

TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
LENGTH OF SERVICE AWARD PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2009

FINANCIAL STATEMENTS  
with  
REVIEW REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARD PLAN

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For the year ended December 31, 2009

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

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

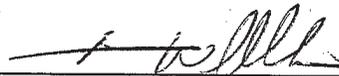
We have reviewed the accompanying Statement of Net Assets Available for Length of Service Award Plan of the Township of Colts Neck, County of Monmouth, New Jersey ("Township") for the year ended December 31, 2009 and the related Statement of Changes in Net Assets Available for Plan Benefits and Statement of Investment Program Activity for the year ended December 31, 2009 in accordance with statements on standards for accounting and review services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the administration of the Township.

A review consists principally of inquiries of Township personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the object of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

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

Independent Public Accountants



Robert W. Allison  
Registered Municipal Accountant

March 16, 2011

FINANCIAL STATEMENTS

TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARD PROGRAM

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS  
REGULATORY ACCOUNTING BASIS

For the year ended December 31, 2009

	<u>2009</u>
Investments, at Fair Market Value	<u>\$ 241,507.77</u>
Net Assets Available for Plan Benefits	<u><u>\$ 241,507.77</u></u>

See accompanying note and accountants' review report.

TOWNSHIP OF COLTS NECK  
 COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARD PROGRAM

STATEMENT OF CHANGES IN NET  
 ASSETS AVAILABLE FOR PLAN BENEFITS  
 REGULATORY ACCOUNTING BASIS

For the year ended December 31, 2009

Contributions:		
Township Contributions	\$ 65,885.00	
Investment Earnings	<u>35,029.15</u>	
		\$ 100,914.15
Charges		<u>(1,675.00)</u>
Net Increase in Net Assets Available for Plan Benefits		<u>99,239.15</u>
Net Assets Available for Plan Benefits at January 1, 2009		<u>142,268.62</u>
Net Assets Available for Plan Benefits at December 31, 2009		<u>\$ 241,507.77</u>

See accompanying note and accountants' review report.

TOWNSHIP OF COLTS NECK  
 COUNTY OF MONMOUTH, NEW JERSEY  
 LENGTH OF SERVICE AWARD PROGRAM

STATEMENT OF INVESTMENT PROGRAM ACTIVITY

For the year ended December 31, 2009

Investment Option	Balance December 31, 2008	Increased/(Decreased) By		Decreased By Charges	Balance December 31, 2009
		Contributions	Earning/(Losses)		
AFIS GLOBAL GROWTH	\$ 4,384.72	\$ 1,338.75	\$ 1,902.63	(38.06)	\$ 7,588.04
AFIS GROWTH	1,940.40	1,467.75	869.38	(41.96)	4,235.57
AFIS GROWTH-INCOME	218.20	313.75	92.83	(6.51)	618.27
AFIS INTERNATIONAL	3,325.14	625.00	1,417.31	(32.30)	5,335.15
ALLIANCEBERSTEIN GROWTH TECHNOLOGY	387.32	313.75	229.86	(11.78)	919.15
ALLIANCEBERSTEIN GROWTH	9,181.35	3,543.00	1,952.79	(97.05)	14,580.09
AFIS INTERNATIONAL	130.61	375.00	78.17	(12.60)	571.18
AMT MIDCAP	8,480.23	2,630.00	2,837.13	(97.24)	13,850.12
DELAWARE DIVERSIFIED	2,411.37	941.25	684.14	(16.46)	4,020.30
SMALL CAP VALUE		1,255.00	368.57		1,623.57
DWS EQ 500	17,067.57	12,168.90	5,994.66	(244.28)	34,986.85
DWS SMALL CAP	8,180.12	2,447.25	1,943.29	(73.48)	8,687.60
VIPII CONTRAFUND		1,255.00	349.46		1,604.46
FIXED		19,044.70	2,439.96		72,018.08
LVIP DELAWARE BOND	51,032.64		51.09	(499.22)	344.97
LVIP BAR GROWTH	302.31		51.09	(8.43)	18,461.65
LVIP DELAWARE MANAGED	10,440.45	3,948.25	4,188.84	(115.89)	1,076.20
LVIP DELAWARE SPECIAL OPPORTUNITIES	245.14	727.90	110.63	(7.47)	276.29
LVIP DELAWARE GROWTH & INCOME	221.44		60.57	(5.72)	4,786.74
LVIP JANUS CAPITAL APPRECIATION	2,362.10	1,757.00	692.95	(25.31)	8,042.70
LVIP MONDRIAN INTERNATIONAL VALUE	4,371.73	1,882.50	1,826.63	(38.16)	773.32
LVIP SSGA S&P 500 INDEX	654.61		126.43	(7.72)	1,664.23
LVIP SSGA EMERGENCY MARKETS 100		439.25	130.87		1,737.76
LVIP SSGA INTERNATIONAL INDEX		251.00	239.65		1,057.48
LVIP SSGA SMALL CAP INDEX		251.00	58.97		1,104.98
LVIP T ROWE PRICE MID CAP	4,078.44	313.75	70.38		8,435.39
LVIP UBS GLOBAL ASSET ALLOCATION	164.48	2,358.50	2,053.87	(55.42)	208.71
LVIP WILSHIRE AGGRESSIVE PROFILE	4,845.56	2,910.00	1,640.66	(5.22)	9,296.22
LVIP WILSHIRE MODERATE GROWTH	185.82		48.74	(100.00)	228.76
REIT	688.63	251.00	187.78	(5.43)	1,121.98
SMALL CAP VA	1,284.26	255.00	409.08	(10.72)	1,937.62
UTILITIES	1,987.41	1,255.00	742.22	(30.32)	3,954.31
VIP GROWTH	2,821.52	1,565.75	892.02	(63.20)	5,216.09
VIPII CTRFD	875.05		288.14	(19.25)	1,143.94
Total	\$ 142,268.62	\$ 65,885.00	\$ 35,029.15	\$ (1,675.00)	\$ 241,507.77

See accompanying note and accountants' review report.

NOTE TO FINANCIAL STATEMENTS

TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM

NOTE TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Summary of Significant Accounting Policies

A. General

The Length of Service Award Program ("Program") of Township of Colts Neck, County of Monmouth, New Jersey ("Township") is subject to the provisions of the P.L. 1997, c. 388, as amended by P.L. 2001, c. 272 and its amendments and pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program enacted into federal law in 1997.

B. Description of Program

In 2003, the Township created the Program which is offered to all qualified Volunteer Fire Fighter and First Aid Squad members. The Program was created in accordance with Chapter 388 of the Laws of 1997 (N.J.S.A. 40A:14-183, et seq.) and N.J.A.C. 5:30-14.1 et seq., to reward members of the Volunteer Fire Department and First Aid Squad of the Township of Colts Neck, for their loyal, diligent and devoted services to the residents of the Township.

The Program offers a fixed annual contribution from the Township to a deferred-income account for each active, qualified volunteer member. Additionally, periodic increases of fixed annual contribution are made based on the Consumer Price Index pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Annually by January 31 of the current year, the Fire Department and First Aid Squad submit a listing of qualified volunteers for the previous year, which are approved by the Governing Body. After approval, the listing is posted for 30 days at the office of the Municipal Clerk and the First Aid Squad for review by members.

Appeals may be made in writing to the office of the Municipal Clerk within the 30 days of the posting of the approved listing. The Township, upon receiving an appeal and prior to conducting its own investigation, may, at its discretion and within 10 days, refer the matter back to the Fire Department and First Aid Squad in an effort to settle the dispute internally. If the appeal and all written documentation is referred back to the Fire Department and First Aid Squad and it fails to settle or take action on the issue within 30 days, the Township shall then investigate the appeal in accordance with N.J.A.C. 5:30-14.11(d); additionally, if the appeal is not referred back to the Fire Department and First Aid Squad or within 30 days of receiving the unresolved appeal, the Township shall investigate the appeal in accordance with 5:30-14.11(d) and submit a non-binding recommendation to the Fire Department and First Aid Squad. The Fire Department and First Aid Squad shall accept, modify or deny the Township's recommendations. The final decision by the Fire Department and First Aid Squad shall be subject to appropriate judicial review.

TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM

NOTE TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Summary of Significant Accounting Policies (continued)

B. Description of Program (continued)

Following the 30-day period for filing an appeal and subject to holding the payment of any members being appealed, payment shall be made by the Township to Lincoln Financial Group ("Contractor") for deposit into the Program account in the deferred income program.

C. Investments and Investment Income

Upon enrollment, the Program participants enter into Program plan annuity contract with the local plan administrator using enrollment forms provided by the Contractor, which include various investment options.

The Contractor reports the Program pro rata share of the investment income, consisting of gains and losses on transactions, appreciation or depreciation of the market value of the account investment and interest and dividends, recorded by the investment account maintained by the Contractor.

D. 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 Program and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the Program. The Plan Administrator shall rely upon all such information furnished.

E. Vesting

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

F. 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.

TOWNSHIP OF COLTS NECK  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM

NOTE TO FINANCIAL STATEMENTS

For the year ended December 31, 2009

Summary of Significant Accounting Policies (continued)

G. 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.