

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
YEARS ENDED DECEMBER 31, 2010 AND 2009

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
with
INDEPENDENT AUDITOR'S REPORTS
and
COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Colts Neck, New Jersey

We have audited the accompanying regulatory-basis financial statements of the Township of Colts Neck, County of Monmouth, New Jersey ("Township") as of December 31, 2010 and 2009, and for the year ended December 31, 2010, which collectively comprise the Township's basic financial statements as listed as financial statement exhibits in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the Township prepares its financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Township's financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund, and represent 7.54% and 5.34% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2010 and 2009.

Honorable Mayor and Members
of the Township Committee
Township of Colts Neck, New Jersey
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In our opinion, because of the effects of the Township's preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Township has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Also in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the Township as of December 31, 2010 and 2009, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the Statements of Revenues - Regulatory Basis and the Statement of Expenditures - Regulatory Basis of the various funds for the years ended December 31, 2010 and 2009 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2011 on our consideration of the Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the regulatory-basis financial statements taken as a whole. The accompanying supplementary schedules and Comments section listed in the Table of Contents 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 regulatory-basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Hutchins, Farrell, Meyer & Allison, P.A.

Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

March 15, 2011

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBITS

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

Assets	Reference	2010	2009	Liabilities, Reserves and Fund Balance	Reference	2010	2009
Cash	1-A	\$ 13,204,596.47	\$ 12,500,794.39	Appropriation Reserves	A-3,12-A	\$ 397,438.49	\$ 365,337.37
Cash - Change Funds	2-A	650.00	650.00	Accounts Payable	13-A	18,892.09	16,124.00
		<u>13,205,246.47</u>	<u>12,501,444.39</u>	Encumbrances Payable	14-A	171,716.92	22,292.99
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	750.00	1,000.00	Prepaid Taxes	15-A	451,124.13	372,017.90
Receivables and Other Assets With Full Reserves:				Due To County for Added and Omitted Taxes	17-A	18,751.43	50,176.06
Taxes Receivable	4-A	727,879.87	538,623.46	Local District School Tax Payable	18-A	5,939,915.97	4,558,577.97
Tax Title Liens Receivable	5-A	20,225.24	16,076.88	Regional High School Tax Payable	19-A	5,144,453.93	4,761,890.44
Property Acquired for Taxes - Assessed Valuation	6-A	169,000.00	169,000.00	Due To State and Local Agencies	20-A	260.76	560.76
Revenue Accounts Receivable	8-A	67,258.51	12,556.87	Various Reserves	21-A	38,344.33	147,128.07
		<u>984,363.62</u>	<u>736,257.21</u>			<u>12,180,898.05</u>	<u>10,294,105.56</u>
Deferred Charges:							
Special Emergency Authorization (N.J.S.A. 40A:4-55)	7-A	182,000.00	243,000.00	Reserve for Receivables	A	984,363.62	736,257.21
Emergency Appropriation	7-A	150,000.00		Fund Balance	A-1	1,359,413.47	2,451,817.52
Overexpenditure of:						<u>14,524,675.14</u>	<u>13,482,180.29</u>
Appropriation	7-A	1,489.72	478.69	Grant Fund:			
Appropriation Reserves	7-A	346.64		Reserve for State Grants:			
2008 Appropriation Reserves	7-A	478.69		Appropriated	11-A	73,075.46	120,392.55
		<u>334,315.05</u>	<u>243,478.69</u>	Unappropriated	22-A	26,610.89	
		<u>14,524,675.14</u>	<u>13,482,180.29</u>			<u>99,686.35</u>	<u>120,392.55</u>
Grant Fund:				Total Liabilities, Reserves and Fund Balance		<u>\$ 14,624,361.49</u>	<u>\$ 13,602,572.84</u>
Cash	1-A	68,173.35	79,166.55				
State Grants Receivable	10-A	31,513.00	41,226.00				
		<u>99,686.35</u>	<u>120,392.55</u>				
Total Assets		<u>\$ 14,624,361.49</u>	<u>\$ 13,602,572.84</u>				

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2010 and 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 2,300,000.00	\$ 2,236,650.00
Miscellaneous Revenue Anticipated	A-2	2,766,836.05	3,175,685.80
Receipts From Delinquent Taxes	A-2	514,823.43	404,282.87
Receipts From Current Taxes	A-2,4-A	46,730,513.45	46,166,147.27
Non-Budget Revenue	A-2	398,774.51	459,776.81
Other Credits To Income:			
Senior Citizens' and Veterans' Allowed	3-A	250.00	
Unexpended Balance of Appropriation Reserves	12-A	89,914.09	105,642.14
Accounts Payable Cancelled	A-1		4,897.68
		<u>52,801,111.53</u>	<u>52,553,082.57</u>
<u>Expenditures</u>			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	4,233,249.72	4,226,829.00
Other Expenses	A-3	2,946,974.00	2,994,430.00
Deferred Charges and Statutory Expenditures	A-3	853,402.00	320,000.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	30,000.00	20,000.00
Other Expenses	A-3	437,966.98	813,229.85
Capital Improvements	A-3	151,250.00	135,500.00
Municipal Debt Service	A-3	949,389.38	936,299.56
Deferred Charges	A-3	81,000.00	81,000.00
Refund Prior Year Revenue	1-A	81,659.89	
Open Space Fund Tax	9-A	778,228.30	363,448.65
County Taxes	16-A	9,084,455.70	8,939,383.91
Due To County for Added and Omitted Taxes	17-A	18,751.43	50,176.06
Local District School Tax	18-A	20,761,437.00	19,649,238.00
Regional High School Tax	19-A	11,357,240.90	11,948,940.41
		<u>51,765,005.30</u>	<u>50,478,475.44</u>
Excess in Revenue		<u>1,036,106.23</u>	<u>2,074,607.13</u>
Adjustments To Income Before Fund Balance			
Expenditures Included Above Which Are By Statute Deferred Charges To Budget of Succeeding Year:			
Overexpenditure of Appropriations		1,489.72	
Emergency Appropriation		150,000.00	
Special Emergency Authorization		20,000.00	
	7-A	<u>171,489.72</u>	
Statutory Excess To Fund Balance		1,207,595.95	2,074,607.13
Fund Balance, January 1	A	<u>2,451,817.52</u>	<u>2,613,860.39</u>
		3,659,413.47	4,688,467.52
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>2,300,000.00</u>	<u>2,236,650.00</u>
Fund Balance, December 31	A	<u>\$ 1,359,413.47</u>	<u>\$ 2,451,817.52</u>

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Budget Amendments</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 2,300,000.00		\$ 2,300,000.00	
Miscellaneous Revenues:					
Local Revenues:					
Licenses:					
Alcoholic Beverages	8-A	13,500.00		14,508.00	\$ 1,008.00
Fees and Permits	8-A	55,000.00		83,325.00	28,325.00
Fines and Costs:					
Municipal Court	8-A	205,000.00		181,916.10	(23,083.90)
Interest and Costs on Taxes	8-A	86,000.00		139,847.55	53,847.55
Interest on Investments and Deposits	8-A	229,870.00		137,831.17	(92,038.83)
Recreation Fees	8-A	182,000.00		185,575.25	3,575.25
State Aid Without Offsetting Appropriations:					
Energy Receipts Tax	8-A	1,952,550.00		1,952,550.00	
Watershed Moratorium	8-A			28,388.00	28,388.00
Additional Revenue With Offsetting Appropriations:					
Group Health Insurance Premium Contributions	8-A	45,130.00			(45,130.00)
State Revenues Offset with Appropriations:					
Clean Communities Program	10-A	22,049.32	\$ 6,989.68	29,039.00	
Municipal Alliance on Drug and Alcohol Abuse	10-A	10,663.00		10,663.00	
Body Armor Fund	10-A	1,037.19	2,155.79	3,192.98	
Total Miscellaneous Revenues	A-1	<u>2,802,799.51</u>	<u>9,145.47</u>	<u>2,766,836.05</u>	<u>(45,108.93)</u>
Receipts From Delinquent Taxes	A-1	<u>390,000.00</u>		<u>514,823.43</u>	<u>124,823.43</u>
Amount To Be Raised By Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	<u>5,302,380.00</u>		<u>5,467,000.12</u>	<u>164,620.12</u>
Budget Revenues		10,795,179.51	9,145.47	11,048,659.60	244,334.62
Non-Budget Revenues	A-1,1-A			<u>398,774.51</u>	<u>398,774.51</u>
		<u>\$ 10,795,179.51</u>	<u>\$ 9,145.47</u>	<u>\$ 11,447,434.11</u>	<u>\$ 643,109.13</u>

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	<u>Reference</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,4-A	\$ 46,730,513.45
Allocated To:		
School, County, and Open Space Taxes	4-A	<u>42,550,113.33</u>
		4,180,400.12
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,286,600.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 5,467,000.12</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	4-A	<u>\$ 514,823.43</u>

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

<u>Analysis of Non-Budget Revenues</u>	<u>Reference</u>	
Miscellaneous Revenue Not Anticipated:		
TV Cable Franchise Fees		\$ 29,874.00
Mercantile Licenses		5,750.00
Police Reports		3,556.35
Prior Year Reimbursements		11,695.53
Alarm Fines		17,000.00
Antenna Tower Fees		222,726.72
Refunds		9,583.22
Hotel Tax From State		12,588.00
Premium on Bond Sale		19,138.59
Sale of Assets		19,532.43
Recycled Scrap Metal		6,030.03
Park Rental		600.00
Miscellaneous		<u>40,699.64</u>
	A-1,1-A	<u>\$ 398,774.51</u>
Fees and Permits:		
Board of Health		\$ 18,285.00
Planning Board Fees		33,825.00
Board of Adjustment Fees		18,065.00
Street Opening Permits		750.00
Fire Prevention Fees		10,000.00
Auction and Garage Sale Licenses		1,680.00
Miscellaneous		<u>720.00</u>
	A-2,8-A	<u>\$ 83,325.00</u>

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Original Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended			Overexpended
				Paid or Charged	Reserved	Cancelled	
General Appropriations Operations - Within "CAPS"							
GENERAL GOVERNMENT							
General Administration:							
Salaries and Wages	\$ 162,695.00	\$ 162,695.00	\$ 162,695.00	\$ 162,057.13	\$ 637.87		
Other Expenses	52,870.00	52,870.00	52,870.00	38,981.53	13,888.47		
Mayor and Committee:							
Salaries and Wages	7,500.00	7,500.00	7,500.00	5,999.93	1,500.07		
Municipal Clerk:							
Salaries and Wages	32,385.00	32,385.00	32,385.00	32,185.66	199.34		
Elections:							
Other Expenses	2,950.00	2,950.00	2,950.00	1,682.65	1,267.35		
Financial Administration (Treasury):							
Salaries and Wages	70,289.00	70,289.00	70,289.00	69,784.78	504.22		
Other Expenses	19,740.00	19,740.00	19,740.00	18,855.76	884.24		
Audit Services:							
Other Expenses	38,500.00	38,500.00	38,500.00	38,400.00	100.00		
Revenue Administration (Tax Collection):							
Salaries and Wages	130,823.00	130,823.00	130,823.00	130,207.03	615.97		
Other Expenses	4,825.00	4,825.00	4,825.00	3,942.75	882.25		
Tax Assessment Administration:							
Salaries and Wages	41,610.00	41,610.00	41,610.00	36,845.32	4,764.68		
Other Expenses	11,040.00	11,040.00	11,040.00	10,226.79	813.21		
Revaluation		\$ 20,000.00	20,000.00	20,000.00			
Legal Services (Legal Department):							
Other Expenses	157,000.00	157,000.00	157,000.00	152,814.47	4,185.53		
Engineering Services:							
Other Expenses	27,500.00	20,300.00	20,300.00	15,565.62	4,734.38		
LAND USE ADMINISTRATION							
Farm Land/Open Space Commission:							
Salaries and Wages	600.00	600.00	600.00		600.00		
Other Expenses	400.00	400.00	400.00	49.04	350.96		
Historical Preservation:							
Salaries and Wages	800.00	800.00	800.00	687.50	112.50		
Other Expenses	2,000.00	2,000.00	2,000.00	981.20	1,018.80		
LAND USE ADMINISTRATION (continued)							
Planning Board:							
Salaries and Wages	123,880.00	123,880.00	123,880.00	123,807.83	72.17		
Other Expenses	10,750.00	10,750.00	10,750.00	7,785.03	2,964.97		
Architectural Review:							
Salaries and Wages	750.00	750.00	750.00	470.00	280.00		
Other Expenses	320.00	320.00	320.00	142.80	177.20		
Zoning Board of Adjustment:							
Salaries and Wages	1,200.00	1,200.00	1,200.00	1,198.64	1.36		
Other Expenses	6,225.00	6,225.00	6,225.00	3,625.49	2,599.51		
CODE ENFORCEMENT AND ADMINISTRATION							
Code Enforcement Official:							
Salaries and Wages	29,029.00	29,029.00	29,029.00	29,028.76	0.24		
Other Expenses	2,065.00	2,065.00	2,065.00	1,635.33	429.67		

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Original Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended		
				Paid or Charged	Reserved	Overexpended
General Appropriations Operations - Within "CAPS"						
INSURANCE						
General Liability	227,787.00		227,787.00	217,362.52	10,424.48	
Workers Compensation	260,213.00		260,213.00	260,213.00		
Employee Group Health	683,715.00		683,715.00	683,715.00		
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	2,147,370.00		2,144,133.70	2,144,133.70	3,236.30	
Other Expenses	95,250.00		95,250.00	80,177.27	15,072.73	
Office of Emergency Management:						
Other Expenses	1,000.00		1,000.00	278.00	722.00	
Aid To Volunteer Fire Companies	90,000.00		90,000.00	90,000.00		
First Aid Organization - Contribution	27,000.00		27,000.00	27,000.00		
Fire Department:						
Other Expenses	47,950.00		47,950.00	42,604.51	5,345.49	
Fire Prevention Bureau:						
Salaries and Wages	2,000.00		2,000.00		2,000.00	
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	1,056,632.00		1,056,632.00	1,029,215.25	27,416.75	
Other Expenses	126,475.00		126,475.00	116,706.69	9,768.31	
Snow Removal:						
Salaries and Wages	52,000.00		52,000.00	45,801.72	6,198.28	
Other Expenses	293,050.00		300,250.00	299,532.51	717.49	
Shade Tree Commission:						
Salaries and Wages	1,250.00		1,250.00	710.00	540.00	
Other Expenses	6,870.00		6,870.00	5,222.26	1,647.74	
Recycling:						
Salaries and Wages	2,000.00		2,000.00	922.68	1,077.32	
Other Expenses	123,438.00		123,438.00	103,499.13	19,938.87	
Buildings and Grounds:						
Salaries and Wages	1,000.00		1,000.00		1,000.00	
Other Expenses	42,700.00		42,700.00	39,849.35	2,850.65	
Municipal Court:						
Salaries and Wages	91,637.00		91,637.00	93,126.72		
Other Expenses	8,250.00		8,250.00	5,264.24	2,985.76	
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	94,220.00		94,220.00	86,065.12	8,154.88	
Other Expenses	25,550.00		25,550.00	21,646.44	3,903.56	
Environmental Commission:						
Salaries and Wages	750.00		750.00	552.50	197.50	
Other Expenses	375.00		375.00	153.50	221.50	
Animal Control Services:						
Other Expenses	41,000.00		41,000.00	33,915.70	7,084.30	
Welfare/Administration of Public Assistance:						
Other Expenses	200.00		200.00		200.00	
						\$ 1,489.72

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Original Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended			Overexpended
				Paid or Charged	Reserved	Cancelled	
General Appropriations Operations - Within "CAPS"							
PARK AND RECREATION							
Recreation Services and Programs:							
Salaries and Wages	175,590.00		175,590.00	172,443.25	3,146.75		
Other Expenses	186,150.00		186,150.00	166,755.25	19,394.75		
Maintenance of Parks:							
Salaries and Wages	5,250.00		5,250.00	3,395.00	1,855.00		
Other Expenses	31,400.00		31,400.00	26,456.69	4,943.31		
UNCLASSIFIED							
Municipal Alliance on Alcoholism and Drug Abuse	2,666.00		2,666.00	1,560.00	1,106.00		
UTILITY EXPENSES AND BULK PURCHASES							
Electricity	46,250.00		46,250.00	46,185.83	64.17		
Street Lighting	15,000.00		15,000.00	13,860.69	1,139.31		
Telephone (excluding equipment acquisition)	43,500.00		43,500.00	41,874.66	1,625.34		
Fuel Oil	26,000.00		26,000.00	16,295.22	9,704.78		
Gasoline	132,000.00		132,000.00	131,428.90	571.10		
Accumulated Sick and Vacation	500.00		500.00		500.00		
Surety Bond	500.00		500.00		500.00		
Total Operations - Within "CAPS"	7,152,234.00	20,000.00	7,172,234.00	6,954,884.34	218,839.38		1,489.72
Contingent	6,500.00		6,500.00	5,943.41	556.59		
Total Operations Including Contingent - Within "CAPS"	7,158,734.00	20,000.00	7,178,734.00	6,960,827.75	219,395.97		1,489.72
Detail:							
Salaries and Wages	4,231,760.00		4,231,760.00	4,168,638.52	64,611.20		1,489.72
Other Expenses (Including Contingent)	2,926,974.00	20,000.00	2,946,974.00	2,792,189.23	154,784.77		
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"							
STATUTORY EXPENDITURES							
Contribution To:							
Public Employees' Retirement System	174,322.00		174,322.00	174,322.00			
Social Security System (O.A.S.I.)	330,000.00		330,000.00	310,783.29	19,216.71		
Police and Firemen's Retirement System of N.J.	349,080.00		349,080.00	349,080.00			
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	853,402.00		853,402.00	834,185.29	19,216.71		
Total General Appropriations for Municipal Purposes - Within "CAPS"	8,012,136.00	20,000.00	8,032,136.00	7,795,013.04	238,612.68		1,489.72

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Original Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended		Cancelled	Overexpended
				Paid or Charged	Reserved		
General Appropriations Operations - Excluded From "CAPS"							
General Appropriations Operations - Excluded from "CAPS"							
Snow Removal		150,000.00	150,000.00		150,000.00		
Employee Group Health	29,385.00		29,385.00	29,385.00			
Contribution to PERS	17,194.00		17,194.00	17,194.00			
Department of Environmental Protection Recycling Tax (N.J.S.A. 13:1E-96.5)	1,662.00		1,662.00	1,662.00			
Aid To Library (N.J.S.A. 40:54-35):							
Salaries and Wages	30,000.00		30,000.00	30,000.00			
Other Expenses	24,800.00		24,800.00	19,393.83	5,406.17		
LOSAP	60,000.00		60,000.00	60,000.00			
INTERLOCAL MUNICIPAL AGREEMENTS							
Interlocal Service - County - 911	112,031.00		112,031.00	108,611.36	3,419.64		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES							
Clean Communities Program	29,039.00		29,039.00	29,039.00			
Drug and Alcohol Abuse	10,663.00		10,663.00	10,663.00			
Body Armor Fund	3,192.98		3,192.98	3,192.98			
Total Operations - Excluded From "CAPS"	317,966.98	150,000.00	467,966.98	309,141.17	158,825.81		
Detail:							
Salaries and Wages	30,000.00		30,000.00	30,000.00			
Other Expenses	287,966.98	150,000.00	437,966.98	279,141.17	158,825.81		
Capital Improvements - Excluded From "CAPS"							
Capital Improvement Fund	151,250.00		151,250.00	151,250.00			
Total Capital Improvements - Excluded From "CAPS"	151,250.00		151,250.00	151,250.00			
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	458,985.00		458,985.00	458,985.00			
Payment of Bond Anticipation Notes and Capital Notes	100,000.00		100,000.00	100,000.00			
Interest on Bonds	279,800.00		279,800.00	273,898.62			
Interest on Notes	28,805.00		28,805.00	28,724.98			
Capital Lease Obligations Approved After 07/12/07 - Principal	73,000.00		73,000.00	73,000.00			
Capital Lease Obligations Approved After 07/12/07 - Interest	3,650.00		3,650.00	3,650.00			
Green Acres Loan - Principal and Interest	11,132.00		11,132.00	11,130.78			1.22
Total Municipal Debt Service - Excluded From "CAPS"	955,372.00		955,372.00	949,389.38			5,982.62
							\$ 5,901.38
							80.02

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Original Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended		Cancelled	Overexpended
				Paid or Charged	Reserved		
General Appropriations Operations - Excluded From "CAPS"	81,000.00		81,000.00	81,000.00			
DEFERRED CHARGES							
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	81,000.00		81,000.00	81,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	81,000.00		81,000.00	81,000.00			
Total General Appropriations - Excluded From "CAPS"	1,505,588.98	150,000.00	1,655,588.98	1,490,780.55	158,825.81	5,982.62	
Subtotal General Appropriations	9,517,724.98	170,000.00	9,687,724.98	9,285,793.59	397,438.49	5,982.62	1,489.72
Reserve for Uncollected Taxes	1,286,600.00		1,286,600.00	1,286,600.00			
Total General Appropriations	\$ 10,804,324.98	\$ 170,000.00	\$ 10,974,324.98	\$ 10,572,393.59	\$ 397,438.49	\$ 5,982.62	\$ 1,489.72
	A-3	A-3			A	A-3	7-A
Analysis of Budget After Modification Increased By Chapter 159's Deferred Charges:			\$ 9,145.47				
Special Emergency Authorizations			20,000.00				
Emergency Authorizations			150,000.00				
Original Budget			10,795,179.51				
			\$ 10,974,324.98				
Analysis of Paid or Charged Reserve for Uncollected Taxes				\$ 1,286,600.00			
Cash Disbursements				8,970,181.69			
Deferred Charges:							
Special Emergency				81,000.00			
Various Reserves - Revaluation				20,000.00			
State Grants - Appropriated				42,894.98			
Encumbrances Payable				171,716.92			
				\$ 10,572,393.59			

TRUST FUND
EXHIBIT

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

<u>Assets</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Animal Control Fund:				Animal Control Fund:			
Cash	1-B	\$ 1,622.70	\$ 670.16	Reserve for Dog Fund Expenditures	2-B	\$ 1,621.50	\$ 668.96
				Due To State of New Jersey	3-B	1.20	1.20
Trust - Other Fund:				Trust - Other Fund:			
Cash	1-B	3,972,048.25	4,272,215.34	Due To Third Parties	4-B		10,443.43
				Reserve for Various Trusts	5-B	3,971,908.25	4,261,771.91
				Due To Public Defender	6-B	140.00	
Length of Service Award Program Fund ("LOSAP") - Unaudited:				Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	7-B	323,881.41	241,507.77	Miscellaneous Reserves	8-B	323,881.41	241,507.77
Total Assets		\$ 4,297,552.36	\$ 4,514,393.27	Total Liabilities and Reserves		\$ 4,297,552.36	\$ 4,514,393.27

See accompanying notes.

GENERAL CAPITAL FUND

EXHIBITS

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

<u>Assets</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Cash				General Serial Bonds	5-C	\$ 7,701,000.00	\$ 8,181,000.00
Deferred Charges To Future Taxation:				Bond Anticipation Notes	6-C	2,718,550.00	3,418,550.00
Funded	1-C	\$ 963,845.35	\$ 926,131.06	Green Trust Loan Payable	7-C	109,420.53	118,230.54
Unfunded				Improvement Authorizations:			
Grants and Intergovernmental				Funded	8-C	560,474.27	343,725.58
Receivable				Unfunded	8-C	885,395.27	764,429.67
				Capital Improvement Fund	9-C	121,729.00	121,729.00
				Reserve for:			
	3-C	7,806,646.11	8,295,456.12	Purchase of Fire Truck	10-C	227,182.00	227,182.00
	4-C	3,556,050.00	4,281,050.00	Debt Service	C	292,808.68	292,808.68
				Receivables	C		150,000.00
	11-C	325,000.00	150,000.00	Fund Balance	C-1	34,981.71	34,981.71
Total Assets		\$ 12,651,541.46	\$ 13,652,637.18	Total Liabilities, Reserves and Fund Balance		\$ 12,651,541.46	\$ 13,652,637.18

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY ACCOUNTING BASIS

Years ended December 31, 2010 and 2009

Reference

Balance, December 31, 2010 and 2009

C

\$ 34,981.71

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP
EXHIBITS

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS -
REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

	<u>Reference</u>	Balance December 31, <u>2010</u>	Balance December 31, <u>2009</u>
Land	1-D	\$ 19,695,421.69	\$ 19,695,421.69
Buildings and Improvements	2-D	3,602,612.00	2,587,664.00
Machinery, Equipment and Vehicles	3-D	<u>6,522,533.56</u>	<u>6,721,394.66</u>
Total General Fixed Assets		<u>\$ 29,820,567.25</u>	<u>\$ 29,004,480.35</u>
Investment in General Fixed Assets	D-1	<u>\$ 29,820,567.25</u>	<u>\$ 29,004,480.35</u>

See accompanying notes.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF INVESTMENTS IN GENERAL FIXED ASSETS -
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	D		\$ 29,004,480.35
Increased By Additions:			
Buildings and Improvements	2-D	\$ 1,023,295.00	
Machinery, Equipment and Vehicles	3-D	<u>593,189.90</u>	
			<u>1,616,484.90</u>
Decreased By Deletions:			
Buildings and Improvements	2-D	8,347.00	
Machinery, Equipment and Vehicles	3-D	<u>792,051.00</u>	
			<u>800,398.00</u>
Balance, December 31, 2010	D		<u><u>\$ 29,820,567.25</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The financial statements of the Township of Colts Neck, County of Monmouth, New Jersey ("Township") include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

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

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Township departments.

Trust Funds - are used to account for assets held by the Township in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Fund.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)
- B. Description of Funds (continued)

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

General Fixed Assets Account Group - The Township has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land which is valued at estimated market value. An adjustment to fixed assets values was made in 2007 to agree to amounts reported in Property Record Reports compiled by L.T. Annum Appraisal Services.

No depreciation is provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital are not accounted for separately.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

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

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

A modified accrual basis of accounting is followed by the Township. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and federal grants for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Township's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

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

Had the Township's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

D. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

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

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

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Local Unit, Local School District, County and Special Districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Local Unit Tax Collector on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

G. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

H. Interfund Receivables

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

I. Deferred Charges to Future Taxation Funded and Unfunded

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

Substantially, all Township employees participate in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Township annually at an actuarially determined rate for its required contribution. The current rate is 5.5% for PERS and 8.5% for PFRS of annual covered payroll.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2010	\$ 191,516.00	\$ 349,080.00
2009	168,427.00	347,472.00
2008	121,968.80	303,935.00

K. Volunteer Length of Service Award Plan

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$400.00, \$750.00, or \$1,255.00 per year of active emergency service, commencing with the year 2004.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2004.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

K. Volunteer Length of Service Award Plan (continued)

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Estimated Cost - The estimated cost of the program to the Township has been calculated to be approximately \$127,138.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

The Township is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Township or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1. The Township is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

2. Deposits and Investments (continued)

Deposits (continued)

New Jersey Cash Management Fund

During the year, the Township participated in the New Jersey Cash Management Fund ("Fund"). The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the Fund are not subject to custodial credit risk as defined above. At December 31, 2010 and 2009, the Township's deposits with the Fund were \$169,772.32 and \$169,342.87, respectively.

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for Custodial Risk. As of December 31, 2010 and 2009, \$323,881.41 and \$241,507.77, respectively, of the Township's investments was exposed to Custodial Credit Risk, as follows:

	Fair Value <u>(LOSAP)</u>	Book Value	Total Reported Value
<u>2010</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 323,881.41</u>	<u>\$ 323,881.41</u>	<u>\$ 323,881.41</u>
<u>2009</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 241,507.77</u>	<u>\$ 241,507.77</u>	<u>\$ 241,507.77</u>

Interest Rate Risk

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.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

2. Deposits and Investments (continued)

Investments (continued)

Credit Risk

State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices.

The fair value of the above-listed investments were based on quoted market prices.

3. Interfund Balances and Activity

Not applicable.

4. Taxes Receivable

Taxes Receivable as of December 31, 2010 consist of the following:

<u>2010</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 704,079.84	\$23,800.03	\$ 20,225.24	\$ 748,105.11

In 2010, the Township collected \$514,823.43 from Delinquent Taxes, which represented 96.58% of the Delinquent Tax Receivable at December 31, 2009.

Taxes Receivable as of December 31, 2008 consist of the following:

<u>2009</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 538,623.46	\$ 0.00	\$16,076.88	\$ 554,700.34

In 2009, the Township collected \$404,282.87 from Delinquent Taxes, which represented 97.00% of the Delinquent Tax Receivable at December 31, 2008.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2010 and 2009.

<u>2010</u>	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2010</u>
Land	\$ 19,695,421.69			\$ 19,695,421.69
Buildings and Improvements	2,587,664.00	\$ 1,023,295.00	\$ 8,347.00	3,602,612.00
Machinery, Equipment & Vehicles	<u>6,721,394.66</u>	<u>593,189.90</u>	<u>792,051.00</u>	<u>6,522,533.56</u>
Total	<u>\$29,004,480.35</u>	<u>\$ 1,616,484.90</u>	<u>\$ 800,398.00</u>	<u>\$29,820,567.25</u>

<u>2009</u>	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2009</u>
Land	\$ 19,695,421.69			\$ 19,695,421.69
Buildings and Improvements	2,587,664.00			2,587,664.00
Machinery, Equipment & Vehicles	<u>6,083,912.61</u>	<u>\$ 637,482.05</u>	<u> </u>	<u>6,721,394.66</u>
Total	<u>\$28,366,998.30</u>	<u>\$ 637,482.05</u>	<u>\$ 0.00</u>	<u>\$29,004,480.35</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

6. Long-Term Debt

The Township's long-term debt consisted of the following at December 31, 2010:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>
<u>General Capital Bond</u>				
General Improvements	05/01/02	\$ 2,106,000.00	Various	\$ 1,050,000.00
Refunding Bonds	05/01/02	2,360,000.00	4.00%	255,000.00
General Improvements	12/29/05	6,689,000.00	Various	<u>6,396,000.00</u>
				<u>7,701,000.00</u>
<u>Green Trust Loans</u>				
General Improvements	2001	89,000.00	2.00%	52,180.14
General Improvements	2002	90,000.00	2.00%	<u>57,240.37</u>
				<u>109,420.51</u>
				<u>\$ 7,810,420.51</u>

Schedule of Annual Debt Service Requirements
for All Years of Bonded Debt Issued and Outstanding

<u>Calendar Year</u>	<u>General Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ 507,987.09	\$ 339,034.95	\$ 847,022.04
2012	529,167.74	322,904.20	852,071.94
2013	553,352.01	298,185.04	851,537.05
2014	578,539.97	272,032.06	850,572.03
2015	604,731.74	244,563.43	849,295.17
2016	632,927.34	215,433.45	848,360.79
2017	664,126.88	189,446.41	853,573.29
2018	690,330.43	163,082.86	853,413.29
2019	718,538.07	134,825.22	853,363.29
2020	747,749.89	105,408.41	853,158.30
2021	778,198.83	72,027.34	850,226.17
2022	<u>804,770.52</u>	<u>40,127.71</u>	<u>844,898.23</u>
	<u>\$ 7,810,420.51</u>	<u>\$ 2,397,071.08</u>	<u>\$ 10,207,491.59</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

6. Long-Term Debt (continued)

Summary of Municipal Debt (Excluding
Current and Operating Debt and Type I School Debt)

<u>Issued</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Bonds and Notes	<u>\$ 10,528,970.53</u>	<u>\$ 11,717,780.54</u>	<u>\$ 12,762,416.97</u>
Total Debt Issued	<u>10,528,970.53</u>	<u>11,717,780.54</u>	<u>12,762,416.97</u>
<u>Less</u>			
Farmland Trust Fund	3,170,459.20	3,791,474.20	4,308,566.40
Funds Temporarily Held			
To Pay Bonds and Notes	3,774.42	3,774.42	3,774.42
Reserve for Debt Service	<u>292,808.68</u>	<u>292,808.68</u>	<u>255,308.68</u>
Total Deductions	<u>3,467,042.30</u>	<u>4,088,057.30</u>	<u>4,567,649.50</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	<u>837,500.00</u>	<u>862,500.00</u>	<u>150,000.00</u>
Total Authorized But Not Issued	<u>837,500.00</u>	<u>862,500.00</u>	<u>150,000.00</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 7,899,428.23</u>	<u>\$ 8,492,223.24</u>	<u>\$ 8,344,767.47</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.24%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purpose Debt	\$ 23,841,973.27	\$ 23,841,973.27	
General Debt	<u>11,366,470.53</u>	<u>3,467,042.30</u>	<u>\$ 7,899,428.23</u>
	<u>\$ 35,208,443.80</u>	<u>\$ 27,309,015.57</u>	<u>\$ 7,899,428.23</u>

Net Debt \$7,899,428.23 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,328,038,422.00 = 0.24%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 116,481,344.77
Less: Net Debt	<u>7,899,428.23</u>
Remaining Borrowing Power	<u>\$ 108,581,916.54</u>

Green Trust Loans

During 2001 and 2002, the Township was awarded a loan of \$89,000.00 and \$90,000.00, respectively, under the New Jersey 1989 Green Trust Program for Laird Road Recreation Area. The loan transactions are accounted for in the General Capital Fund.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

7. Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

On December 31, 2010, the Township's outstanding bond anticipation notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>
Acquisition of Smith Farm	08/18/10	08/17/11	1.50%	\$ 1,168,300.00
Acquisition of Hammond & Amdur Farm	08/18/10	08/17/11	1.50%	210,000.00
Various Capital Improvements/Equipment	08/18/10	08/17/11	1.50%	<u>1,340,250.00</u>
				<u>\$ 2,718,550.00</u>

8. Bonds and Notes Authorized But Not Issued

At December 31, 2010, the Township of Colts Neck had \$837,500.00 authorized but not issued bonds and notes of the General Capital Fund.

9. Local District School and Regional High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Balance of Tax	\$ 8,766,015.97	\$ 7,384,677.97	\$ 6,668,053.93	\$ 5,735,490.44
Deferred	<u>2,826,100.00</u>	<u>2,826,100.00</u>	<u>1,523,600.00</u>	<u>973,600.00</u>
Tax Payable	<u>\$ 5,939,915.97</u>	<u>\$ 4,558,577.97</u>	<u>\$ 5,144,453.93</u>	<u>\$ 4,761,890.44</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

10. Fund Balance Appropriated

The Current Fund balance at December 31, 2010 was \$1,359,413.47 of which \$1,010,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2011.*

11. Deferred Charges to Be Raised in Succeeding Year's Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown on the Current Fund Balance Sheet:

Overexpenditure of Appropriations	\$ 1,489.72
Emergency Appropriation	150,000.00
Special Emergency Authorization	<u>20,000.00</u>
	<u>\$ 171,489.72</u>

12. Accrued Sick and Vacation Benefits - Unaudited

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 sick pay. The Township permits its employees to accumulate unused sick and vacation pay. The Township estimates the current cost of such unpaid compensation to be \$334,038.26 at December 31, 2010. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

13. Medical Insurance

In 1997, the Township established a partially-self-insured medical benefit program. The first \$35,000.00 of claims are paid by the Township, while claims over this amount are paid through a reinsurance policy. As of December 31, 2010, the amount in this Insurance Account Fund was \$20,354.17.

14. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a Trust Fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the State for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2010 and 2009 totaled \$310.82 and \$310.82, respectively.

* Budget not adopted as of the date of this report

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

15. Contingent Liabilities

State and Federal Grants

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, 2010, the Township estimates that no material liabilities will result from such audits.

Pending Litigation

There are actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

16. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Township is a member of the Mercer County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property.

17. Deferred Compensation

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

18. Length of Service Award Program ("LOSAP") - Unaudited

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

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$400.00, \$750.00, or \$1,255.00 per year of active emergency service, commencing with the year 2004.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2004.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

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

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Committee for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Township Committee as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

18. Length of Service Award Program ("LOSAP") - Unaudited (continued)

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

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

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

SUPPLEMENTARY SCHEDULES

CURRENT FUND
SCHEDULES

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 12,579,960.94
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 398,774.51	
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	77,750.00	
Taxes Receivable	4-A	46,796,068.98	
Revenue Accounts Receivable	8-A	2,723,941.07	
State Grants Receivable	10-A	52,607.98	
Reserve for State Grants - Appropriated	11-A	103.50	
Prepaid Taxes	15-A	451,124.13	
Due To State and Local Agencies	20-A	975.00	
Various Reserves	21-A	10,175.00	
Reserve for State Grants - Unappropriated	22-A	<u>26,610.89</u>	
			<u>50,538,131.06</u>
			63,118,092.00
Decreased By Disbursements:			
Refund Prior Year Revenue	A	81,659.89	
2010 Appropriations	A-3	8,970,181.69	
Overexpenditure of 2008 Appropriations	7-A	346.64	
Open Space Fund	9-A	778,228.30	
Reserve for State Grants - Appropriated	11-A	90,315.57	
2009 Appropriation Reserves	12-A	294,948.18	
County Taxes	16-A	9,084,455.70	
Share of County Added and Omitted Taxes	17-A	50,176.06	
Local District School Tax	18-A	19,380,099.00	
Regional High School Tax	19-A	10,974,677.41	
Due To State and Local Agencies	20-A	1,275.00	
Various Reserves	21-A	<u>138,958.74</u>	
			<u>49,845,322.18</u>
Balance, December 31, 2010			<u><u>\$ 13,272,769.82</u></u>
Current Fund	A		\$ 13,204,596.47
State Grant Fund	A		<u>68,173.35</u>
			<u><u>\$ 13,272,769.82</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Year ended December 31, 2010

<u>Office</u>	<u>Balance December 31, 2010 and 2009</u>
Tax Collector	\$ 200.00
Municipal Court Clerk	<u>450.00</u>
	<u>\$ 650.00</u>
<u>Reference</u>	A

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 1,000.00
Increased By:			
Senior Citizens' Deductions Per Tax Billing	4-A	\$ 4,250.00	
Veterans' Deductions Per Tax Billing	4-A	72,000.00	
Deductions Allowed By Collector:			
2010 Taxes	4-A	1,000.00	
2009 Taxes	A-1	<u>250.00</u>	
			<u>77,500.00</u>
			78,500.00
Decreased By:			
Cash Receipts	1-A		<u>77,750.00</u>
Balance, December 31, 2010	A		<u><u>\$ 750.00</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 16,076.88
Increased By:		
Transfers From Taxes Receivable	4-A	<u>4,148.36</u>
Balance, December 31, 2010	A	<u>\$ 20,225.24</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

A

\$ 169,000.00

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2010

<u>Year</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u> December 31, <u>2009</u>	<u>Increased</u>	<u>Raised</u> in 2010 <u>Budget</u>	<u>Balance</u> December 31, <u>2010</u>
<u>Special Emergency Authorization:</u>						
2007	Revaluation	\$ 405,000.00	\$ 243,000.00		\$ 81,000.00	\$ 162,000.00
2010	Revaluation	20,000.00		\$ 20,000.00		20,000.00
<u>Emergency Authorization:</u>						
2010	Snow Removal	150,000.00		150,000.00		150,000.00
<u>Deferred Charge:</u>						
2009	Overexpenditure of 2008 Appropriation Reserves	478.69	478.69			478.69
2010	Overexpenditure of 2008 Appropriation	346.64		346.64		346.64
2010	Overexpenditure of Appropriation	1,489.72		1,489.72		1,489.72
			<u>\$ 243,478.69</u>	<u>\$ 171,836.36</u>	<u>\$ 81,000.00</u>	<u>\$ 334,315.05</u>
	<u>Reference</u>		A		A-3	A
	Budget Appropriations		\$ 170,000.00			
	Budget Appropriations - Overexpenditure		1,489.72			
	Cash Disbursement		346.64			
			<u>\$ 171,836.36</u>			

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2010

	<u>Reference</u>	<u>Balance</u> December 31, 2009	<u>Accrued in</u> 2010	<u>Collected</u> in 2010	<u>Balance</u> December 31, 2010
Miscellaneous Revenues:					
Local Revenues:					
Licenses:					
Alcoholic Beverages	A-2	\$	14,508.00	\$	14,508.00
Fees and Permits	A-2		83,325.00		83,325.00
Fines and Costs:					
Municipal Court	A-2	\$	191,487.74		181,916.10
Interest and Costs on Taxes	A-2		139,847.55		139,847.55
Interest on Investments and Deposits	A-2		137,831.17		137,831.17
Recreation Fees	A-2		185,575.25		185,575.25
State Aid Without Offsetting Appropriations:					
Energy Receipts Tax	A-2		1,952,550.00		1,952,550.00
Watershed Moratorium	A-2		28,388.00		28,388.00
Additional Revenue With Offsetting Appropriations:					
Group Health Insurance Premium Contributions	A-2		45,130.00		45,130.00
		<u>\$ 12,556.87</u>	<u>\$ 2,778,642.71</u>	<u>\$ 2,723,941.07</u>	<u>\$ 67,258.51</u>

Reference

A

8-A

1-A

A

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF OPEN SPACE FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 0.00
Increased By:		
2010 Levy	A-1,4-A	<u>778,228.30</u>
		778,228.30
Decreased By:		
Disbursed To Trust Fund	1-A	<u>778,228.30</u>
Balance, December 31, 2010	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF STATE GRANTS RECEIVABLE

Year ended December 31, 2010

	Balance December 31, 2009	Increased By Revenue Realized 2010	Cash Receipts	Balance December 31, 2010
Municipal Alliance on Drug and Alcohol Abuse	\$ 8,006.00	\$ 10,663.00	\$ 7,525.00	\$ 11,144.00
Clean Communities Program		29,039.00	29,039.00	
H1N1 Grant	33,220.00		12,851.00	20,369.00
Body Armor Fund		3,192.98	3,192.98	
	<u>\$ 41,226.00</u>	<u>\$ 42,894.98</u>	<u>\$ 52,607.98</u>	<u>\$ 31,513.00</u>
<u>Reference</u>	A	A-2	1-A	A

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2010

<u>Grant</u>	Balance December 31, 2009	Transferred From 2010 Appropriations	<u>Expended</u>	<u>Reimbursed</u>	Balance December 31, 2010
Body Armor Fund - 2008	\$ 2,761.51			\$ 103.50	\$ 2,865.01
Body Armor Fund - 2010		\$ 3,192.98			3,192.98
Drunk Driving Enforcement Fund - 2007	156.02		\$ 142.00		14.02
Recycling Tonnage Grant - 2009	32,737.51		12,064.38		20,673.13
Clean Communities Program - 2008	302.62		302.62		
Clean Communities Program - 2009	21,836.83		21,836.83		
Clean Communities Program - 2010		29,039.00	11,702.40		17,336.60
Municipal Alliance on Drug and Alcohol Abuse - 2007	160.00				160.00
Municipal Alliance on Drug and Alcohol Abuse - 2008	4,546.00				4,546.00
Municipal Alliance on Drug and Alcohol Abuse - 2009	1,800.00		1,725.00		75.00
Municipal Alliance on Drug and Alcohol Abuse - 2010		10,663.00	9,225.00		1,438.00
State and Local All Hazards Emergency Operation Planning Program	2,405.72				2,405.72
H1N1 Grant	53,686.34		33,317.34		20,369.00
	<u>\$ 120,392.55</u>	<u>\$ 42,894.98</u>	<u>\$ 90,315.57</u>	<u>\$ 103.50</u>	<u>\$ 73,075.46</u>

Reference

A

A-3

1-A

1-A

A

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Balance After <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	\$ 487.03	\$ 487.03		\$ 487.03
Other Expenses	1,150.01	2,795.08	\$ 1,965.40	829.68
Mayor and Committee:				
Salaries and Wages	1,600.00	1,600.00		1,600.00
Municipal Clerk:				
Salaries and Wages	1,611.37	1,611.37		1,611.37
Elections:				
Other Expenses	445.48	445.48		445.48
Financial Administration (Treasury):				
Salaries and Wages	776.65	776.65		776.65
Other Expenses	1,291.81	1,407.28	1,365.47	41.81
Audit Services:				
Other Expenses	750.00	750.00		750.00
Revenue Administration (Tax Collection):				
Salaries and Wages	4,745.24	745.24		745.24
Other Expenses	151.96	151.96		151.96
Tax Assessment Administration:				
Salaries and Wages	6,670.42	670.42	670.42	
Other Expenses	2,817.26	2,857.26	1,828.98	1,028.28
Legal Services (Legal Department):				
Other Expenses	24,445.82	130,745.82	123,756.85	6,988.97
Engineering Services:				
Other Expenses	386.66	1,936.75	1,925.34	11.41
LAND USE ADMINISTRATION				
Farm Land/Open Space Commission:				
Salaries and Wages	750.00	750.00		750.00
Other Expenses	91.67	91.67		91.67
Historical Preservation:				
Salaries and Wages	305.00	305.00		305.00
Other Expenses	1,536.71	1,536.71		1,536.71
Planning Board:				
Salaries and Wages	783.01	783.01		783.01
Other Expenses	470.88	918.98	913.60	5.38
Architectural Review:				
Salaries and Wages	340.00	340.00		340.00
Other Expenses		574.36	574.36	
Zoning Board of Adjustment:				
Salaries and Wages	1.31	1.31		1.31
Other Expenses	2,555.86	792.08	376.22	415.86
CODE ENFORCEMENT AND ADMINISTRATION				
Code Enforcement Official:				
Salaries and Wages	6.65	6.65		6.65
Other Expenses	622.19	622.19		622.19
INSURANCE				
Employee Group Health	36,235.27	691.02	382.25	308.77

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Balance After <u>Transfers</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
PUBLIC SAFETY				
Police Department:				
Salaries and Wages	3,265.02	3,265.02	2,768.09	496.93
Other Expenses	7,790.32	9,906.18	6,633.98	3,272.20
Office of Emergency Management:				
Other Expenses	765.84	765.84		765.84
Fire Department:				
Other Expenses	5,675.88	5,675.88	1,119.93	4,555.95
Fire Prevention Bureau:				
Salaries and Wages	141.86	141.86		141.86
PUBLIC WORKS				
Streets and Road Maintenance:				
Salaries and Wages	31,322.67	1,322.67		1,322.67
Other Expenses	2,070.59	15,921.17	13,524.55	2,396.62
Snow Removal:				
Other Expenses	19,414.25	51,285.15	33,714.17	17,570.98
Shade Tree Commission:				
Salaries and Wages	382.50	382.50		382.50
Other Expenses	7,510.44	7,625.44	590.00	7,035.44
Recycling:				
Salaries and Wages	1,625.62	1,625.62		1,625.62
Other Expenses	45,862.69	25,662.69	21,776.13	3,886.56
Buildings and Grounds:				
Salaries and Wages	1,250.00	1,250.00		1,250.00
Other Expenses	435.79	3,114.68	3,063.52	51.16
Municipal Court:				
Salaries and Wages	2,543.00	2,543.00		2,543.00
Other Expenses	2,182.89	2,402.89	220.00	2,182.89
HEALTH AND HUMAN SERVICES				
Public Health Services (Board of Health):				
Salaries and Wages	2,772.58	2,772.58		2,772.58
Other Expenses	6,535.23	1,950.35	445.12	1,505.23
Environmental Commission:				
Salaries and Wages	680.00	680.00		680.00
Other Expenses	49.28	49.28		49.28
Animal Control Services:				
Other Expenses	3,905.65	5,655.65	2,735.80	2,919.85
Welfare/Administration of Public Assistance:				
Other Expenses	250.00	250.00		250.00
PARK AND RECREATION				
Recreation Services and Programs:				
Salaries and Wages	434.79	434.79		434.79
Other Expenses	14,062.71	6,307.95	4,452.85	1,855.10
Maintenance of Parks:				
Other Expenses	16,196.70	1,196.70	7.27	1,189.43
UNCLASSIFIED				
Municipal Alliance on Alcoholism and Drug Abuse	501.50	1,326.50	825.00	501.50

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
UTILITY EXPENSES AND BULK PURCHASES				
Street Lighting	7,255.19	1,169.69	1,127.76	41.93
Telephone (excluding equipment acquisition)	669.69	3,650.27	1,459.54	2,190.73
Electricity	7,530.27	3,424.34	3,100.69	323.65
Fuel Oil	1,973.49	1,973.49	1,683.16	290.33
Gasoline	24,224.28	15,224.28	14,459.98	764.30
Accumulated Sick and Vacation	500.00	500.00		500.00
Contingent	641.76	641.76		641.76
Contribution To:				
Social Security System (O.A.S.I.)	4,218.77	4,218.77	4,218.77	
INSURANCE				
Surety Bond	855.75			
Department of Environmental Protection Recycling Tax (N.J.S.A. 13:1E-96.5)	1,351.00	1,351.00	1,351.00	
Aid To Library (N.J.S.A. 40:54-35): Other Expenses	3,325.45	3,433.39	545.07	2,888.32
LOSAP	44,135.00	44,135.00	44,135.00	
INTERLOCAL MUNICIPAL AGREEMENTS				
Interlocal Service - County - 911	<u>0.66</u>	<u>0.66</u>		<u>0.66</u>
Total General Appropriations	<u>\$ 365,337.37</u>	<u>\$ 387,630.36</u>	<u>\$ 297,716.27</u>	<u>\$ 89,914.09</u>
	<u>Reference</u>	A	1-A	A-1
2009 Appropriations Reserves	12-A	\$ 365,337.37		
Encumbrances Payable	14-A	<u>22,292.99</u>		
		<u>\$ 387,630.36</u>		
Cash Disbursed	1-A		\$ 294,948.18	
Accounts Payable	13-A		<u>2,768.09</u>	
			<u>\$ 297,716.27</u>	

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 16,124.00
Increased By:		
Appropriation Reserves	12-A	<u>2,768.09</u>
Balance, December 31, 2010	A	<u>\$ 18,892.09</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 22,292.99
Increased By:		
2010 Budget Appropriations	A-3	<u>171,176.92</u>
		193,469.91
Decreased By:		
Transfer To Appropriation Reserves	12-A	<u>22,292.99</u>
Balance, December 31, 2010	A	<u><u>\$ 171,176.92</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 372,017.90
Increased By:		
Cash Receipts:		
Collection of 2011 Taxes	1-A	<u>451,124.13</u>
		823,142.03
Decreased By:		
Amount Applied To 2010 Taxes Receivable	4-A	<u>372,017.90</u>
Balance, December 31, 2010	A	<u><u>\$ 451,124.13</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 0.00
Increased By:			
2010 Tax Levy:			
County Tax		\$ 8,113,849.65	
County Library Tax		464,718.08	
County Open Space Fund Tax		<u>505,887.97</u>	
	A-1,4-A		<u>9,084,455.70</u>
			9,084,455.70
Decreased By:			
Cash Disbursements	1-A		<u>9,084,455.70</u>
Balance, December 31, 2010	A		<u><u>\$ 0.00</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO COUNTY FOR ADDED AND OMITTED TAXES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 50,176.06
Increased By:		
County Share of 2010 Tax Levy:		
Added and Omitted Taxes	A-1,4-A	<u>18,751.43</u>
		68,927.49
Decreased By:		
Cash Disbursements	1-A	<u>50,176.06</u>
Balance, December 31, 2010	A	<u><u>\$ 18,751.43</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009:			
School Tax Payable	A	\$ 4,558,577.97	
School Tax Deferred	18-A	<u>2,826,100.00</u>	\$ 7,384,677.97
Increased By:			
Levy (School Year July 1, 2010 to June 30, 2011)	4-A		<u>20,761,437.00</u>
			28,146,114.97
Decreased By:			
Cash Disbursements	1-A		<u>19,380,099.00</u>
Balance, December 31, 2010:			
School Tax Payable	A	5,939,915.97	
School Tax Deferred	18-A	<u>2,826,100.00</u>	<u>\$ 8,766,015.97</u>
 <u>2010 Liability for Local District School Tax</u>			
Tax Payable, December 31, 2010	A	\$ 5,939,915.97	
Tax Paid	1-A	<u>19,380,099.00</u>	25,320,014.97
Less:			
Tax Payable, December 31, 2009	A	<u>4,558,577.97</u>	
Amount Charged To 2010 Operations	A-1		<u>\$ 20,761,437.00</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009:			
School Tax Payable	A	\$ 4,761,890.44	
School Tax Deferred	19-A	<u>973,600.00</u>	\$ 5,735,490.44
Increased By:			
Levy (School Year July 1, 2010 to June 30, 2011)	4-A		<u>11,907,240.90</u>
			17,642,731.34
Decreased By:			
Cash Disbursements	1-A		<u>10,974,677.41</u>
Balance, December 31, 2010:			
School Tax Payable	A	5,144,453.93	
School Tax Deferred	19-A	<u>1,523,600.00</u>	<u>\$ 6,668,053.93</u>
 <u>2010 Liability for Regional High School Tax</u>			
Tax Payable, December 31, 2010	A		\$ 5,144,453.93
Tax Paid	1-A		<u>10,974,677.41</u>
			16,119,131.34
Less:			
Tax Payable, December 31, 2009	A		<u>4,761,890.44</u>
Amount Charged To 2010 Operations	A-1		<u>\$ 11,357,240.90</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE AND LOCAL AGENCIES

Year ended December 31, 2010

<u>Description</u>	Balance December 31, <u>2009</u>	Cash <u>Received</u>	Cash <u>Disbursed</u>	Balance December 31, <u>2010</u>
Library - Donations	\$ 110.76			\$ 110.76
Due To State - Marriage Licenses	<u>450.00</u>	<u>\$ 975.00</u>	<u>\$ 1,275.00</u>	<u>150.00</u>
	<u>\$ 560.76</u>	<u>\$ 975.00</u>	<u>\$ 1,275.00</u>	<u>\$ 260.76</u>
<u>Reference</u>	A	1-A	1-A	A

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2010

<u>Description</u>	Balance December 31, <u>2009</u>	<u>Increased</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2010</u>
Alcohol Education Rehabilitation Fund	\$ 532.70			\$ 532.70
Revaluation	121,237.62	\$ 20,000.00	\$ 138,958.74	2,278.88
Master Plan	25,070.75			25,070.75
Cable / Bd. of Ed Hook-up		10,000.00		10,000.00
State Library Aid	<u>287.00</u>	<u>175.00</u>	<u> </u>	<u>462.00</u>
	<u>\$ 147,128.07</u>	<u>\$ 30,175.00</u>	<u>\$ 138,958.74</u>	<u>\$ 38,344.33</u>
	<u>Reference</u>	A	1-A	A
Budget Appropriation	A-3	\$ 20,000.00		
Cash Receipts	1-A	<u>10,175.00</u>		
		<u>\$ 30,175.00</u>		

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Cash Receipts	Balance December 31, <u>2010</u>
Recycling Tonnage Grant	<u> </u>	<u>\$ 26,610.89</u>	<u>\$ 26,610.89</u>
	<u>\$ 0.00</u>	<u>\$ 26,610.89</u>	<u>\$ 26,610.89</u>
<u>Reference</u>	A	1-A	A

TRUST FUND
SCHEDULES

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2010

	<u>Reference</u>	<u>Animal Control</u>	<u>Trust - Other</u>
Balance, December 31, 2009	B	<u>\$ 670.16</u>	<u>\$ 4,272,215.34</u>
Increased By Receipts:			
Dog License Fees - Municipal Share	2-B	4,578.00	
Dog License Fees - State Portion	3-B	748.20	
Due To Third Parties	4-B		206,729.00
Reserve for Various Trusts	5-B		11,690,001.83
Due To Public Defender	6-B		140.00
		<u>5,326.20</u>	<u>11,896,870.83</u>
		<u>5,996.36</u>	<u>16,169,086.17</u>
Decreased By Disbursements:			
Expenditures Under R.S. 4:19-15.11	2-B	3,625.46	
Dog License Fees - State Portion	3-B	748.20	
Due To Third Parties	4-B		217,172.43
Reserve for Various Trusts	5-B		11,979,865.49
		<u>4,373.66</u>	<u>12,197,037.92</u>
Balance, December 31, 2010	B	<u>\$ 1,622.70</u>	<u>\$ 3,972,048.25</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 668.96
Increased By:			
Dog License Fees Collected -			
Municipal Share		\$ 4,048.00	
Miscellaneous Fee Charges		<u>530.00</u>	
	1-B		<u>4,578.00</u>
Decreased By:			
Expenditures Under R.S. 4:19-15.11	1-B		<u>3,625.46</u>
Balance, December 31, 2010	B		<u><u>\$ 1,621.50</u></u>

2010 Fees		\$ 4,578.00	
2009 Fees		<u>2,975.40</u>	
		<u><u>\$ 7,553.40</u></u>	

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY DEPARTMENT OF HEALTH

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 1.20
Increased By:		
2010 License Fees	1-B	<u>748.20</u>
		749.40
Decreased By:		
Payments	1-B	<u>748.20</u>
Balance, December 31, 2010	B	<u><u>\$ 1.20</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF DUE TO THIRD PARTIES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 10,443.43
Increased By:		
Cash Receipts	1-B	<u>206,729.00</u>
		217,172.43
Decreased By:		
Cash Disbursements	1-B	<u>217,172.43</u>
Balance, December 31, 2010	B	<u><u>0.00</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUSTS

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Cash <u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2010</u>
Historical Preservation	\$ 6,247.61	\$ 7,225.00	\$ 1,259.07	\$ 12,213.54
Uniform Fire Safety Act Penalties	46,355.05	6,382.02	24,315.88	28,421.19
Law Enforcement Trust Fund	1,796.95	6,985.75	2,865.13	5,917.57
Schlesinger Estate	36,362.99			36,362.99
Unemployment Trust Fund	310.82			310.82
Tax Collector Trust Fund	44,100.00	207,630.18	191,130.18	60,600.00
Construction Code Fees	238,942.47	346,546.48	456,980.26	128,508.69
Tree Removal	436.94			436.94
Public Defender		2,400.00	2,400.00	
Colts Neck Youth Recreation Fund		124.79	124.79	
Bid Opening	7,750.00	1,760.00		9,510.00
Equitable Dividend	350.67		39.00	311.67
Donations to the Library	1,090.08			1,090.08
Snow Removal	56,665.01		55,080.00	1,585.01
P.O.A.A. Fines	191.00	16.00		207.00
Tax Overpayments	1,219.22		1,219.22	
Senior Center Donations	31,959.89	287.70		32,247.59
S.C.A.R.T.	1,929.84	720.00	2,649.84	
Police Donations	3,349.31	2,116.69		5,466.00
Farmland Preservation	596,235.58	925,273.47	986,040.88	535,468.17
County DWI Task Force	1,966.39			1,966.39
Fair Housing	24,092.19		1,865.00	22,227.19
September 11th Memorial Fund	1,898.14	19.89	1.53	1,916.50
Developers' Fees for Engineering and Cash Performance Bonds	2,735,241.76	169,421.53	264,500.93	2,640,162.36
Montrose Road Schoolhouse Donations	975.00			975.00
COAH	372,683.24	64,439.93	11,736.25	425,386.92
Payroll Agency		8,951,912.97	8,951,912.97	
MCIA Lease	18.66	79,200.56	78,956.76	262.46
Medical Insurance	49,603.10	917,538.87	946,787.80	20,354.17
	<u>\$ 4,261,771.91</u>	<u>\$ 11,690,001.83</u>	<u>\$ 11,979,865.49</u>	<u>\$ 3,971,908.25</u>

Reference

B

1-B

1-B

B

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF DUE TO PUBLIC DEFENDER

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 0.00
Increased By:		
Cash Receipts	1-B	<u>140.00</u>
Balance, December 31, 2010	B	<u>\$ 140.00</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 241,507.77
Increased By:			
Township Contributions	8-B	\$ 54,645.00	
Appreciation on Investments	8-B	<u>38,156.82</u>	
			<u>92,801.82</u>
			334,309.59
Decreased By:			
Accounting Charges	8-B	2,385.12	
Depreciation on Investments	8-B	<u>8,043.06</u>	
			<u>10,428.18</u>
Balance, December 31, 2010	B		<u>\$ 323,881.41</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 241,507.77
Increased By:			
Township Contributions	7-B	\$ 54,645.00	
Appreciation on Investments	7-B	<u>38,156.82</u>	
			<u>92,801.82</u>
			334,309.59
Decreased By:			
Accounting Charges	7-B	2,385.12	
Withdrawals	7-B	<u>8,043.06</u>	
			<u>10,428.18</u>
Balance, December 31, 2010	B		<u>\$ 323,881.41</u>

GENERAL CAPITAL FUND
SCHEDULES

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	C		\$ 926,131.06
Increased By:			
Budget Appropriations:			
Bond Anticipation Notes	6-C	\$ 2,718,550.00	
Capital Improvement Fund	9-C	<u>151,250.00</u>	
			<u>2,869,800.00</u>
			3,795,931.06
Decreased By:			
Bond Anticipation Notes	6-C	2,718,550.00	
Improvement Authorizations	8-C	<u>113,535.71</u>	
			<u>2,832,085.71</u>
Balance, December 31, 2010	C		<u>\$ 963,845.35</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

Year ended December 31, 2010

	Balance December 31, <u>2010</u>
Capital Improvement Fund	\$ 121,729.00
Fund Balance	34,981.71
Grant Receivable	(325,000.00)
Reserve for:	
Purchase of Fire Truck	227,182.00
Debt Service	292,808.68
Excess Financing - Green Acres Loan	3,774.42

<u>Ordinance Date/Number</u>	<u>Improvement Description</u>	
1999-05	Improvements To Boundary Road	0.92
2001-03	Rehabilitation of Affordable Housing - RCA	182,749.00
2003-03	Construction of Five Points Park	0.03
2005-06	Development Rights for DeGroot Property	4,062.50
2005-12	Construction of Various Road Improvements	0.31
2005-15	Acquisition of Property	8,272.72
2008-03	Acquisition of Hammond and Amdur Farm	39,622.55
2008-07	Various Capital Improvements	7,086.61
2009-10	Various Capital Improvements/Equipment	14,061.21
2009-19	Various Capital Improvements/Equipment	37,500.00
2010-05	Various Capital Improvements/Equipment	66,674.69
2010-08	Acquisition/Refurbishment of Property	73,339.00
2010-14	Improvements To Heyers Mill Road, Phase II	<u>175,000.00</u>
		<u>\$ 963,845.35</u>

Reference

C,1-C

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	C		\$ 8,295,456.12
Decreased By:			
Bonds Paid By Budget Appropriations:			
General Serial Bonds	5-C	\$ 480,000.00	
Green Trust Loans	7-C	<u>8,810.01</u>	
			<u>488,810.01</u>
Balance, December 31, 2010	C		<u>\$ 7,806,646.11</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2010

Ordinance Date/ Number	Improvement Description	Balance December 31, 2009	2010 Authorizations	Funded By Grant	Paid By Farmland Trust	Notes Paid By Budget Appropriation	Balance December 31, 2010	Analysis of Balance	
								Bond Anticipation Notes	Unexpended Improvement Authorizations
2005-15	Acquisition of Property	\$ 1,468,300.00			\$ 300,000.00		\$ 1,168,300.00	\$ 1,168,300.00	
2008-03	Acquisition of Hammond and Amdur Farm	510,000.00			300,000.00		210,000.00	210,000.00	
2008-08	Various Capital Improvements/Equipment	1,590,250.00	\$ 150,000.00			\$ 100,000.00	1,340,250.00	1,340,250.00	
2009-19	Various Capital Improvements/Equipment	712,500.00					712,500.00		\$ 712,500.00
2010-14	Improvements To Heyers Mill Road, Phase II		\$ 125,000.00				125,000.00		125,000.00
		<u>\$ 4,281,050.00</u>	<u>\$ 125,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 600,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 3,556,050.00</u>	<u>\$ 2,718,550.00</u>	<u>\$ 837,500.00</u>
	Reference	C	8-C,12-C	12-C	6-C	6-C	C	6-C	
8-C	Improvement Authorizations - Unfunded								\$ 885,395.27
2-C	Less: Unexpended Proceeds of Bond Anticipation Notes - Issued:								8,272.72
2-C	2005-15								39,622.55
	2008-03								<u>\$ 837,500.00</u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2010

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2009	Decreased	Balance December 31, 2010
	Date	Amount	Date	Amount				
General Improvements	05/01/02	\$ 2,106,000.00	05/01/11	\$ 155,000.00	4.000%			
			05/01/12	165,000.00	4.000%			
			05/01/13	170,000.00	4.100%			
			05/01/14	180,000.00	4.200%			
			05/01/15	185,000.00	4.375%			
			05/01/16	195,000.00	4.500%	\$ 1,200,000.00	\$ 150,000.00	\$ 1,050,000.00
Refunding Bonds	05/01/02	2,360,000.00	05/01/11	255,000.00	4.000%	510,000.00	255,000.00	255,000.00
General Improvements	12/29/05	6,689,000.00	12/01/11	89,000.00	5.000%			
			12/01/12	355,000.00	5.000%			
			12/01/13	374,000.00	5.000%			
			12/01/14	389,000.00	5.000%			
			12/01/15	410,000.00	5.000%			
			12/01/16	428,000.00	5.000%			
			12/01/17	654,000.00	4.000%			
			12/01/18	680,000.00	4.125%			
			12/01/19	708,000.00	4.125%			
			12/01/20	737,000.00	4.500%			
			12/01/21	770,000.00	4.125%			
			12/01/22	802,000.00	5.000%			
						6,471,000.00	75,000.00	6,396,000.00
						<u>\$ 8,181,000.00</u>	<u>\$ 480,000.00</u>	<u>\$ 7,701,000.00</u>

Reference C 3-C C

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2010

Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2009	Increase	Decrease	Balance December 31, 2010
2005-15 Acquisition of Smith Farm	08/24/05	08/18/10	08/17/11	1.50%	\$ 1,468,300.00	\$ 1,168,300.00	\$ 1,468,300.00	\$ 1,168,300.00
2008-03 Acquisition of Hammond and Amdur Farm	04/09/08	08/18/10	08/17/11	1.50%	510,000.00	210,000.00	510,000.00	210,000.00
2008-08 Various Capital Improvements/Equipment	06/11/08	08/18/10	08/17/11	1.50%	1,440,250.00	1,340,250.00	1,440,250.00	1,340,250.00
					<u>\$ 3,418,550.00</u>	<u>\$ 2,718,550.00</u>	<u>\$ 3,418,550.00</u>	<u>\$ 2,718,550.00</u>
				Reference	C	1-C		C,4-C
Paid By Farmland Preservation Trust				4-C			\$ 600,000.00	
Paid By Budget Appropriation				4-C			100,000.00	
Renewal				1-C			2,718,550.00	
							<u>\$ 3,418,550.00</u>	

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 118,230.54
Decreased By:		
Loans Paid	3-C	<u>8,810.01</u>
Balance, December 31, 2010	C	<u>\$ 109,420.53</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2010

Ordinance Number/Date	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2009		Deferred Charges To Future Taxation Unfunded	2010 Authorizations				Balance December 31, 2010	
				Funded	Unfunded		Capital Improvement Fund	Department of Transportation Grant	Reappropriated	Paid or Charged	Funded	Unfunded
1999-05	Improvements To Boundary Road	03/31/99	\$ 100,000.00	\$ 22,406.92				\$ (22,406.00)		\$ 0.92		
2001-03	Rehabilitation of Affordable Housing - RCA	01/30/01	3,100,000.00	182,749.00						182,749.00		
03-03/06-08	Construction of Five Points Park	03/26/03	1,200,000.00	2,501.03				(1,951.00)		0.03		
2005-06	Development Rights for DeGroot Property	03/20/05	1,800,000.00	4,062.50						4,062.50		
2005-12	Construction of Various Road Improvements	06/08/05	185,000.00	43,644.31				(43,644.00)		0.31		
2005-15	Acquisition of Property	06/29/05	2,325,000.00		\$ 8,272.72							\$ 8,272.72
2008-03	Acquisition of Hammond and Amdur Farm	03/12/08	800,000.00		39,622.55							39,622.55
2008-07	Various Capital Improvements	05/14/08	396,000.00	10,695.71				(3,609.10)		7,086.61		
2008-08	Various Capital Improvements/Equipment	06/11/08	1,745,000.00	4,034.40				(1,728.90)		2,305.50		
2009-10	Various Capital Improvements/Equipment	05/27/09	125,000.00	40,166.11						26,104.90		
2009-19	Various Capital Improvements/Equipment	11/12/09	750,000.00	37,500.00						37,500.00		712,500.00
2010-05	Various Capital Improvements/Equipment	11/10/10	151,250.00						\$ 151,250.00			
2010-08	Acquisition/Refurbishment of Property	08/11/10	73,339.00							73,339.00		
2010-14	Improvements To Heyers Mill Road, Phase II	11/10/10	300,000.00			\$ 125,000.00						125,000.00
				\$ 343,725.58	\$ 764,429.67	\$ 125,000.00		\$ 0.00		\$ 113,535.71	\$ 560,474.27	\$ 885,395.27

Reference

C C C 4-C,12-C 9-C 11-C 8-C 1-C C C,4-C

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 121,729.00
Increased By:		
2010 Budget Appropriations	1-C	<u>151,250.00</u>
		272,979.00
Decreased By:		
Improvement Authorizations Funded	8-C	<u>151,250.00</u>
Balance, December 31, 2010	C -	<u><u>\$ 121,729.00</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE TO PURCHASE FIRE TRUCK

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

C

\$ 227,182.00

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS AND INTERGOVERNMENTAL RECEIVABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 150,000.00
Increased By:		
Grant Authorized	8-C	<u>175,000.00</u>
Balance, December 31, 2010	C	<u><u>\$ 325,000.00</u></u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2010

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	<u>Balance December 31, 2009</u>	<u>Increased By 2010 Authorizations</u>	<u>Funded By Grant</u>	<u>Balance December 31, 2010</u>	<u>Reference</u>
2008-08	Various Capital Improvements/Equipment	\$ 150,000.00		\$ 150,000.00	\$ 712,500.00	12-C
2009-19	Various Capital Improvements/Equipment	712,500.00			125,000.00	
2010-14	Improvements To Heyers Mill Road, Phase II		\$ 125,000.00			
		<u>\$ 862,500.00</u>	<u>\$ 125,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 837,500.00</u>	4-C, 8-C
						4-C
						12-C

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULES

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF LAND

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

D

\$ 19,695,421.69

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF BUILDINGS AND IMPROVEMENTS

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	D	\$ 2,587,664.00
Increased By Additions:		
Buildings and Improvements	D-1	<u>1,023,295.00</u>
		3,610,959.00
Decreased By Deletions:		
Buildings and Improvements	D-1	<u>8,347.00</u>
Balance, December 31, 2010	D	<u><u>\$ 3,602,612.00</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF MACHINERY, EQUIPMENT AND VEHICLES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	D	\$ 6,721,394.66
Increased By Additions:		
Machinery, Equipment and Vehicles	D-1	<u>593,189.90</u>
		7,314,584.56
Decreased By Deletions:		
Machinery, Equipment and Vehicles	D-1	<u>792,051.00</u>
Balance, December 31, 2010	D	<u><u>\$ 6,522,533.56</u></u>

COMMENTS SECTION

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

An audit of the financial accounts and transactions of the Township of Colts Neck, County of Monmouth, New Jersey ("Township") for the year ended December 31, 2010, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

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

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash balances were reconciled with independent certifications obtained directly from the depositories.

Investments were verified by physical inspection, or by independent certifications obtained directly from the depositories.

Revenues and receipts were verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold (40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder".

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

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

The minutes indicate that bids were requested by public advertising for the following items:

Lease of space for co-location of cellular antennae
Cellular antennae
Roll off containers

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles", other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6. The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S. 40A:11-5.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 4, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of Colts Neck as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Collection of Interest on Delinquent Taxes and Assessments (continued)

2. Effective January 3, 2010, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.

3. Any payments not made in accordance with paragraph 2 of this Resolution shall be charged interest from the due date as set forth in paragraph 1 of this Resolution.

Tax Sale

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

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

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

<u>Year</u>	<u>Number of Liens</u>
2010	1
2009	1
2008	1

Confirmation of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payment was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments and Delinquencies on 2010 and 2009 Taxes	35

For those confirmation notices which were not returned by taxpayers, subsequent cash collections were audited as an alternative procedure when possible.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Comparative Schedule of Tax Rate Information

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	\$ 1.537	\$ 3.212	\$ 3.192

Apportionment of Tax Rate

Municipal	.195	.368	.359
County	.292	.615	.610
Local School	.667	1.407	1.392
Regional High School	.383	.822	.831

Assessed Valuations

2010	\$ 3,112,913,206
2009	\$ 1,453,794,622
2008	\$ 1,442,808,636

Comparison of Tax Levies and Collection Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2010	\$ 47,976,266.60	\$ 46,730,513.45	97.46%
2009	46,976,369.00	46,166,147.27	98.28%
2008	46,602,911.79	46,124,142.65	98.97%

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Comparative Schedule of Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$ 20,225.24	\$ 727,879.87	\$ 748,105.11	1.56%
2009	16,076.88	538,623.46	554,700.34	1.18
2008	7,468.65	417,625.41	425,094.06	.91

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2010	\$ 169,000.00
2009	169,000.00
2008	169,000.00

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Deferred School Taxes</u>
2010	\$ 1,359,413.47	\$ 1,010,000.00*	\$ 4,349,700.00
2009	2,451,817.52	2,300,000.00	3,799,700.00
2008	2,613,860.39	2,236,650.00	2,999,700.00
2007	3,145,876.73	2,350,000.00	2,999,700.00

* Budget not adopted as of the date of this report

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Officials In Office and Surety Bonds

<u>Name</u>	<u>Title</u>	
Kenneth Florek	Mayor	
James C. Schatzle	Deputy Mayor	
Edward Eastman	Committeeman	
Jarrett Engel	Committeeman	
Benjamin Forester	Committeeman	
Robert H. Bowden	Administrator, Clerk, Assessment Searcher	
John D. Antonides	Chief Financial Officer, Tax Collector, Tax Search Officer, Qualified Purchasing Agent	
Kelly McCormick	Deputy Treasurer/Collector	
Beth Kara Tumminia	Administrative Secretary, Secretary to the Township Committee, Deputy Clerk, Website Coordinator	
Ruth Leninger	Registrar of Vital Statistics	
Richard B. Thompson	Municipal Judge	
Colleen Schulster	Court Administrator, Violations Clerk	
Henry Salerno	Construction Code Official	
Robert Corby	Building Sub-Code Official, Building Inspector	*
Thomas Frank	Health Officer	*
Thomas Hennessy	Recreation Director	
Eldo Magnani	Tax Assessor	
Glenn Gerken	Engineer	
John O. Bennett, III	Attorney	

*Public Employees Faithful Performance Coverage under a multi-peril policy carried with a coverage of \$2,000,000.00, through Mercer County Municipal Joint Insurance Fund.

All bonds were examined and appear to be properly executed.

INTERNAL CONTROL SECTION

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA
Eugene M. Farrell, CPA, RMA, CFP
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members
of the Township Committee
Township of Colts Neck, New Jersey

We have audited the regulatory-basis financial statements of the Township of Colts Neck, County of Monmouth, New Jersey ("Township") as of and for the year ended December 31, 2010, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated March 15, 2011 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, ("Division") and a qualified opinion since the Division does not require the Length of Service Award Program ("LOSAP") to be audited, only reviewed. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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

Honorable Mayor and Members
of the Township Committee
Township of Colts Neck, New Jersey
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to the administration within our Comments and Recommendations.

This report is intended solely for the information and use of the Township of Colts Neck's management, and Committee members, others within the organization, and the Division of Local Government Services, and is not intended to be and should not be used by anyone other than these specified parties.

Hutchins, Farrell, Meyer & Allison, P.A.

Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

March 15, 2011

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2010

Other Matters

Internal Controls

During our audit of the Township's Internal Controls, we noted the following:

Finding #2010-1

- The Township Attorney did not receive an IRS Form 1099 as required under IRS Section 6045(f).

Finding #2010-2

- In one instance, the performance requirements advertised in the newspaper did not correspond to the performance requirements detailed in the bid specifications.

Finding #2010-3

- Formal documentation authorizing an employee's salary was not available for audit.

Finding #2010-4

- The reporting of employee fringe benefits for income tax related purposes may not be in compliance with Taxing regulations.

In order to improve controls over the Township's Internal Controls, we recommend the following:

- The Township comply with all IRS regulations.
- Advertisements appearing in newspapers agree to bid specifications.
- Adequate authorization be available to substantiate employee salaries.
- The Township obtain assurance that compensation is properly recorded and reporting, including taxable fringe benefits and additional forms of compensation as applicable.

Municipal Court

Finding #2010-5

During our audit of the Township's Municipal Court, we noted that a time payment was not received timely, nor could the Township provide documentation to substantiate that subsequent collection procedures were performed.

In order to improve controls over the Township's Municipal Court, we recommend that untimely payments be monitored and subsequent collection procedures be performed in a timely manner.