

TOWNSHIP OF MT. LAUREL FIRE DISTRICT NO. 1
COUNTY OF BURLINGTON
LENGTH OF SERVICE AWARDS PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2005



FIRE DISTRICT NO. 1
TOWNSHIP OF MT. LAUREL, NEW JERSEY

TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
---	Accountant's Review Report	1
<u>LENGTH OF SERVICE AWARD PROGRAM</u>		
Exhibit A-1	Statement of Net Assets Available for Program Benefits	2
Exhibit A-2	Statement of Changes in Net Assets Available for Program Benefits	3
	Notes to Financial Statements	4
<u>SCHEDULE OF FINDINGS AND RECOMMENDATIONS</u>		
	Schedule of Findings and Recommendations	7
	APPRECIATION	8



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ACCOUNTANT'S REVIEW REPORT

Board of Fire Commissioners
Fire District No. 1
Township of Mt. Laurel
Mt. Laurel, New Jersey 08043

We have reviewed the accompanying statement of net assets available for program benefits for the Township of Mt. Laurel Fire District No. 1, Length of Service Awards Program, as of December 31, 2005, and the related statement of changes in net assets available for program benefits for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, and as required by N.J.A.C. 5:30-14.49. All information included in these financial statements is the representation of the management of the Fire District.

A review consists principally of inquiries of Fire District personnel and the plan administrator, and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective 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 generally accepted accounting principles.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Ronald Curry, LLP".

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
April 17, 2006

TOWNSHIP OF MOUNT LAUREL FIRE DISTRICT NO. 1
LENGTH OF SERVICE AWARD PROGRAM
Statement of Net Assets Available for Program Benefits
As of December 31, 2005

ASSETS

Receivable:	
Fire District Contribution	<u>\$ 20,585.00</u>

LIABILITIES AND
NET ASSETS

Net Assets Available for Program Benefits	<u>\$ 20,585.00</u>
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See Accountant's Review Report and Accompanying Notes to the Financial Statements.

TOWNSHIP OF MOUNT LAUREL FIRE DISTRICT NO. 1
LENGTH OF SERVICE AWARD PROGRAM
Statement of Changes in Net Assets Available for Program Benefits
For the Year Ended December 31, 2005

INCREASES IN NET ASSETS

Additions to Net Assets Attributed to:

Fire District Contributions:

2005 Budget Appropriation

\$ 20,585.00

Net Increase (Decrease) in Net Assets

20,585.00

Net Assets, Beginning

-

Net Assets, Ending

\$ 20,585.00

See Accountant's Review Report and Accompanying Notes to the Financial Statements.

TOWNSHIP OF MT. LAUREL FIRE DISTRICT NO. 1
LENGTH OF SERVICE AWARDS PROGRAM
Notes to Financial Statements
For the Year Ended December 31, 2005

Note 1: **DESCRIPTION OF THE PLAN**

The Township of Mt. Laurel Length of Service Awards Program (LOSAP) was created by a Fire District Resolution adopted on December 17, 2004 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Mt. Laurel Fire District No. 1 approved the adoption of the Plan at the general election held on February 19, 2005.

The first year of eligibility for entrance into the Plan was calendar year 2005. The tax deferred income benefits for emergency service volunteers, consisting of the Active Senior Volunteer Firefighter Members, the Active Volunteer Fire Police Members, the Active Volunteer Open Enrollment Members, and the Other Active Volunteer Fire Company Office Members, come from contributions made solely by the governing body of the Fire District, on behalf of those volunteers who meet the criteria of a plan created by that governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services will issue the permitted maximum annually.

For the year ended December 31, 2005, the Township of Mt. Laurel Fire District No. 1 elected to contribute between \$600 and \$1,150 per eligible volunteer into the Plan depending on how many years the volunteer has served.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the District has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group, an approved LOSAP provider, is the administrator of the plan. The District's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator. Since the District is not considered to be holding the assets, the LOSAP is not presented in the Township of Mt. Laurel Fire District No. 1's financial statements.

Note 2: **DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES**

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, which recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs.

The accrual basis of accounting is used for measuring financial position and changes in fiduciary net assets of pension and other employee benefit trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and deductions are recorded at the time the liabilities are incurred, regardless of the timing of related cash flows.

Note 2: DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets

Investments

Investments are reported at fair value. At December 31, 2005, the plan had no investments.

Receivables and Payables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to remain uncollectible. Contributions due from the Township of Mt. Laurel Fire District No. 1 are recognized when due, since the District has a legal requirement to make the contribution.

Liabilities, other than benefits, are recognized when due.

Net Assets

The difference between plan assets and plan liabilities is reported as *net assets available for benefits*.

Note 3: RECEIVABLES

Receivables as of December 31, 2005 are as follows:

Fire District Contribution Receivable – Township of Mt. Laurel	<u>\$20,585.00</u>
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Note 4: VESTING AND BENEFIT PROVISIONS

Benefits vest after five (5) years of service. Any volunteer who has already successfully completed five (5) years or more of service as an active member in good standing becomes vested at the onset of the program. Any member who has successfully completed four (4) years of service as an active member in good standing will vest after one (1) additional year of service, and so forth. New members who join after implementation of the program become vested after the completion of five (5) years of active service.

TOWNSHIP OF MOUNT LAUREL
FIRE DISTRICT NO. 1
LENGTH OF SERVICE AWARD PROGRAM
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2005

39400

**TOWNSHIP OF MT. LAUREL FIRE DISTRICT NO. 1
LENGTH OF SERVICE AWARD PROGRAM
Schedule of Findings and Recommendations
For the Year Ended December 31, 2005**

This section identifies any instances of noncompliance with applicable statutes and regulations governing Length of Service Award Programs disclosed during our review.

None.

39400

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Fire District officials and the plan administrator during the course of this review engagement.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Donald Comey" followed by a stylized flourish.

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants