52:27BB-1 et seq.)**

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law or the Local Fiscal Affairs Law which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring cash deficit.

### **Limitations on Expenditures ("Cap Law") (N.J.S.A. 40A:4-45.1, et seq.)**

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the "Cap Law" (the "Cap Law"). The Cap Law provides that the Township shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the Township may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the Township for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year's final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored "CAP" banking to the Local Budget Law. Municipalities are permitted to appropriate available "CAP Bank" in either of the next two (2) succeeding years' final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "CAP".

Additionally, P.L. 2010, c.44 imposes a 2% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care costs in excess of 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50%.

The Division of Local Government Services has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the Township to levy *ad valorem* taxes upon all taxable property within the boundaries of the Township to pay debt service on bonds and notes, including the Notes.

### **Deferral of Current Expenses**

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the Township, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in N.J.S.A. 40A:4-48, and approved by at least two-thirds of the full membership of the

governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

### **Budget Transfers**

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

### **Anticipation of Real Estate Taxes**

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A 40A:4-29 sets limits on the anticipation of delinquent tax collections and provides that, "[t]he maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

In regard to current taxes, N.J.S.A. 40A:4-41(b) provides that, "[r]eceipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the sum will at least equal the tax levy required to balance the budget. The reserve requirement is calculated as follows:

Total of Local, County, and School Levies	- Anticipated Revenues	= Cash Required from Taxes to Support Local Municipal Budget and Other Taxes
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<u>Cash Required from Taxes to Support Local Municipal Budget and Other Taxes</u>	=	Amount to be
Prior Year's Percentage of Current Tax Collection (or Lesser %)		Raised by Taxation

## **Anticipation of Miscellaneous Revenues**

N.J.S.A 40A:4-26 provides that, "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

## **Local Examination of Budgets (N.J.S.A. 40A:4-78(b))**

Chapter 113 of the Laws of New Jersey of 1996 (N.J.S.A. 40A:4-78(b)) authorizes the Local Finance Board to adopt rules that permit certain municipalities to assume the responsibility, normally granted to the Director, of conducting the annual budget examination required by the Local Budget Law. Since 1997 the Local Finance Board has developed regulations that allow "eligible" and "qualifying" municipalities to locally examine their budget every two (2) of three (3) years.

## **Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

The Local Fiscal Affairs, N.J.S.A. 40A:5-1 et seq., as amended and supplemented (the "Local Fiscal Affairs Law"), regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of Audit", must be completed within six (6) months (June 30) after the close of the Township's fiscal year (December 31), includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Township Clerk and is available for review during regular municipal business hours and shall, within five (5) days thereafter be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the Township Clerk's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from generally accepted accounting principals.

## **Annual Financial Statement (N.J.S.A. 40A:5-12 et seq.)**

An annual financial statement ("Annual Financial Statement") which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than January 26 (in the case of a county) and not later than February 10 (in the case of a municipality) after the close of the calendar fiscal year, such as the Township, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. It reflects the results of operations for the year of the Current and Utility Funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire annual audit report is filed with the clerk of the local unit and is available for review during business hours.

## **Investment of Municipal Funds**

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 et seq. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant



to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"), (b) Government money market mutual funds which invest in securities permitted under the statute, (c) bonds of certain Federal Government agencies having a maturity date not greater than 397 days from the date of purchase, (d) bonds or other obligations of the particular municipality or school districts of which the local unit is a part or within which the school district is located, and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 *et seq.* Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

### **CAPITAL IMPROVEMENT PROGRAM**

In accordance with the Local Budget Law, the Township must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

### **TAX ASSESSMENT AND COLLECTION**

#### **Assessment and Collection of Taxes**

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with the rising values.

Upon the filing of certified adopted budgets by the Township, the local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 *et seq.* Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special district.

For calendar year municipalities, tax bills are sent in June of the current fiscal year. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged as the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined as by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county or school purposes for the preceding fiscal year.

Fiscal year municipalities follow the same general rationale for the billing of property taxes, however billing is processed semi-annually. The provisions of P.L. 1994, C. 72 changed the procedures

for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formula used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous years billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) on the first \$1,500 of the delinquency and, then eighteen percent (18%) per annum on any amount in excess of \$1,500. A penalty of up to six percent (6%) of the delinquency in excess of \$10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the Director of Law (as defined herein) for in rem foreclosures in order to acquire title to these properties.

The provisions of chapter 99 of the Laws of New Jersey of 1997 allow a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or surety bond. The purchaser is entitled to receive, all delinquent taxes and other municipal charges owing, due and payable upon collection by the tax collector. The statute sets forth bidding procedures, minimum bidding terms and requires the review and approval of the sale by the Division.

## **Tax Appeals**

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 1<sup>st</sup> day of April of the current tax year for its review. The County Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition. Adjustments by the County Board of Taxation are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations.

## **TAX MATTERS**

### **Exclusion of Interest on the Notes From Gross Income for Federal Tax Purposes**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Notes. The Township will make certain representations in its tax certificate, which will be executed on the date of issuance of the Notes, as to various tax requirements. The Township has

covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause interest on the Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel will rely upon the representations made in the tax certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, Archer & Greiner P.C., Bond Counsel to the Township, is of the opinion that, under existing law, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing federal alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Notes, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Notes.

Payments of interest on tax-exempt obligations, including the Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If a Note owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

### **Bank Qualification**

The Notes constitute "qualified tax-exempt obligations" as defined in and for the purpose of Section 265(b)(3)(B) of the Code.

### **Additional Federal Income Tax Consequences of Holding the Notes**

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Notes, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

### **Changes in Federal Tax Law Regarding the Notes**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

### **State Taxation**

Bond Counsel is of the opinion that, based upon existing law, interest on the Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

**ADDITIONALLY, EACH PURCHASER OF THE NOTES SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES, COURT DECISIONS OR LITIGATION.**

**ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

### **Other Tax Consequences**

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Notes. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Notes and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Notes paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See Appendix C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Notes.

**ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE NOTES.**

### **LEGALITY FOR INVESTMENT**

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional building and loan associations, investment companies, and other persons carrying on

banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Township, including the Notes, and such Notes are authorized security for any and all public deposits.

### **RISK TO HOLDERS OF NOTES**

It is understood that the rights of the holders of the Notes, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

### **Municipal Bankruptcy**

**THE TOWNSHIP HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE TOWNSHIP EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE NOTES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.**

The undertakings of the Township should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provided that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a local unit, including the Township, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

### **Remedies of Holders of Notes (N.J.S.A. 52:27-1 et seq.)**

If the Township defaults for over sixty (60) days in the payment of the principal of or interest on any bonds or notes outstanding, any holder of such bonds or notes may bring an action against the Township in the Superior Court of New Jersey (the "Superior Court") to obtain a judgment that the Township is so in default. Once a judgment is entered by the Superior Court to the effect that the

Township is in default, the Municipal Finance Commission (the "Commission") would become operative in the Township. The Commission was created in 1931 to assist in the financial rehabilitation of municipalities which were in default in their obligations. The powers and duties of the Commission are exercised within the Division, which constitutes the Commission.

The Commission exercises direct supervision over the finances and accounts of any municipality which has been adjudged by the Superior Court to be in default of its obligations. The Commission continues in force in such municipalities until all bonds, notes or other indebtedness of the municipality which have fallen due, and all bonds or notes which will fall due within one (1) year (except tax anticipation or revenue anticipation notes), and the interest thereon, have been paid, funded or refunded, or the payment thereof has been adequately provided for by a cash reserve, at which time the Commission's authority over such municipality ceases. The Commission is authorized to supervise tax collections and assessments, to approve the funding or refunding of bonds, notes or other indebtedness of the municipality which the Commission has found to be outstanding and unpaid, and to approve the adjustment or composition of claims of creditors and the readjustment of debts under the Bankruptcy Code.

### **COVID-19 DISCLOSURE**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, then President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the "Governor") of the State declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread throughout the State and to all counties within the State. In response to the COVID-19 pandemic, federal and state legislation and executive orders were implemented to mitigate the spread of the disease and to provide relief to state and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities, to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Township have not been materially or adversely affected as a result of the COVID-19 pandemic. Nonetheless, the degree of any such impact to the Township's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 pandemic, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what additional actions may be taken by governmental and other health care authorities to manage the COVID-19 pandemic. The continued spread of the outbreak could have a material adverse effect on the Township and its economy.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic, which included \$350 billion in relief funds for state and local governments, such as the Township. The Township received \$4,871,285 from the Plan, in two equal installments. The deadline to spend the funds was December 31, 2024. The Township intends to utilize the funding for public safety needs and to further mitigate the effects of Covid-19 both from a public health and economic standpoint. The final deadline to spend the obligated funds is December 31, 2026.

## **CYBER DISCLOSURE**

The Township relies on a complex technology environment to conduct its various operations. As a result, the Township faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems.

## **CLIMATE DISCLOSURE**

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as “climate change”), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Township as well as resulting in economic impacts such as loss of ad valorem tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

## **CERTIFICATES OF THE TOWNSHIP**

Upon the delivery of the Notes, the original purchaser shall receive a certificate, in form satisfactory to Bond Counsel and signed by officials of the Township, stating to the best knowledge of said officials, that this Official Statement as of its date did not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in the condition, financial or otherwise, of the Township from that set forth in or contemplated by this Official Statement. In addition, the respective original purchaser of the Notes shall also receive certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes and receipt of payment therefor, and a certificate dated as of the date of the delivery of the Notes, and signed by the officers who signed the Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the Notes, as applicable, or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Notes, as applicable, are issued, and that neither the corporate existence or boundaries of the Township, nor the title of any of the said officers to the respective offices, is being contested.

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix C hereto. Certain legal matters with respect to the Notes will be passed on for the Township by its Attorney, Gregory P. McGuckin, Esquire, of the Dasti, McGuckin, McNichols, Connors, Buckley, and Anthony, Forked River, New Jersey (“Township Attorney”).

## **LITIGATION**

To the knowledge of the Township Attorney, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes to pay the principal of or the interest on the Notes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation

is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided. A Certificate to such effect will be executed by the Township Attorney and delivered to the Underwriter at the closing.

### **COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS**

The Township has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events with respect to the Notes, as set forth in section (b)(5)(i)(C) of the SEC Rule 15c2-12 (the "Notices"). The Notices will be filed by the Township with the Municipal Securities Rulemaking Board and with a state information depository, if any. The specific nature of the Notices will be detailed in a certificate (the "Note Certificate") to be executed on behalf of the Township by its Chief Financial Officer, in the form appearing in Appendix D hereto, such Note Certificate to be delivered concurrently with the delivery of the Notes. This covenant is being made by the Township to assist the purchaser of the Notes in complying with SEC Rule 15c2-12.

The Township has previously entered into secondary market disclosure undertakings in accordance with the SEC Rule 15c2-12. The Township appointed Phoenix Advisors, Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

### **PREPARATION OF OFFICIAL STATEMENT**

Bond Counsel has not participated in the preparation and review of this Official Statement and in the collection of statistical and financial information contained in Appendices A and B and throughout this Official Statement, nor has it verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

Holman Frenia Allison, P.C., Lakewood, New Jersey, Certified Public Accountants and Registered Municipal Accountants (the "Auditor"), has not participated in the preparation of the information contained in this Official Statement. The Auditor takes responsibility for the financial statements to the extent specified in the Independent Auditors' Report appearing in Appendix B hereto.

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement, including the collection of financial, statistical and demographic information; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Certain information set forth herein has been obtained from the Township and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

The Township attorney has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

All other information has been obtained from sources which the Township considers to be reliable but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.



## **RATING**

The Notes are not rated. On November 29, 2023, S&P Global Ratings, acting through Standard & Poor's Financial Services, LLC ("S&P"), assigned a rating of "AA+" to the Township's \$8,725,000 General Obligation Bonds, Series 2023 dated and issued on December 19, 2023. S&P has no obligation to monitor or review such rating. Such rating does not apply to the Notes and S&P has not reviewed such rating in connection with the issuance of the Notes.

## **FINANCIAL STATEMENTS**

Appendix B contains certain audited financial data of the Township for the fiscal year ended December 31, 2024 and December 31, 2023. The audited financial data were extracted from the report prepared by the Auditor to the extent and for the period set forth in its report appearing in Appendix B to this Official Statement.

## **MUNICIPAL ADVISOR**

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **UNDERWRITING**

The Notes have been purchased from the Township at a public sale by \_\_\_\_\_ (the "Underwriter") at a purchase price of \$\_\_\_\_\_. The Notes are being offered for sale at the yield set forth on the cover of this Official Statement, which yield may be changed from time to time by the purchaser without notice. The Underwriter is obligated to purchase all of the Notes if any Notes are purchased.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Township, Stephanie Marlin, Chief Financial Officer, at smarlin@jacksontwpnj.net or (732) 928-1200, or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, telephone (609) 291-0130.

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### **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township since the date hereof.

**TOWNSHIP OF JACKSON, NEW JERSEY**

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**Stephanie Marlin,  
Chief Financial Officer**

DATED: December \_\_, 2025

**APPENDIX A**

**CERTAIN FINANCIAL AND DEMOGRAPHIC  
INFORMATION CONCERNING THE TOWNSHIP OF JACKSON**

## **INFORMATION REGARDING THE TOWNSHIP<sup>1</sup>**

The following material presents certain economic and demographic information of the Township of Jackson (the “Township”), in the County of Ocean (the “County”), State of New Jersey (the “State”).

### **General Information**

The Township was incorporated in 1844 by an act of the State legislature. Through this action, the area now known as “Jackson” emanated from the Townships of Upper Freehold, Freehold and Dover and was made a separate municipality. The Township received its name in honor of former President Andrew Jackson.

The Township is approximately 100.4 square miles and is the largest municipality in the County and the third largest municipality in the State. The Township is located inland, in the northwestern portion of the County and is bordered to the north by the Townships of Millstone, Freehold and Howell (in the County of Monmouth), to the west by the Townships of Upper Freehold (in the County of Monmouth) and Plumsted (in the County), to the south by the Township of Manchester (in the County) and to the east by the Townships of Toms River and Lakewood (in the County).

Prior to 1950, many portions of the Township were undeveloped and agriculture was the mainstay of the Township’s economy, including traditional farming, poultry farming and cranberry cultivation. However, with the opening of the Garden State Parkway and improvements to Federal, State and County highways and roadways after 1950, residential development increased and commercial development soon thereafter. For several decades, the County's population and development has increased and is among the fastest of all counties in the State. The Township has experienced a growth in its ratables as a result of the increase in residential and commercial development. Today, the Township is one of fastest growing municipalities in the State and is primarily a residential and commuter community, with its residents commuting to the New York-northern New Jersey metropolitan area and the Greater Philadelphia metropolitan area.

The Township is located south of the New York-northern New Jersey metropolitan area and to the east of the Greater Philadelphia metropolitan area, each respectively being approximately 60 miles and 50 miles from the Township. The Township is located along or near major transportation corridors to the south of the New York-northern New Jersey metropolitan area and to the east of the Greater Philadelphia metropolitan area. The Township is traversed by Interstate 195, which proceeds easterly to the Garden State Parkway which proceeds north to the New York-northern New Jersey metropolitan area and south to Atlantic City and Cape May. Interstate 195 also proceeds westerly to Interstate 95 (the New Jersey Turnpike) which is a major beltway serving the eastern seaboard of the United States.

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<sup>1</sup> Source: The Township, unless otherwise indicated.

## **Type of Government**

As of July 1, 2006, the Township adopted the Mayor-Council form of government under the Faulkner Act, and is governed by a Mayor and five-member Township Council elected at-large in nonpartisan elections. Council members serve four-year terms on a staggered basis, with either two or three seats coming up for election in even years. The Mayor is elected directly by the voters to a four-year term of office that comes up for election during the same year that two council seats are up for vote. The Council selects a President and a Vice President from among its members. Until 2006, the Township was governed under the Township form of government with a five-member Township Committee, whose members were elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year.

## **Pension and Retirement Systems**

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (the "Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or is available online at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.shtml).

The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other State pension fund or local jurisdiction's pension fund.

The Police and Firemen's Retirement System ("PFRS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, disability and medical benefits to certain qualified members. Membership is mandatory for substantially all full-time county and municipal police and firemen or officer employees with police powers appointed after June 30, 1944.

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89,

P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

### **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Township</u></b>				
2024	29,501	28,229	1,272	4.3%
2023	29,331	28,215	1,116	3.8%
2022	28,922	27,864	1,058	3.7%
2021	28,246	26,433	1,813	6.4%
2020	27,806	25,175	2,631	9.5%
<b><u>County</u></b>				
2024	293,284	280,025	13,259	4.5%
2023	292,457	279,888	12,569	4.3%
2022	287,161	275,556	11,605	4.0%
2021	279,507	260,912	18,595	6.7%
2020	274,842	248,481	26,361	9.6%
<b><u>State</u></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

### **Income (as of 2023)**

	<b><u>Township</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Median Household Income	\$108,947	\$86,411	\$101,050
Median Family Income	131,066	108,905	123,892
Per Capita Income	45,588	43,900	53,118

Source: US Bureau of the Census, 2023 American Community Survey 5-Year Estimate

## **Population**

The following tables summarize population increases and the decreases for the Township, the County, and the State.

<b><u>Year</u></b>	<b><u>Township</u></b>		<b><u>County</u></b>		<b><u>State</u></b>	
	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>	<b><u>Population</u></b>	<b><u>% Change</u></b>
2024 est.	60,704	3.69%	666,434	4.58%	9,500,851	2.28%
2020	58,544	6.72	637,229	10.52	9,288,994	5.65
2010	54,856	28.12	576,567	12.85	8,791,894	4.49
2000	42,816	28.84	510,916	17.94	8,414,350	8.85
1990	33,233	29.59	433,203	25.19	7,730,188	4.96

Source: United States Department of Commerce, Bureau of the Census

## **Largest Taxpayers**

The ten largest taxpayers in the Township and their assessed valuations are listed below:

<b><u>Taxpayers</u></b>	<b><u>2024 Assessed Valuation</u></b>	<b><u>% of Total Assessed Valuation</u></b>
Six Flags Theme Park, Inc.	\$116,041,700	1.61%
7A East Logistics Center	106,139,300	1.47%
CPG Partners LP	77,016,800	1.07%
Gardens at Jackson 21 LLC	72,758,000	1.01%
Cardinale & Jackson Crossing	40,597,800	0.56%
GM Prospect Pointe LLC	31,500,000	0.44%
GM Highview DE LLC	28,984,000	0.40%
G&I XI NJ Grocery Portfolio LLC	20,220,800	0.28%
Healthcare Reit Inc.	18,470,000	0.26%
<b>Total</b>	<b><u>\$511,728,400</u></b>	<b><u>7.08%</u></b>

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

### **Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2024	\$196,085,491	\$193,185,064	98.52%
2023	186,216,033	183,014,819	98.28%
2022	177,659,831	175,309,033	98.68%
2021	172,938,340	171,172,820	98.98%
2020	169,423,568	167,298,279	98.75%

Source: Annual Audit Reports of the Township

### **Delinquent Taxes and Tax Title Liens**

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2024	\$4,368,350	\$2,336,204	\$6,704,554	3.42%
2023	4,142,308	2,885,716	7,028,024	3.77%
2022	3,935,487	2,003,345	5,938,833	3.34%
2021	3,977,885	1,259,402	5,237,287	3.03%
2020	3,802,244	1,716,652	5,518,896	3.26%

Source: Annual Audit Reports of the Township

### **Property Acquired by Tax Lien Liquidation**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2024	\$6,247,100
2023	6,247,100
2022	6,247,100
2021	6,247,100
2020	6,251,500

Source: Annual Audit Reports of the Township



## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Township residents for the past five (5) years.

	<b>Local</b>			
<b><u>Year</u></b>	<b><u>Municipal</u></b>	<b><u>School</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
2025R	\$0.284	\$0.782	\$0.320	\$1.386
2024	0.529	1.464	0.561	2.554
2023	0.531	1.420	0.520	2.471
2022	0.530	1.420	0.474	2.424
2021	0.457	1.412	0.531	2.400

R: Revaluation

Source: Abstract of Ratables and State of New Jersey – Property Taxes; User-Friendly Budget of the Township

## **Valuation of Property**

	<b>Aggregate Assessed</b>	<b>Aggregate True</b>	<b>Ratio of</b>	<b>Assessed</b>	
<b><u>Year</u></b>	<b><u>Valuation of</u></b>	<b><u>Value of</u></b>	<b><u>Assessed to</u></b>	<b><u>Value of</u></b>	<b><u>Equalized</u></b>
	<b><u>Real Property</u></b>	<b><u>Real Property</u></b>	<b><u>True Value</u></b>	<b><u>Personal Property</u></b>	<b><u>Valuation</u></b>
2025R	\$14,431,200,800	\$14,518,310,664	99.40%	\$0	\$14,518,310,664
2024	7,226,934,900	11,933,512,054	60.56	0	11,933,512,054
2023	7,054,146,900	11,648,195,013	60.56	0	11,648,195,013
2022	6,921,225,100	9,994,548,881	69.25	6,513,973	10,001,062,854
2021	6,839,028,189	8,554,131,568	79.95	7,042,693	8,561,174,261

R: Revaluation

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2025R	\$574,629,900	\$11,807,981,200	\$49,926,900	\$1,312,864,600	\$323,551,400	\$362,246,800	\$14,431,200,800
2024	232,729,500	5,999,035,200	23,615,400	736,245,100	45,660,200	189,649,500	7,226,934,900
2023	238,866,300	5,959,596,400	23,720,100	614,220,400	45,422,700	172,321,000	7,054,146,900
2022	180,251,600	5,921,939,500	26,126,400	599,278,700	45,193,900	148,435,000	6,921,225,100
2021	143,216,257	5,908,605,420	26,281,511	580,677,001	45,193,900	135,054,100	6,839,028,189

R: Revaluation

Source: Abstract of Ratables and State of New Jersey – Property Value Classification; User-Friendly Budget of the Township

## **Financial Operations**

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

### **Summary of Current Fund Budget**

<b><u>Anticipated Revenues</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Fund Balance Utilized	\$5,950,000	\$9,167,000	\$8,208,200	\$11,370,000	\$8,900,000
Miscellaneous Revenues	7,707,225	9,898,736	11,791,778	10,724,495	11,097,698
Receipts from Delinquent Taxes	1,450,000	950,000	950,000	1,050,000	2,050,000
Amount to be Raised by Taxation	<u>34,268,855</u>	<u>34,641,047</u>	<u>35,333,731</u>	<u>36,039,726</u>	<u>36,715,100</u>
Total Revenue:	<u>\$49,376,080</u>	<u>\$54,656,783</u>	<u>\$56,283,709</u>	<u>\$59,184,221</u>	<u>\$58,762,798</u>

### **Appropriations**

General Appropriations	\$40,065,664	\$42,207,595	\$44,670,849	\$47,829,088	\$50,340,996
Operations (Excluded from CAPS)	1,022,066	496,771	2,882,722	1,497,808	1,328,788
Deferred Charges and Statutory Expenditures	0	0	150,000	905,143	605,000
Judgments	0	0	0	2,200,000	0
Capital Improvement Fund	2,175,000	6,525,000	2,572,000	200,000	200,000
Municipal Debt Service	3,446,228	3,141,163	3,140,613	2,839,355	2,872,325
Transferred to the Board of Education	0	0	0	0	150,000
Reserve for Uncollected Taxes	<u>2,667,122</u>	<u>2,286,254</u>	<u>2,867,526</u>	<u>3,712,827</u>	<u>3,265,689</u>
Total Appropriations:	<u>\$49,376,080</u>	<u>\$54,656,783</u>	<u>\$56,283,709</u>	<u>\$59,184,221</u>	<u>\$58,762,798</u>

Source: Annual Adopted Budgets of the Township

### **Current Fund Balance**

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

	<b><u>Fund Balance - Current Fund</u></b>	
<b><u>Year</u></b>	<b><u>Balance 12/31</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2024	\$13,469,821	\$8,900,000
2023	16,215,749	11,370,000
2022	16,564,519	8,208,200
2021	17,492,065	9,167,000
2020	14,603,726	5,950,000

Source: Annual Audit Reports of the Township

## **Township Indebtedness as of December 31, 2024**

### **General Purpose Debt**

Serial Bonds	\$19,590,000
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	6,070,130
Other Bonds, Notes and Loans	150,720
Total:	<u>\$25,810,850</u>

### **Local School District Debt**

Serial Bonds	\$22,865,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$22,865,000</u>

### **Self-Liquidating Debt**

Serial Bonds	\$0
Bond Anticipation Notes	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	0
Total:	<u>\$0</u>

### **TOTAL GROSS DEBT**

**\$48,675,850**

Less: Statutory Deductions	
General Purpose Debt	\$2,246,182
Local School District Debt	22,865,000
Regional School District Debt	0
Self-Liquidating Debt	0
Total:	<u>\$25,111,182</u>

### **TOTAL NET DEBT**

**\$23,564,667**

Source: Annual Debt Statement of the Township

**Overlapping Debt (as of December 31, 2024)<sup>2</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Township Percentage</u></b>	<b><u>Township Share</u></b>
Local School District	\$22,865,000	100.00%	\$22,865,000
Jackson Municipal Utilities Authority (2023)	27,262,457	100.00%	27,262,457
County Utilities Authority (2023)	75,203,142	3.76%	4,924,030
County	562,210,826	7.39%	41,532,213
Net Indirect Debt			\$96,583,699
Net Direct Debt			23,564,667
Total Net Direct and Indirect Debt			<b><u>\$120,148,367</u></b>
Percentage of Net Direct to Average Equalized Valuation			0.21%
Percentage of Indirect Debt to Average Equalized Valuation			0.86%

**Debt Limit**

Average Equalized Valuation Basis (2022, 2023, 2024)	\$11,192,085,316
Permitted Debt Limitation (3 1/2%)	391,722,986
Less: Net Debt	<u>23,564,667</u>
Remaining Borrowing Power	<b><u>\$368,158,319</u></b>
Percentage of Net Debt to Average Equalized Valuation	0.211%
Gross Debt Per Capita based on 2023 population of 60,704	\$802
Net Debt Per Capita based on 2023 population of 60,704	\$388

Source: Annual Debt Statement of the Township

<sup>2</sup> Township percentage of County debt is based on the Township's share of total equalized valuation in the County. The Township's utilities authority debt is based on the Township's portion of total flow from each respective authority.

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP  
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2024 AND 2023**



Certified Public Accountants + Advisors

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the various funds and account group of the Township of Jackson, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2024, and the related notes to the financial statements.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the Township of Jackson, as of December 31, 2024 and 2023, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2024, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

#### *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 section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Jackson, as of December 31, 2024 and 2023, or the results of its operations and changes in fund balance for the years then ended.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Jackson and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 described in Note 1, the financial statements are prepared by the Township of Jackson, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division of Local Government Services, Department of Community Affairs, 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 and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control(s) relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Jackson's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Jackson's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Jackson's basic financial statements. The accompanying supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 March 14, 2025, on our consideration of the Township of Jackson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Township of Jackson's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Jackson's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

A handwritten signature in black ink, appearing to read 'J. Conaty', with a stylized, overlapping flourish extending to the right.

Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 581

Lakewood, New Jersey  
March 14, 2025



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Certified Public Accountants + Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Jackson, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township of Jackson's basic financial statements, and have issued our report thereon dated March 14, 2025. Our report indicated that the Township of Jackson's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Jackson's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Jackson's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Jackson'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Jackson'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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

## **Purpose of this Report**

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

Respectfully Submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 581

Lakewood, New Jersey  
March 14, 2025

## **BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	REFERENCE	2024	2023
<b>ASSETS</b>			
Regular Fund:			
Cash -Treasurer	A-4	\$ 21,612,114.90	\$ 25,650,501.30
Cash - Change Fund	A	1,565.00	1,565.00
Due from State of New Jersey:			
Senior Citizen & Veteran Deductions	A-5	16,694.40	13,331.39
Total Regular Fund		21,630,374.30	25,665,397.69
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	2,336,203.71	2,885,715.90
Tax Title Liens Receivable	A-7	4,368,349.87	4,142,307.84
Property Acquired for Taxes at Assessed Valuation	A-8	6,247,100.00	6,247,100.00
Revenue Accounts Receivable	A-9	38,579.98	31,165.72
Interfunds Receivable	A-31	54,860.69	63,066.74
Total Receivables & Other Assets With Full Reserves		13,045,094.25	13,369,356.20
Deferred Charges:			
Special Emergency N.J.S. 40A:4-53	A-38	1,920,000.00	2,400,000.00
Emergency N.J.S. 40A:4-46	A-37	125,000.00	425,000.00
Total Deferred Charges		2,045,000.00	2,825,000.00
Total Regular Fund, Receivables & Other Assets With Full Reserves		36,720,468.55	41,859,753.89
State & Federal Grants:			
Grants Receivable	A-33	469,720.95	836,598.18
Due from Current Fund	A-32	963,157.23	397,294.05
Total State & Federal Grants		1,432,878.18	1,233,892.23
Total Assets		\$ 38,153,346.73	\$ 43,093,646.12

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

**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	REFERENCE	2024	2023
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-10	\$ 1,969,446.82	\$ 2,674,474.72
Reserves for Encumbrances	A-12	1,541,032.59	1,440,992.28
Accounts Payable	A-11	802,518.92	762,176.94
Prepaid Taxes	A-13	1,250,320.23	1,043,284.09
Tax Overpayments	A-14	95,376.78	116,468.58
County Taxes Payable	A-15	322,631.17	637,565.98
Due State of New Jersey - Construction Fees	A-18	25,380.00	20,046.00
Due State of New Jersey - Marriage License Fees	A-19	1,500.00	1,250.00
Reserve for Revaluation Program	A-20	468,052.40	1,853,713.40
Reserve for Garden State Trust Fund	A-22	0.95	13,028.95
Reserve for State Board of Taxation Appeals	A-23	1,013,782.95	1,013,782.95
Reserve for Master Plan	A-24	78,408.23	267,533.48
Reserve Other	A-25	-	369,709.01
Reserve for COAH State Plan	A-27	915,250.00	915,250.00
Reserve for FEMA Reimbursements	A-28	56,727.20	56,727.20
Reserve for Police Cars	A-29	273,976.67	226,336.17
Reserve for Skate Park	A	2,118.00	2,118.00
Reserve for Multicultural Committee	A	14,020.51	7,500.00
Reserve for NJ - Lead Inspection Fee	A	3,300.00	-
Reserve for Legal Settlements	A-30	158,553.08	305,161.68
Reserve for Arbitrage	A-26	250,000.00	150,000.00
Interfund Payable	A-31	963,157.23	397,529.05
Total Liabilities		10,205,553.73	12,274,648.48
Reserve for Receivables & Other Assets	A	13,045,094.25	13,369,356.20
Fund Balance	A-1	13,469,820.57	16,215,749.21
Total Regular Funds		36,720,468.55	41,859,753.89
Federal & State Grants:			
Appropriated Reserves	A-34	638,701.59	675,816.88
Unappropriated Reserves	A-35	284,106.71	157,872.49
Reserves for Encumbrances	A-36	510,069.88	400,202.86
Total State & Federal Grants		1,432,878.18	1,233,892.23
Total Liabilities, Reserves & Fund Balance		\$ 38,153,346.73	\$ 43,093,646.12

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

**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024**

		2024	2023
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 11,370,000.00	\$ 8,208,200.00
Miscellaneous Revenue Anticipated	A-2	11,812,533.93	13,394,567.74
Receipts From Delinquent Taxes	A-2	2,805,400.63	2,044,110.77
Receipts From Current Taxes	A-2	193,185,063.75	183,014,818.89
Nonbudget Revenue	A-2	1,164,233.15	1,080,769.41
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	2,529,696.34	2,129,271.87
Cancelled Accounts Payable	A-11	157,876.12	3,215.67
Prior Year Senior Citizen Deductions Allowed	A-5	250.00	250.00
Prior Year Interfunds Liquidated	A	8,206.05	-
Cancellation of Grant Appropriation Reserves	A-31	451,917.99	73,797.20
Total Revenue & Other Income Realized		223,485,177.96	209,949,001.55
Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	A-3	25,672,938.80	24,166,542.15
Other Expenses	A-3	14,367,491.23	14,170,610.17
Deferred Charges & Statutory Expenditures Within "CAPS"	A-3	7,788,658.38	9,158,696.24
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	347,939.33	400,413.66
Other Expenses	A-3	1,657,958.27	2,790,447.66
Capital Improvements - Excluded from "CAPS"	A-3	200,000.00	2,572,000.00
Other Items Excluded From "CAPS"	A-3	5,944,497.50	3,290,612.83
Local District School Taxes	A-16	105,818,857.00	100,186,900.00
Fire District Taxes	A-17	9,735,961.45	8,666,571.93
County Taxes	A-15	40,497,993.08	36,613,102.26
Amount Due County for Added & Omitted Taxes	A-15	322,631.18	637,565.99
Municipal Open Space Taxes	A-21	2,185,520.17	2,153,689.82
Prior Year Senior Citizen Deductions Disallowed	A-5	7,117.81	6,091.79
Interfunds Advances	A	-	35,629.88
Cancellation of Grant Receivable	A-31	438,542.40	65,697.06
Total Expenditures		214,986,106.60	204,914,571.44
Excess in Revenue		8,499,071.36	5,034,430.11
Expenditures Included Above which are by Statute			
Deferred Charges to budgets of Succeeding Years	A	125,000.00	2,825,000.00
Statutory Excess to Fund Balance		8,624,071.36	7,859,430.11
Fund Balance January 1	A	16,215,749.21	16,564,519.10
Total		24,839,820.57	24,423,949.21
Decreased by: Utilized as Revenue	A-2	11,370,000.00	8,208,200.00
Balance December 31	A	\$ 13,469,820.57	\$ 16,215,749.21

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, 2024**

	ANTICIPATED BUDGET	ADDED PER N.J.S.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 11,370,000.00	\$ -	\$ 11,370,000.00	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	38,950.00	-	38,950.00	-
Other	27,000.00	-	29,868.18	2,868.18
Fees & Permits	425,000.00	-	436,549.41	11,549.41
Fines & Costs:				
Municipal Court	490,000.00	-	596,187.01	106,187.01
Interest & Cost on Taxes	480,000.00	-	584,773.52	104,773.52
Interest on Investments & Deposits	1,700,000.00	-	1,894,143.25	194,143.25
Housing & Commercial CCO's	275,000.00	-	196,040.00	(78,960.00)
Energy Receipts Taxes	3,392,121.00	-	3,392,121.00	-
Garden State Trust	69,318.00	-	82,346.00	13,028.00
Municipal Relief Fund	349,647.87	-	349,647.87	-
Uniform Construction Code Fees	2,460,000.00	-	2,811,360.00	351,360.00
Shared Service Agreement - BOE	107,659.56	-	107,659.56	-
Bulletproof Vest Program	-	25,033.81	25,033.81	-
Clean Communities Program	-	151,965.15	151,965.15	-
Senior Center Information Asst.	-	17,710.00	17,710.00	-
Recycling Tonnage Grant	48,548.28	-	48,548.28	-
Municipal Alliance on Alcoholism & Drug Abuse	-	17,497.00	17,497.00	-
Safe & Secure Communities Program	21,676.00	-	21,676.00	-
Body Armor Replacement Grant-State	7,538.69	7,883.40	15,422.09	-
Sustained Enforcement Grant	-	93,000.00	93,000.00	-
Cops in Shops/ Summer Shore	2,880.00	-	2,880.00	-
Alcohol Education and Rehabilitation Fund	5,451.37	-	5,451.37	-
Local Recreational Improvement	-	70,000.00	70,000.00	-
Handicapped Recreation Opportunities Grant	15,000.00	-	15,000.00	-
NJDOT Municipal Aid Program	370,645.00	-	370,645.00	-
National Opiod Settlement	144,882.43	-	144,882.43	-
The Recycling Partnership Grant	25,000.00	-	25,000.00	-
NJ Council on the Arts/OC Cultural & Heritage Comm.	2,500.00	-	2,500.00	-
Crash Abatement Tactics Grant	93,000.00	-	93,000.00	-
Cablevision Franchise Fee	172,677.00	-	172,677.00	-
Total	10,724,495.20	383,089.36	11,812,533.93	704,949.37
Receipts from Delinquent Taxes	1,050,000.00	-	2,805,400.63	1,755,400.63
Amount to be Raised by Support of Municipal Budget:				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes	36,039,725.53	-	38,336,927.45	2,297,201.92
Budget Totals	59,184,220.73	383,089.36	64,324,862.01	4,757,551.92
Nonbudget Revenues	-	-	1,164,233.15	1,164,233.15
Total	\$ 59,184,220.73	\$ 383,089.36	\$ 65,489,095.16	\$ 5,921,785.07

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, 2024**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 193,185,063.75
Net Revenue From Collections	193,185,063.75
Allocated to School, County, Municipal Open Space & Special Districts	158,560,962.88
Balance for Support of Municipal Budget Appropriations	34,624,100.87
Increased by Appropriation for Uncollected Taxes	3,712,826.58
Amount for Support of Municipal Budget Appropriations	\$ 38,336,927.45
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 2,768,357.78
Tax Title Lien Collections	37,042.85
Total	\$ 2,805,400.63
Construction Code Official:	
Plumbing Fees & Permits	\$ 331,258.00
Electrical Fees & Permits	490,623.00
Building Inspector Fees & Permits	1,393,150.00
Fire Inspection Fees & Permits	165,346.00
TCO, CCO & COMM	61,718.00
Building Fines & Penalties	84,500.00
Elevator Inspections	520.00
Housing Resale CCOS	87,200.00
Misc Other	197,045.00
Total Construction Code Official	\$ 2,811,360.00
Other Fees & Permits:	
Public Works	\$ 91,327.00
Forester	5,450.00
Police Department	132,755.53
Zoning Board	54,211.50
Planning Board	154,731.35
Vital Statistics	3,592.00
Total Other Fees & Permits	\$ 442,067.38

**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENT OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**ANALYSIS OF NONBUDGET REVENUE**

Miscellaneous Revenue Not Anticipated:	
Administration Fees	\$ 330.00
Clerk	4,668.77
Foreclosure CSTS, Tax Collection	585.00
Gas & Fuel Reimbursements	155,691.12
Insurance Reimbursement	4,671.64
Miscellaneous	56,589.48
Non Sufficient Funds	1,160.00
Planning & Zoning	3,498.50
Planning & Zoning Surcharge	7,534.70
PILOT - Windsor Crescent Property Tax	131,610.11
Surcharge O/S Employment	266,756.89
Tax Collector Fees	3,910.05
Tower Rental	114,843.78
Verizon Franchise Fee	91,125.85
Jackson Leglar Solar Lease	120,000.00
Senior & Vets Admin Fee	6,245.38
Verizon Lease	17,903.88
Vertical Bridge Rental	31,212.00
Landlord Registration Fees	145,896.00
	<hr/>
Total Miscellaneous Revenue Not Anticipated	<u><u>\$ 1,164,233.15</u></u>

**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>OPERATIONS - Within "CAPS"</b>						
<b>General Government:</b>						
Administrative Executive:						
Salaries and Wages	\$ 371,055.12	\$ 392,969.71	\$ 392,969.71	\$ -	\$ -	\$ -
Other Expenses	89,300.00	89,300.00	40,951.85	11,012.25	37,335.90	-
Township Council:						
Salaries and Wages	163,000.00	163,000.00	163,000.00	-	-	-
Other Expenses	46,550.00	43,550.00	16,311.50	1,571.27	25,667.23	-
Mayor:						
Salaries and Wages	65,000.00	65,000.00	65,000.00	-	-	-
Other Expenses	4,500.00	4,500.00	1,414.00	1,665.00	1,421.00	-
Human Services:						
Salaries and Wages	133,536.00	140,677.25	140,410.56	-	266.69	-
Other Expenses	25,980.00	25,980.00	19,152.31	1,797.31	5,030.38	-
Municipal Clerk:						
Salaries and Wages	279,928.00	271,928.00	261,825.69	-	10,102.31	-
Other Expenses	98,550.00	113,050.00	100,745.78	9,810.75	2,493.47	-
Election:						
Salaries and Wages	5,000.00	5,000.00	3,171.01	-	1,828.99	-
Other Expenses	9,000.00	9,000.00	8,152.17	-	847.83	-
Financial Administration:						
Salaries and Wages	419,795.78	434,198.11	424,429.89	-	9,768.22	-
Other Expenses	30,775.00	30,775.00	18,025.04	7,955.50	4,794.46	-
Audit Services:						
Other Expenses	54,000.00	54,000.00	-	54,000.00	-	-
Data Processing:						
Salaries and Wages	152,279.55	175,969.56	174,937.27	-	1,032.29	-
Other Expenses	124,091.58	124,091.58	79,617.22	40,551.10	3,923.26	-
Collection of Taxes:						
Salaries and Wages	326,406.00	332,070.25	330,129.79	-	1,940.46	-
Other Expenses	36,040.00	36,040.00	23,134.92	1,261.04	11,644.04	-

**TOWNSHIP OF JACKSON**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Assessment of Taxes:						
Salaries and Wages	548,644.22	551,669.12	546,576.47	-	5,092.65	-
Other Expenses	45,000.00	45,000.00	22,708.10	3,009.24	19,282.66	-
Purchasing:						
Salaries and Wages	57,214.20	36,214.20	21,013.25	-	15,200.95	-
Other Expenses	46,850.00	46,850.00	40,938.03	5,803.11	108.86	-
Legal Services & Costs:						
Other Expenses	650,000.00	650,000.00	593,925.99	37,191.45	18,882.56	-
Engineering Services & Costs:						
Other Expenses	141,050.00	141,050.00	122,363.09	2,640.91	16,046.00	-
Economic Development Advisory Board:						
Other Expenses	1,100.00	1,100.00	-	-	1,100.00	-
Historical Commission:						
Other Expenses	100.00	100.00	-	-	100.00	-
<b>Land Use Administration:</b>						
Planning/Zoning Boards:						
Salaries and Wages	420,493.69	397,943.40	375,369.23	-	22,574.17	-
Other Expenses	158,900.00	158,900.00	58,795.64	31,525.77	68,578.59	-
Maintenance of Tax Maps:						
Other Expenses	15,000.00	15,000.00	5,355.00	2,145.00	7,500.00	-
<b>Code Enforcement - Other:</b>						
Rent Leveling Board:						
Salaries and Wages	4,200.00	4,200.00	850.00	-	3,350.00	-
Other Expenses	36,050.00	36,050.00	15,719.32	-	20,330.68	-
Code Enforcement - Other:						
Salaries and Wages	584,324.34	589,168.26	584,316.78	-	4,851.48	-
Other Expenses	22,050.00	22,050.00	14,921.04	2,686.14	4,442.82	-
Unsafe Structures Committee						
Other Expenses	20,000.00	20,000.00	-	-	20,000.00	-

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

**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>Insurance:</b>						
General Liability	959,803.11	959,803.11	892,832.22	3,452.55	63,518.34	-
Workers Compensation	630,368.00	630,368.00	630,368.00	-	-	-
Employee Group Health	5,172,040.00	5,172,040.00	4,451,832.13	331,994.49	388,213.38	-
Health Benefit Waiver	160,000.00	160,000.00	149,033.21	-	10,966.79	-
Unemployment Trust Fund	10,000.00	10,000.00	-	-	10,000.00	-
<b>Public Safety Functions:</b>						
Police Department:						
Salaries and Wages	15,616,894.07	15,880,896.21	15,800,905.81	-	79,990.40	-
Other Expenses	843,593.54	843,593.54	609,191.46	166,045.15	68,356.93	-
Police Dispatch/911:						
Salaries and Wages	667,709.30	666,694.88	612,745.22	-	53,949.66	-
Emergency Management:						
Salaries and Wages	11,140.00	11,140.00	9,999.86	-	1,140.14	-
Other Expenses	22,000.00	22,000.00	4,849.82	4,767.28	12,382.90	-
Municipal Prosecutor:						
Other Expenses	45,000.00	45,000.00	35,333.30	7,066.70	2,600.00	-
Juvenile Conference Committee:						
Salaries and Wages	1,300.00	1,300.00	-	-	1,300.00	-
<b>Public Works Functions:</b>						
Streets & Roads Maintenance:						
Salaries and Wages	1,484,541.99	1,498,181.79	1,392,111.34	-	106,070.45	-
Other Expenses	280,575.00	280,575.00	175,152.80	75,282.57	30,139.63	-
Snow Removal:						
Other Expenses	140,000.00	140,000.00	135,347.60	4,652.40	(0.00)	-
Shade Tree Commission:						
Salaries and Wages	2,100.00	2,100.00	865.00	-	1,235.00	-
Other Expenses	7,650.00	7,650.00	2,933.88	-	4,716.12	-
Solid Waste Collection:						
Salaries and Wages	161,194.35	152,744.35	107,299.96	-	45,444.39	-
Other Expenses	868,300.00	868,300.00	797,775.02	70,524.98	(0.00)	-

**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Buildings & Grounds:						
Salaries and Wages	878,099.63	901,180.50	897,520.29	-	3,660.21	-
Other Expenses	370,900.00	370,900.00	230,539.14	79,505.50	60,855.36	-
Vehicle Maintenance:						
Salaries and Wages	528,881.80	533,385.56	523,837.59	-	9,547.97	-
Other Expenses	220,050.00	220,050.00	146,265.76	63,595.35	10,188.89	-
Community Services Act:						
Other Expenses	200,000.00	200,000.00	-	200,000.00	-	-
<b>Health &amp; Human Services Functions:</b>						
Public Health Services:						
Salaries and Wages	7,500.00	7,500.00	5,826.87	-	1,673.13	-
Other Expenses	1,100.00	1,100.00	1,071.00	-	29.00	-
Community Alliance-Alcoholism & Drugs:						
Salaries and Wages	1,140.00	1,140.00	-	-	1,140.00	-
Relocation Assistance:						
Other Expenses	2,000.00	2,000.00	-	-	2,000.00	-
Going Green Committee:						
Other Expenses	100.00	100.00	-	-	100.00	-
Handicapped Committee:						
Salaries and Wages	31,413.00	31,413.00	28,984.74	-	2,428.26	-
Other Expenses	4,100.00	4,100.00	3,496.02	603.98	-	-
Environmental Health Services-						
Environmental Commission:						
Salaries and Wages	4,200.00	4,200.00	350.00	-	3,850.00	-
Other Expenses	450.00	450.00	-	-	450.00	-
Animal Control Services:						
Salaries and Wages	202,701.20	199,342.11	188,193.89	-	11,148.22	-
Other Expenses	39,125.00	39,125.00	26,282.29	10,536.69	2,306.02	-
Office for the Golden Age:						
Salaries and Wages	328,665.22	327,145.72	304,934.58	-	22,211.14	-
Other Expenses	32,525.00	32,525.00	25,202.55	3,050.57	4,271.88	-

**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>Parks &amp; Recreation Functions:</b>						
Recreation Services & Programs:						
Salaries and Wages	111,258.00	119,058.01	116,000.68	-	3,057.33	-
Other Expenses	85,350.00	85,350.00	57,085.03	25,292.49	2,972.48	-
Park Maintenance:						
Other Expenses	93,000.00	93,000.00	42,596.35	20,319.77	30,083.88	-
<b>Utility Expenses &amp; Bulk Purchases:</b>						
Electricity	349,000.00	349,000.00	272,633.40	64,034.27	12,332.33	-
Street Lighting	500,000.00	500,000.00	444,679.46	49,244.11	6,076.43	-
Telecommunication Costs	50,000.00	50,000.00	22,613.84	1,718.83	25,667.33	-
Telecommunication Costs-Lease Obligation	36,000.00	36,000.00	36,000.00	-	-	-
Natural Gas	155,000.00	155,000.00	79,436.83	6,243.83	69,319.34	-
Fuel & Petroleum Products	600,000.00	600,000.00	416,108.34	74,345.56	109,546.10	-
<b>Recycling and Landfill:</b>						
Landfill/Solid Waste Disposal Costs:						
Other Expenses	312,000.00	312,000.00	205,637.22	26,840.55	79,522.23	-
Legler Landfill - Postclosure Monitoring:						
Other Expenses	40,000.00	40,000.00	27,930.44	7,719.56	4,350.00	-
<b>Municipal Court Functions:</b>						
Municipal Court:						
Salaries and Wages	398,590.17	383,590.17	353,244.77	-	30,345.40	-
Other Expenses	36,390.00	36,390.00	34,242.63	1,892.95	254.42	-
Public Defender:						
Other Expenses	20,000.00	20,000.00	20,000.00	-	-	-
<b>Uniform Construction Code-Appropriations Offset by Dedicated Revenues(NJAC5:23-4.17):</b>						
Construction Code Department:						
Salaries and Wages	1,497,861.55	1,331,547.02	1,254,462.51	-	77,084.51	-
Other Expenses	107,210.00	107,210.00	59,094.28	975.57	47,140.15	-
Housing and Inspection Code						
Salaries and Wages	48,371.62	48,371.62	18,412.20	-	29,959.42	-
Other Expenses	7,075.00	7,075.00	478.36	85.64	6,511.00	-

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



**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Commercial Building Standards:						
Salaries and Wages	12,000.00	12,000.00		-	3,000.00	-
Other Expenses	400.00	400.00	-	-	400.00	-
<b>Other Common Operating Functions:</b>						
Accumulated Leave Compensation-Sick Trust:						
Other Expenses	300,000.00	300,000.00	300,000.00	-	-	-
Salary & Wage Adjustment:						
Salaries and Wages	158,000.00	-	-	-	-	-
<b>Total Operations Including Contingent Within "CAPS"</b>	<b>40,040,430.03</b>	<b>40,040,430.03</b>	<b>36,626,968.34</b>	<b>1,514,417.18</b>	<b>1,899,044.51</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	25,684,438.80	25,672,938.80	25,108,694.96	-	564,243.84	-
Other Expenses	14,355,991.23	14,367,491.23	11,518,273.38	1,514,417.18	1,334,800.67	-
<b>Deferred Charges &amp; Statutory Expenditures Municipal Within "CAPS":</b>						
Statutory Expenditures:						
Public Employees' Retirement System	1,342,734.23	1,342,734.23	1,342,734.23	-	-	-
Social Security System (O.A.S.I.)	2,000,000.00	2,000,000.00	1,971,285.81	-	28,714.19	-
Police & Firemen's Retirement System	4,427,924.15	4,427,924.15	4,427,924.15	-	-	-
Defined Contribution Retirement Program	18,000.00	18,000.00	14,487.83	-	3,512.17	-
<b>Total Deferred Charges &amp; Statutory Expenditures Within "CAPS"</b>	<b>7,788,658.38</b>	<b>7,788,658.38</b>	<b>7,756,432.02</b>	<b>-</b>	<b>32,226.36</b>	<b>-</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>47,829,088.41</b>	<b>47,829,088.41</b>	<b>44,383,400.36</b>	<b>1,514,417.18</b>	<b>1,931,270.87</b>	<b>-</b>

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, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Insurance(N.J.S.A. 40A:4-45.3(00))	167,960.00	167,960.00	167,960.00	-	-	-
Employee Group Insurance	149,115.00	149,115.00	149,115.00	-	-	-
Workers Compensation						
Implementation of 911 Emergency	222,569.77	222,569.77	222,569.77	-	-	-
Salaries and Wages	47,475.89	47,475.89	47,475.89	-	-	-
General Liability	25,000.00	25,000.00	-	25,000.00	-	-
LOSAP	-	125,000.00	100,000.00	-	25,000.00	-
Volunteer Ambulance Aid	12,000.00	12,000.00	5,714.64	1,615.41	4,669.95	-
Recycling Tonnage Tax (\$3-per ton)						
Shared Service Agreement-BOE/Police SRO	107,659.56	107,659.56	107,659.56	-	-	-
Salaries and Wages						
<b>Public &amp; Private Programs Offset by Revenues:</b>						
Matching Funds for Grants	12,880.25	8,506.00	-	-	8,506.00	-
Municipal Alliance on Alcohol & Drug Abuse:						
County Grant	-	2,624.55	2,624.55	-	-	-
Miscellaneous - Page 50	-	14,872.45	14,872.45	-	-	-
Local Matching Funds	-	656.13	656.13	-	-	-
Miscellaneous - Page 51 (1/2)	-	3,718.12	3,718.12	-	-	-
Miscellaneous - Page 51 (2/2)	-	151,965.15	151,965.15	-	-	-
Safe and Secure Communities Program	21,676.00	21,676.00	21,676.00	-	-	-
National Opioid Settlement	144,882.43	144,882.43	144,882.43	-	-	-
State of New Jersey Body Armor Grant	7,538.69	15,422.09	15,422.09	-	-	-
Recycling of Tonnage Grant	48,548.28	48,548.28	48,548.28	-	-	-
Alcohol Education and Rehabilitation Fund	5,451.37	5,451.37	5,451.37	-	-	-
Fed Bureau of Justice Bulletproof Vest Partnership	-	25,033.81	25,033.81	-	-	-
Handicap Recreational Grant:-State Share	15,000.00	15,000.00	15,000.00	-	-	-
Handicap Recreational Grant:-Local Share	3,000.00	3,000.00	3,000.00	-	-	-
Supplemental Fire Services Program	13,026.00	13,026.00	13,026.00	-	-	-
NJ Council on the Arts/OC Cultural & Heritage Comm	2,500.00	2,500.00	2,500.00	-	-	-
OC Office of Senior Services-Information Assistance						
Salaries and Wages	-	17,710.00	17,710.00	-	-	-

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

**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Local Recreational Improvement	-	70,000.00	70,000.00	-	-	-
Cops in Shops Summer/Shore Initiative	2,880.00	2,880.00	2,880.00	-	-	-
NJDOT Municipal Aid Program	370,645.00	370,645.00	370,645.00	-	-	-
Crash Abatement Tactics Grant	93,000.00	93,000.00	93,000.00	-	-	-
Sustained Enforcement Grant	-	93,000.00	93,000.00	-	-	-
The Recycling Partnership Grant	25,000.00	25,000.00	25,000.00	-	-	-
Total Public and Private Programs Offset by Revenues	766,028.02	1,149,117.38	1,140,611.38	-	8,506.00	-
Total Operations Excluded from "CAPS"	1,497,808.24	2,005,897.60	1,941,106.24	26,615.41	38,175.95	-
Detail:						
Salaries and Wages	330,229.33	347,939.33	347,939.33	-	-	-
Other Expenses	1,167,578.91	1,657,958.27	1,593,166.91	26,615.41	38,175.95	-
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	-	-	-
Total Capital Improvement Excluded from "CAPS"	200,000.00	200,000.00	200,000.00	-	-	-
Municipal Debt Service - Excluded from "CAPS":						
Payment of Bond Principal	2,185,000.00	2,185,000.00	2,185,000.00	-	-	-
Interest on Bonds	630,716.67	630,716.67	630,716.67	-	-	-
Green Trust Loan Program:						
Loan-Principal and Interest-Jet Vac/Sweeper	23,637.83	23,637.83	23,637.83	-	-	-
Deferred Charges						
Emergency Authorizations	425,000.00	425,000.00	425,000.00	-	-	-
Special Emergency Authorization -						
5 Years (N.J.S.A. 40A:4-55)	480,000.00	480,000.00	480,000.00	-	-	-
Future Taxation - Unfunded:						
Bond Issue - 07-20, 10-21, 11-21, 18-22	143.00	143.00	143.00	-	-	-

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

**TOWNSHIP OF JACKSON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
Judgements - Excluded from "CAPS"	2,200,000.00	2,200,000.00	2,200,000.00	-	-	-
Total Capital Improvements, Municipal Debt Service, Deferred Charges & Judgements Excluded from "CAPS"	5,944,497.50	5,944,497.50	5,944,497.50	-	-	-
Total General Appropriations Excluded from "CAPS"	7,642,305.74	8,150,395.10	8,085,603.74	26,615.41	38,175.95	-
Subtotal General Appropriations	55,471,394.15	55,979,483.51	52,469,004.10	1,541,032.59	1,969,446.82	-
Reserve For Uncollected Taxes	3,712,826.58	3,712,826.58	3,712,826.58	-	-	-
Total General Appropriations	\$ 59,184,220.73	\$ 59,692,310.09	\$ 56,181,830.68	\$ 1,541,032.59	\$ 1,969,446.82	\$ -
Budget	\$ 59,184,220.73					
Added by N.J.S. 40A:4-46	125,000.00					
Added by N.J.S. 40A:4-87	383,089.36					
Total	\$ 59,692,310.09					
Reserve for Uncollected Taxes	\$ 3,712,826.58					
Appropriated Reserves for Federal & State Grants	1,140,611.38					
Deferred Charges - Emergency	905,000.00					
Cash Disbursements	50,423,392.72					
Total	\$ 56,181,830.68					

**TOWNSHIP OF JACKSON  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	REFERENCE	2024	2023
<b>ASSETS</b>			
Animal Control Trust Fund:			
Cash	B-2	\$ 54,921.99	\$ 59,739.44
Total Animal Control Trust Fund		<u>54,921.99</u>	<u>59,739.44</u>
Open Space Trust Fund:			
Cash	B-2	<u>6,332,444.78</u>	<u>6,427,395.03</u>
Total Open Space Trust Fund		<u>6,332,444.78</u>	<u>6,427,395.03</u>
Trust Other Funds:			
Cash	B-2	24,652,528.06	22,196,129.29
Due from County of Ocean - Community Development Block Grant	B-6	<u>353,838.07</u>	<u>376,744.91</u>
Total Trust Other Funds		<u>25,006,366.13</u>	<u>22,572,874.20</u>
Length of Service Awards Program (LOSAP)			
Investments Held by Trustee	B-8	<u>262,776.67</u>	<u>182,512.20</u>
Total Assets		<u><u>\$ 31,656,509.57</u></u>	<u><u>\$ 29,242,520.87</u></u>

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

**TOWNSHIP OF JACKSON  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	REFERENCE	2024	2023
<b>LIABILITIES &amp; RESERVES</b>			
Animal Control Trust Fund:			
Due to State of New Jersey	B-3	\$ -	\$ 15.60
Reserve for Animal Control Expenditures	B-4	<u>54,921.99</u>	<u>59,723.84</u>
Total Animal Control Trust Fund		<u>54,921.99</u>	<u>59,739.44</u>
Open Space Trust Fund:			
Reserve for Open Space	B-1	<u>6,332,444.78</u>	<u>6,427,395.03</u>
Total Open Space Trust Fund		<u>6,332,444.78</u>	<u>6,427,395.03</u>
Trust Other Funds:			
Various Reserves	B-7	24,963,129.67	22,523,261.87
Due to Current Fund	B-5	<u>43,236.46</u>	<u>49,612.33</u>
Total Trust Other Funds		<u>25,006,366.13</u>	<u>22,572,874.20</u>
Length of Service Awards Program (LOSAP)			
Reserve for LOSAP	B-9	<u>262,776.67</u>	<u>182,512.20</u>
Total Liabilities & Reserves		<u><u>\$ 31,656,509.57</u></u>	<u><u>\$ 29,242,520.87</u></u>

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

**TOWNSHIP OF JACKSON  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

ASSETS	REFERENCE	2024	2023
Cash & Cash Equivalents	C-2	\$ 8,037,560.52	\$ 12,442,005.35
State Grant Receivable - 2024 DOT Grant	C	370,645.00	-
Deferred Charges to Future Taxation:			
Funded	C-4	19,740,719.97	22,230,822.80
Unfunded	C-5	<u>6,070,130.00</u>	<u>3,070,273.00</u>
Total Assets		<u>\$ 34,219,055.49</u>	<u>\$ 37,743,101.15</u>
LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bond	C-6	\$ 19,590,000.00	\$ 22,060,000.00
NJEIT Loans Payable	C-15	150,719.97	170,822.80
Improvement Authorizations:			
Funded	C-7	3,098,627.27	3,848,776.05
Unfunded	C-7	3,799,879.55	2,484,108.59
Reserve for Encumbrances	C-8	5,012,648.31	4,120,820.64
Interfund Payable	C-17	11,624.23	13,219.41
Capital Improvement Fund	C-9	1,346,267.33	2,836,064.83
Reserve for Debt Service - Open Space Bonds	C-10	845,770.57	845,770.57
Reserve for Debt Service - Other	C-11	180,411.92	180,411.92
Reserve for Fire Damage - Annex Building	C-12	3,217.61	3,217.61
Reserve for Debt Service - New Building	C-13	75,000.00	75,000.00
Reserve for Road Construction	C-14	-	1,000,000.00
Fund Balance	C-1	<u>104,888.73</u>	<u>104,888.73</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 34,219,055.49</u>	<u>\$ 37,743,101.15</u>

There were Bonds & Notes Authorized but not issued on December 31, 2024 of \$6,070,130.00 and on December 31, 2023 was \$3,070,273.00.

**TOWNSHIP OF JACKSON  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2024 &amp; 2023

\$ 104,888.73



**TOWNSHIP OF JACKSON  
PUBLIC ASSISTANCE FUND  
STATEMENTS OF ASSETS AND RESERVES - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

ASSETS	REFERENCE	2024	2023
Cash & Cash Equivalents	D-1	<u>\$ 32,270.85</u>	<u>\$ 31,001.74</u>
Total Assets		<u><u>\$ 32,270.85</u></u>	<u><u>\$ 31,001.74</u></u>
RESERVES			
Reserve for Public Assistance	D-2	<u>\$ 32,270.85</u>	<u>\$ 31,001.74</u>
Total Reserves		<u><u>\$ 32,270.85</u></u>	<u><u>\$ 31,001.74</u></u>

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

**TOWNSHIP OF JACKSON  
GENERAL FIXED ASSETS ACCOUNT GROUP  
STATEMENTS OF GENERAL FIXED ASSETS  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

ASSETS	REFERENCE	2024	2023
Land	E-1	\$ 55,632,200.00	\$ 55,632,200.00
Building & Building Improvements	E-1	53,504,284.00	52,988,785.00
Machinery & Equipment	E-1	24,018,756.00	23,733,724.00
Total		<u>\$ 133,155,240.00</u>	<u>\$ 132,354,709.00</u>
INVESTMENT IN FIXED ASSETS			
Investment in Fixed Assets	E	<u>\$ 133,155,240.00</u>	<u>\$ 132,354,709.00</u>

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

**TOWNSHIP OF JACKSON  
PAYROLL FUND  
STATEMENTS OF ASSETS AND LIABILITIES - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

ASSETS	<u>2024</u>	<u>2023</u>
Cash	<u>\$ 208,717.63</u>	<u>\$ 13,728.51</u>
Total Assets	<u><u>\$ 208,717.63</u></u>	<u><u>\$ 13,728.51</u></u>
LIABILITIES		
Payroll Deductions Payable	<u>\$ 208,717.63</u>	<u>\$ 13,728.51</u>
Total Liabilities	<u><u>\$ 208,717.63</u></u>	<u><u>\$ 13,728.51</u></u>

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

**TOWNSHIP OF JACKSON  
COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**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 Township Municipal Utilities Authority, but the Township’s accountability for this organization does not extend beyond making the appointments.

The financial statements of the component unit of the Township of Jackson are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements 39, 61, 80, 90, and 97. If the provisions of these GASB statements had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the County, the primary government:

Jackson Township Municipal Utilities Authority

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

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

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

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

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

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

**TOWNSHIP OF JACKSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

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

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

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

**Cash, Cash Equivalents and Investments** - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore, unrealized gains or losses on investments have not been recorded.

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

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

**TOWNSHIP OF JACKSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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

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

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

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



**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**Deferred Charges** – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally over expenditures 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.

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

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

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

**County Taxes** – The municipality is responsible for levying, collecting and remitting County taxes for the County of Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> 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 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Township of Jackson School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district July 1 to June 30.

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount. The Township did not defer School Taxes for the year ended December 31, 2024.

**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.

**TOWNSHIP OF JACKSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**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 in accordance with *N.J.A.C. 5:30-5.2*. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**Appropriation Reserves** – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31<sup>st</sup> of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

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

**Compensated Absences** – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2024:

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. Management has determined that the implementation of these Statements did not have a significant impact on the Township’s financial statements.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Implementation of this Statement resulted in additional footnote disclosures on the Township’s financial statements. See Note 14 for further detail.

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Accounting Pronouncements Effective in Future Reporting Periods

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.
- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Management has not yet determined the potential impact these Statements will have on the Township's financial statements.

**Note 2. Deposits and Investments**

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

**Deposits**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2024, the Township's bank balance of \$61,189,362.66 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 8,630,014.36
NJ Cash Management Fund	22,971,165.81
Uninsured and Uncollateralized	29,588,182.49
	<hr/>
	\$ 61,189,362.66
	<hr/>

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 2. Deposits and Investments (continued)**

**Investments**

Under the regulatory basis of accounting, investments are measured at cost in the Township's financial statements. However, had the financial statements been prepared in accordance with generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2024, the Township had no investments held at Level 2 or 3.

Following is a description of the valuation methodologies used for investments measured at fair value:

*Mutual Funds:* Valued at quoted market prices which represent the net asset value ("NAV") shares held by the Township at year-end.

The Township's fair value, hierarchy level and maturities of its investments at December 31, 2024 was as follows:

	Carrying Value	Fair Value as of December 31, 2024		Investment Maturities (in Years)
		Level 1	Total	Less Than 1 Year
<u>Investment type</u>				
Mutual Funds	\$ 183,311.33	\$ 183,311.33	\$ 183,311.33	\$ 183,311.33
	<u>\$ 183,311.33</u>	<u>\$ 183,311.33</u>	<u>\$ 183,311.33</u>	<u>\$ 183,311.33</u>
<u>Fund</u>				
Trust Fund - LOSAP (Fair Value)	\$ 183,311.33	\$ 183,311.33	\$ 183,311.33	\$ 183,311.33
	<u>\$ 183,311.33</u>	<u>\$ 183,311.33</u>	<u>\$ 183,311.33</u>	<u>\$ 183,311.33</u>

Investments at Contract Value - The Township held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$79,465.34 as of December 31, 2024. Lincoln Financial Group maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Township is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Township's ability to receive amounts

**TOWNSHIP OF JACKSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 2. Deposits and Investments (continued)**

due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln Financial Group or the LOSAP Plan and do not define a maturity date.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Township at December 31, 2024 was as follows:

Trust Fund - LOSAP (Fair Value)	183,311.33
Trust Fund - LOSAP (Contract Value)	<u>79,465.34</u>
Total Trust Fund - LOSAP	<u><u>\$ 262,776.67</u></u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

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

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. As of December 31, 2024, the Township's investments had the following ratings:

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

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 3. Property Taxes**

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

**Comparison Schedule of Tax Rates**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Tax Rate	<u>\$ 2.554</u>	<u>\$ 2.471</u>	<u>\$ 2.424</u>
Apportionment of Tax Rate:			
Municipal	0.499	0.501	0.500
Municipal Open Space	0.030	0.030	0.030
County General	0.561	0.520	0.474
Local School	1.464	1.420	1.420

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2024	\$ 7,226,934,900.00
2023	7,054,146,900.00
2022	6,927,739,073.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2024	\$ 196,085,490.91	\$ 193,185,063.75	98.52%
2023	186,216,033.34	183,014,818.89	98.28%
2022	177,659,830.75	175,309,033.06	98.67%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2024	\$ 4,368,349.87	\$ 2,336,203.71	\$ 6,704,553.58	3.42%
2023	4,142,307.84	2,885,715.90	7,028,023.74	3.77%
2022	3,935,487.28	2,003,345.43	5,938,832.71	3.34%

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 3. Property Taxes (continued)**

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2024	119
2023	119
2022	127

The last tax sale was held on October 22, 2024.

**Note 4. Property Acquired By Tax Title Lien Liquidation**

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

<u>Year</u>	<u>Amount</u>
2024	\$ 6,247,100.00
2023	6,247,100.00
2022	6,247,100.00

**Note 5. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2024	\$ 13,469,820.57	N/A *	N/A *
2023	16,215,749.21	\$ 11,370,000.00	70.12%
2022	16,564,519.10	8,208,200.00	49.55%

\* N/A 2024 Municipal Budget not yet adopted

**Note 6. Disaggregated Receivable and Payable Balances**

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



**TOWNSHIP OF JACKSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 7. Interfund Receivables, Payables and Transfers**

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2024:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ 54,860.69	\$ 963,157.23
State and Federal Grant Fund	963,157.23	-
Trust Other Fund	-	43,236.46
Capital Fund	-	11,624.23
	<u>\$ 1,018,017.92</u>	<u>\$ 1,018,017.92</u>

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

A summary of interfund transfers is as follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
Current Fund	\$ 2,947,383.46	\$ 2,413,731.99
State and Federal Grant Fund	602,915.66	1,174,780.18
Trust Other Fund	1,610,816.33	1,617,192.20
General Capital Fund	200,000.00	155,411.08
	<u>\$ 5,361,115.45</u>	<u>\$ 5,361,115.45</u>

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

**Note 8. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2024.

	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2024</u>
Land	\$ 55,632,200.00	\$ -	\$ -	\$ 55,632,200.00
Buildings and Improvements	52,988,785.00	515,499.00	-	53,504,284.00
Machinery & Equipment	23,733,724.00	455,062.00	170,030.00	24,018,756.00
	<u>\$ 132,354,709.00</u>	<u>\$ 970,561.00</u>	<u>\$ 170,030.00</u>	<u>\$ 133,155,240.00</u>



**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations**

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

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the Public Employees' Retirement System (PERS) for year ended June 30, 2024. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2023.

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

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

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

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2023, 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. For the year ended December 31, 2023, the Township's contractually required contribution to PERS plan was \$1,339,042.

**Components of Net Pension Liability** - At December 31, 2023, the Township's proportionate share of the PERS net pension liability was \$14,511,627. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2023. The Township's proportion measured as of June 30, 2023, was 0.1001881549% which was a decrease of 0.0033818105% from its proportion measured as of June 30, 2022.

**Balances at December 31, 2023 and December 31, 2022**

	<u>12/31/2023</u>	<u>12/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 991,199	\$ 1,935,548
Deferred Inflows of Resources	1,663,141	2,945,793
Net Pension Liability	14,511,627	15,630,134
Township's portion of the Plan's total Net Pension Liability	0.10019%	0.10357%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** - At December 31, 2023, the Township's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date is (\$114,077). This expense/(credit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,339,042 to the plan in 2023.

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 138,750	\$ 59,319
Changes of Assumptions	31,879	879,467
Net Difference between Projected and Actual Earnings on Pension Plan Investments	66,828	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>753,742</u>	<u>724,355</u>
	<u>\$ 991,199</u>	<u>\$ 1,663,141</u>

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ (760,283)
2025	(421,764)
2026	603,477
2027	(101,070)
2028	<u>7,698</u>
	<u>\$ (671,942)</u>

**Special Funding Situation** – Under N.J.S.A. 43:15A-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, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

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, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Township as of December 31, 2023. At December 31, 2023, the State's proportionate share of the PERS expense, associated with the Township, calculated by the plan as of the June 30, 2023 measurement date was \$45,256.

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

**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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 19,050,318	\$ 14,511,627	\$ 10,875,078

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

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the Police and Firemen's Retirement System (PFRS) for year ended June 30, 2024. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2023.

**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 Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

The following represents the membership tiers for PFRS:

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



**TOWNSHIP OF JACKSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

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

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

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2023, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Township's contractually required contributions to PFRS plan was \$4,427,854.

**Net Pension Liability and Pension Expense** - At December 31, 2023 the Township's proportionate share of the PFRS net pension liability was \$36,750,569. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. 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, 2023. The Township's proportion measured as of June 30, 2023, was 0.3326097%, which was an increase of 0.02702081% from its proportion measured as of June 30, 2022.

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

**Balances at December 31, 2023 and December 31, 2022**

	<u>12/31/2023</u>	<u>12/31/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 7,862,755	\$ 7,173,905
Deferred Inflows of Resources	4,584,775	7,081,366
Net Pension Liability	36,750,569	34,980,082
Township's portion of the Plan's total net pension Liability	0.33262%	0.30560%

**Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources** – At December 31, 2023, the Township's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date was \$3,013,475. This expense/(credit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$4,427,854 to the plan in 2023.

At December 31, 2023, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 1,573,586	\$ 1,752,676
Changes of Assumptions	79,321	2,481,544
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,871,637	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>4,338,211</u>	<u>350,555</u>
	<u>\$ 7,862,755</u>	<u>\$ 4,584,775</u>



**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

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

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2024	\$ (632,673)
2025	(575,003)
2026	3,005,798
2027	607,603
2028	865,321
Thereafter	<u>6,934</u>
	<u>\$ 3,277,980</u>

**Special Funding Situation** – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Township is \$6,771,720 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. 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, 2023 was 0.303262102%, which was an increase of 0.02702081% from its proportion measured as of June 30, 2022, which is the same proportion as the Township's. At December 31, 2023, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

Township's Proportionate Share of Net Pension Liability	\$ 36,750,569
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>6,771,720</u>
	<u><u>\$ 43,522,289</u></u>

At December 31, 2023, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2023 measurement date was \$770,269.

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All future years
	3.25 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 9. Pension Obligations (continued)**

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

**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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 51,205,483	\$ 36,750,569	\$ 24,713,079
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>9,435,207</u>	<u>6,771,720</u>	<u>4,553,672</u>
	<u><u>\$ 60,640,690</u></u>	<u><u>\$ 43,522,289</u></u>	<u><u>\$ 29,266,751</u></u>

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

**Note 10. Postemployment Benefits Other Than Pensions**

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2024. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2023.

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Postemployment Benefits Other Than Pensions (continued)**

allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Basis of Presentation**

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

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2023 were \$3,461,898,890 and \$11,427,677,896, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Postemployment Benefits Other Than Pensions (continued)**

(benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**Special Funding Situation**

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

Additionally, the State's proportionate share of the OPEB liability attributable to the Township is \$28,709,550 as of December 31, 2023. The OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The State's proportion of the OPEB liability associated with the Township was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2023 was 0.822837%, which was a decrease of 0.132151% from its proportion measured as of June 30, 2022, which is the same proportion as the Township's. At December 31, 2023, the Township's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Township	\$ 28,709,550.00

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Postemployment Benefits Other Than Pensions (continued)**

At December 31, 2022, the State's proportionate share of the OPEB (credit)/expense, associated with the Township, calculated by the plan as of the June 30, 2023 measurement date was (\$5,205,603).

**Note 11. Municipal Debt**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 19,740,719.97	\$ 22,230,822.80	\$ 16,505,925.63
	<hr/>		
Total Debt Issued	19,740,719.97	22,230,822.80	16,505,925.63
	<hr/>		
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	6,070,130.00	3,070,273.00	9,156,143.00
	<hr/>		
Total Authorized But Not Issued	6,070,130.00	3,070,273.00	9,156,143.00
	<hr/>		
<b>Total Gross Debt</b>	<u>\$ 25,810,849.97</u>	<u>\$ 25,301,095.80</u>	<u>\$ 25,662,068.63</u>
	<hr/>		
<b>Deductions:</b>			
General:			
Funds Temporarily Held			
to pay Bonds & Notes	1,026,182.49	1,026,182.49	1,012,815.16
Open Space Trust (40A:2-44h)	1,220,000.00	1,505,000.00	1,785,000.00
	<hr/>		
Total Deductions	2,246,182.49	2,531,182.49	2,797,815.16
	<hr/>		
<b>Total Net Debt</b>	<u>\$ 23,564,667.48</u>	<u>\$ 22,769,913.31</u>	<u>\$ 22,864,253.47</u>

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 22,865,000.00	\$ 22,865,000.00	\$ -
General Debt	25,810,849.97	2,246,182.49	23,564,667.48
	<hr/>		
	<u>\$ 48,675,849.97</u>	<u>\$ 25,111,182.49</u>	<u>\$ 23,564,667.48</u>



**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 11. Municipal Debt (continued)**

Net Debt \$23,564,667.48 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$11,498,399,307.33, equals 0.205% New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2024 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 402,443,975.76
Net Debt	<u>23,564,667.48</u>
Remaining Borrowing Power	<u><u>\$ 378,879,308.28</u></u>

**General Debt**

**A. Serial Bonds Payable**

On July 23, 2014, the Township issued \$5,845,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00% to 3.00% and mature in 2025.

On February 2, 2016, the Township issued \$7,100,000.00 of General Bonds. The General Refunding Bonds were issued at interest rates varying from 2.00% to 4.00% and mature in 2028.

During 2020, the Township issued \$13,640,000.00 of General Bonds. The General Obligation bonds were issued at interest rates varying from 2.00% to 4.00% and mature in 2033.

During 2023, the Township issued \$8,725,000.00 of General Bonds. The General Obligation bonds were issued at interest rates varying from 2.00% to 4.00% and mature in 2034.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,540,000.00	\$ 604,187.50	\$ 3,144,187.50
2026	2,040,000.00	535,550.00	2,575,550.00
2027	2,100,000.00	470,750.00	2,570,750.00
2028	2,145,000.00	404,250.00	2,549,250.00
2029	1,880,000.00	326,575.00	2,206,575.00
2030-2034	<u>8,885,000.00</u>	<u>732,675.00</u>	<u>9,617,675.00</u>
	<u><u>\$ 19,590,000.00</u></u>	<u><u>\$ 3,073,987.50</u></u>	<u><u>\$ 22,663,987.50</u></u>



**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 11. Municipal Debt (continued)**

**B. Bond Anticipation Notes Payable – Short Term Debt**

As of December 31, 2024, the Township did not have any Bond Anticipation notes outstanding.

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2024, the Township had \$6,070,130.00 in various General Capital bonds and notes authorized but not issued.

**D. Loans Payable**

New Jersey Environmental Infrastructure Trust

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

The loan consists of two agreements, a Trust Loan Agreement of \$145,000.00 to be repaid over a 14-year period at interest rates ranging from 3.00% to 5.00%, and a no interest Fund Loan Agreement of \$148,175.00 to be repaid over a 14-year period. The proceeds of the loans are to provide for the acquisition of a Jet Vac and Sweeper for use by the Township.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 20,102.83	\$ 3,100.00	\$ 23,202.83
2026	20,102.83	2,600.00	22,702.83
2027	20,102.83	2,100.00	22,202.83
2028	20,102.83	1,800.00	21,902.83
2029	20,102.83	1,200.00	21,302.83
2030-2031	50,205.82	1,350.00	51,555.82
	<u>\$ 150,719.97</u>	<u>\$ 12,150.00</u>	<u>\$ 162,869.97</u>

**Summary of Principal Debt**

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

	Balance December 31, <u>2023</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2024</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 22,060,000.00	\$ -	\$ 2,470,000.00	\$ 19,590,000.00	\$ 2,540,000.00
Loans	170,822.80	-	20,102.83	150,719.97	20,102.83
Authorized but Not Issued	3,070,273.00	3,000,000.00	143.00	6,070,130.00	-
	<u>\$ 25,301,095.80</u>	<u>\$ 3,000,000.00</u>	<u>\$ 2,490,245.83</u>	<u>\$ 25,810,849.97</u>	<u>\$ 2,560,102.83</u>

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**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, 2024 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	<u>Balance December 31, 2024</u>	<u>2025 Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b>Current Fund:</b>			
Special Emergency Authorizations (40A:4-55)	\$ 1,920,000.00	\$ 480,000.00	\$ 1,440,000.00
Emergency Authorization (40A:4-46)	125,000.00	125,000.00	-

**Note 13. Deferred Compensation Salary Account**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full-time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

**Note 14. Accrued Sick, Vacation and Compensation Time**

GASB Statement No. 101, Compensated Absences, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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

It is estimated that accrued benefits for compensated absences are valued at \$4,478,272.86 at December 31, 2024.

The Township has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2024, the Township has reserved in the Other Trust Fund \$621,697.73 to fund compensated absences in accordance with NJSA 40A:4-39.

**Note 15. Risk Management**

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

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 15. Risk Management (continued)**

**Joint Insurance Pool**

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

Worker's Compensation	Statutory
General Liability	\$ 20,000,000
Employer's Liability	Statutory
Auto Liability	\$ 20,000,000
Flood	\$ 75,000,000
Property/Boiler and Machinery	\$ 125,000,000
Public Officials Liability	\$ 6,000,000
Environmental Impairment Liability	\$ 1,000,000

Contributions to the Funds are payable in one installment and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2024 which can be obtained on the Fund's website.

**New Jersey Unemployment Compensation Insurance**

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

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 56,390.16	\$ 63,970.59	\$ 399,210.33
2023	45,582.23	26,873.55	406,790.76
2022	36,483.55	7,943.97	388,082.08

**Self Health Insurance**

The Township has established a health and prescription plan for its employees. The plan was established during the fiscal year ended December 31, 2024. Transactions related to the plan are accounted for in the Current Fund.

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 16. Contingencies**

Grantor Agencies

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2024, the Township estimates that no material liabilities will result from such audits.

Litigation

The Township is currently a Defendant in a number of lawsuits filed under the Religious Land Use and Institutional Persons Act (RLUIPA) in Federal Court as well as State Court. These allegations include asserted violations of Constitutional Rights. The Township does maintain insurance for these types of claims, and it is uncertain at this juncture if said coverage will be sufficient to cover any and all claims, etc. These matters range from having just been filed to ongoing discovery. The Township is vigorously defending against each of these allegations and is working to obtain amicable resolutions thereof in a way which would be advantageous to the Township and its' taxpayers. The Township has also settled the vast majority of RLUIPA claims it was facing over the past year. At this juncture, it is impossible to determine or estimate the amount of any potential loss which would not be covered by insurance with respect to any of these remaining claims.

Tax Appeals

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

**Note 17. Tax Abatements**

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

For the year ended December 31, 2024, the Township abated property taxes totaling \$379,422.71 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

<u>Recipient</u>	<u>Purpose</u>	<u>Amount Abated</u>	<u>PILOT Billings</u>
Windsor Crescent LLC	Affordable Housing	\$ 379,422.71	\$ 123,996.78
		<u>\$ 379,422.71</u>	<u>\$ 123,996.78</u>

**TOWNSHIP OF JACKSON**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 18. Length of Service Awards Program**

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

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

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,705.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Township elected to contribute up to \$1,705.00 for the year ended December 31, 2024 per eligible volunteer, into the Plan, depending on how many years the volunteer has served, however, during the year ended December 31, 2024, the Township contributed a total of \$53,208.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

**Participant Accounts** - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Township's creditors until distributed as benefit payments, are not available for funding the operations of the Township. The funds may also be used to pay the administrative fees charged by the Plan Administrator. Lincoln Financial Group ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

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

**Payment of Benefits** - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2024 no payouts were made to vested participants.

**Forfeited Accounts** - During the year ended December 31, 2024, no accounts were forfeited.

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

**TOWNSHIP OF JACKSON  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 19. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2024 and March 14, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. The following was noted:

Pending Litigation

The Township is currently a Defendant in a number of lawsuits filed under the Religious Land Use and Institutional Persons Act (RLUIPA) in Federal Court as well as State Court. These allegations include asserted violations of Constitutional Rights. The Township does maintain insurance for these types of claims, and it is uncertain at this juncture if said coverage will be sufficient to cover any and all claims, etc. These matters range from having just been filed to ongoing discovery. The Township is vigorously defending against each of these allegations and is working to obtain amicable resolutions thereof in a way which would be advantageous to the Township and its' taxpayers. The Township has also settled the vast majority of RLUIPA claims it was facing over the past year. At this juncture, it is impossible to determine or estimate the amount of any potential loss which would not be covered by insurance with respect to any of these remaining claims.

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**APPENDIX C**

**FORM OF APPROVING LEGAL OPINION**





ARCHER & GREINER, P.C.  
ATTORNEYS AT LAW  
RIVERVIEW PLAZA  
10 HIGHWAY 35  
RED BANK, NJ 07701  
732-268-8000  
FAX 732-345-8420

December \_\_, 2025

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

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Township Council of the Township of Jackson, in the County of Ocean, State of New Jersey (the "Township"), and other proofs submitted to us relative to the issuance and sale of the

**\$7,500,000**  
**BOND ANTICIPATION NOTES**

**TOWNSHIP OF JACKSON**  
**IN THE COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**DATED: DECEMBER \_\_, 2025**

The \$7,500,000 aggregate principal amount of Bond Anticipation Notes (the "Notes") of the Township are dated December \_\_, 2025, mature December \_\_ 2026 and bear interest at the rate of \_\_\_\_ and \_\_\_\_ hundredths percentum (\_\_\_\_%) per annum. The Notes are issued in fully registered form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases of the Notes will be made in book-entry only form in denominations of \$5,000, or in such amount necessary to issue the principal amount of the Note (subject to approval of the Chief Financial Officer of the Township). So long as DTC or its nominee is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Township or a duly designated paying agent directly to Cede & Co., as nominee for DTC.

The bonds in anticipation of which the Notes are issued have been authorized pursuant to various a bond ordinance of the Township, having been in all respects duly adopted by the Township Council, approved by the Mayor and published as required by law. The Notes are being issued to: (i) temporarily finance various capital improvements in and for the Township; and (ii) pay the costs associated with the issuance of the Notes.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the issuance and sale of the Notes pursuant to the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented, (ii) the Notes are valid and legally binding obligations of the Township, and (iii) all the taxable property within the Township is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Notes in order for interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Notes. The Township has covenanted in its tax certificate relating to the Notes to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Township with the aforementioned covenant, under existing statutes, regulations, rulings and court decisions, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to Section 103 of the Code. Interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing federal alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

We are further of the opinion that the Notes constitute "qualified tax-exempt obligations" within the meaning of section 265(b)(3)(B) of the Code and, therefore, will be treated as if they were acquired on August 7, 1986 for purposes of the limitations on deductibility by financial institutions of interest expense allocable to tax-exempt interest.

Except as stated in the preceding three (3) paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Notes. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Mayor and Township Council of the  
Township of Jackson  
December \_\_, 2025  
Page 3

We have examined the form of the unexecuted Note and, in our opinion, the form is regular and proper.

We express no opinion as to any matter not set forth above. The opinions expressed above are being rendered on the basis of federal law and the laws of the State of New Jersey as presently enacted and construed, and we assume no responsibility to advise any party as to changes in fact or law subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

This letter is being provided for your exclusive benefit pursuant to the requirements of the closing of the Notes and may not be provided to (except in connection with the preparation of a closing transcript with respect to the Notes) or relied upon by any other person, party, firm or organization without our prior written consent. Notwithstanding anything to the contrary herein, the undersigned acknowledges that this opinion is a governmental record subject to release under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 *et seq.*, as amended and supplemented.

Very truly yours,

ARCHER & GREINER P.C.

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

**FORM OF CERTIFICATE OF COMPLIANCE WITH  
SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES**

I, STEPHANIE MARLIN, Chief Financial Officer of the Township of Jackson, in the County of Ocean, New Jersey (the "Township"), a body politic and corporate organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY to \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, the purchaser (the "Purchaser") of \$7,500,000 aggregate principal amount of Bond Anticipation Notes of the Township dated December \_\_, 2025 and maturing December \_\_, 2026 (the "Notes"), in connection with the issuance of the Notes, that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the Township will provide notice of certain events (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a PDF file to [www.emma.msrb.org](http://www.emma.msrb.org), of any of the following events with respect to the Notes herein described, as applicable: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (7) modifications to rights of Note holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the Notes, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Township; (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee for the Notes or the change of name of a trustee for the Notes, if material; (15) incurrence of a Financial Obligation (as defined below) of the Township, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Township, any of which affect security holders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The term "Financial Obligation" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Whenever the Township (i) has or obtains knowledge of the occurrence of any of the aforementioned listed events not requiring a materiality determination, or (ii) determines that the occurrence of an aforementioned listed event requiring a materiality determination would be material to the holders of the Notes, the Township shall file a Notice of each such occurrence with the MSRB via EMMA on a timely basis not in excess of ten (10) business days after the occurrence of any of the aforementioned events.

The Township's obligations under this Certificate shall terminate upon the defeasance, prior redemption or payment in full of the Notes.

In the event the Township fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Township to comply with its obligations under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the Township's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the Township, the Purchaser and the holders from time to time of the Notes and shall create no further rights in any other person or entity hereunder.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the Township as of the \_\_\_\_ day of December, 2025.

**TOWNSHIP OF JACKSON, NEW JERSEY**

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**STEPHANIE MARLIN,**  
**Chief Financial Officer**