

HOWELL TOWNSHIP FIRE DISTRICT #5

Financial Statements

For the Years Ended December 31, 2018 and 2017

BART & BART  
Certified Public Accountants

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# **BART & BART *Certified Public Accountants***

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## INDEPENDENT AUDITOR'S REPORT

Board of Fire Commissioners  
Howell Township Fire District #5  
Howell Township, NJ 07105

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of the various funds of the Howell Township Fire District #5 (the District), as of and for the years ended December 31, 2018 and 2017, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents. As described in Note #1, Howell Township Fire District #5 prepares its financial statements on a modified accrual basis of accounting that demonstrates compliance with accounting principles and practices as described by the Division of Local Government Services Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Board of Fire Commissioners  
Howell Township Fire District #5

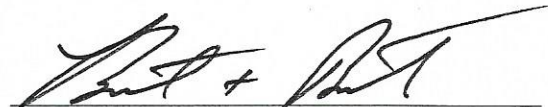
**Opinion**

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the various funds of the Howell Township Fire District #5 at December 31, 2018 and 2017, and the results of operations for the years then ended, on the basis of accounting described in Note #1.

**Other Matters**

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 2 and 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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Bart & Bart, CPAs

Woodbridge, NJ

August 26, 2019

HOWELL TOWNSHIP FIRE DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2018

Unaudited

This discussion and analysis of Howell Township Fire District No. 1's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2018 as compared to 2017 are as follows:

Total Net Position increased \$71,723 from 2017. The unreserved Net Position of the District is a useful indicator of the financial health of the District. The following table shows the past 6-year history of the District's unreserved fund balance:

<u>Fiscal Year Ended</u>	<u>End of Fiscal Year</u>	<u>Utilization in Subsequent Budget</u>
12/31/13	\$252,329	\$137,404
12/31/14	94,120	137,026
12/31/15	104,892	110,381
12/31/16	96,251	97,963
12/31/17	135,622	92,502
12/31/18	207,385	66,637

General fund revenues and other financial sources increased by \$4,025, primarily due to tax revenues increasing. The following table shows the history of the past five years property tax levies per \$100 of assessed valuations on property within the District:

<u>Fiscal Year</u>	<u>Assessed Valuations</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
12/31/13	\$673,318,900	\$655,652	.010
12/31/14	689,513,900	682,274	.098
12/31/15	751,996,200	708,919	.091
12/31/16	788,688,900	723,097	.091
12/31/17	812,810,100	755,915	.093
12/31/18	901,321,800	796,897	.088

Financial Highlights (Continued)

Total cash in the general fund increased by \$85,061 and total liabilities and reserves decreased by \$820.

The District had \$684,214 in expenses, an increase of \$443. General revenues and fund balance were adequate to provide for these expenses.

For further information, contact Mr. Randolph Jager, clerk for the Board of Fire Commissioners, District #5, at PO Box 527, Howell, NJ 07731.

The Board of Commissioners of Fire District #5Township of HowellGeneral FundComparative Balance Sheet

	<u>December 31,</u>	
<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	\$ 237,682	\$ 152,621
Loan Receivable	2,500	2,500
Prepaid Expenses	<u>-</u>	<u>14,118</u>
Total Assets	<u>\$ 240,182</u>	<u>\$ 169,239</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ <u>32,837</u>	\$ <u>33,617</u>
Total Liabilities	<u>32,837</u>	<u>33,617</u>
Fund Balances:		
Total Net Position	<u>207,345</u>	<u>135,622</u>
Total Liabilities and Fund Balance	<u>\$ 240,182</u>	<u>\$ 169,239</u>

See notes to financial statements

General Fund

Statement of Revenues, Expenditures and Changes in Net Position

For the Year Ended December 31, 2018

With Comparative Actual Amounts for Period Ended December 31, 2017

		<u>2018</u>	Variance	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)	<u>Actual</u>
<u>Revenues:</u>				
Miscellaneous Revenues:				
Interest on Investments & Deposits	\$ -	\$ 22	\$ 22	\$ 45
Supplemental Fire Services Grant	<u>3,570</u>	<u>          </u>	<u>(3,570)</u>	<u>          </u>
Total Miscellaneous Revenues	3,570	22	(3,548)	45
<u>Other Financing Sources:</u>				
Fund Balance Appropriated - General	<u>92,502</u>	<u>92,502</u>	<u>          </u>	<u>97,963</u>
Total Other Financing Sources	<u>96,072</u>	<u>92,524</u>	<u>(3,548)</u>	<u>98,008</u>
<u>District Taxes:</u>				
Current Operating and Maintenance	555,915	555,915	-	523,097
Capital Outlay	<u>200,000</u>	<u>200,000</u>	<u>          </u>	<u>200,000</u>
Total District Taxes	<u>755,915</u>	<u>755,915</u>	<u>          </u>	<u>723,097</u>
Total Revenues	<u>851,987</u>	<u>848,439</u>	<u>(3,548)</u>	<u>821,105</u>
<u>Expenditures:</u>				
Current Operating Expenditures:				
Administration	23,800	20,736	3,064	23,128
Commissioners' Expense	50,000	51,005	(1,005)	51,967
LOSAP	78,000	37,059	40,941	45,428
Contractual	79,400	64,229	15,171	64,402
Volunteer Fire Company	397,660	381,528	16,132	369,189
Supplemental Fire Services Grant	3,570	-	3,570	-
Contingent	<u>21,500</u>	<u>          </u>	<u>21,500</u>	<u>          </u>
Total Current Operating Expenses	653,930	554,557	99,373	554,114
Capital Appropriations:				
Partially Funded	<u>198,057</u>	<u>129,657</u>	<u>68,400</u>	<u>129,657</u>
Total Expenditures	<u>851,987</u>	<u>684,214</u>	<u>167,773</u>	<u>683,771</u>
Excess of Revenue over Expenditures	-	164,225	164,225	137,334
Net Position Unreserved - Beginning	135,622	135,622	-	96,251
Appropriation of Surplus	<u>(92,502)</u>	<u>(92,502)</u>	<u>          </u>	<u>(97,963)</u>
Net Position Unreserved - Ending	<u>\$ 43,120</u>	<u>\$ 207,345</u>	<u>\$ 164,225</u>	<u>\$ 135,622</u>

See notes to financial statements



The Board of Commissioners of Fire District #5 - Township of Howell

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2018

With Comparative Actual Amounts for Period Ended December 31, 2017

	<u>Budget</u>	<u>2018 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2017 Actual</u>
<u>Current Operating Expenditures:</u>				
Administration:				
Office Supplies and Postage	\$ 1,500	\$ 480	\$ 1,020	\$ 247
Professional Fees	20,000	16,289	3,711	18,568
Elections	800	836	(36)	840
Advertising	1,000	301	699	284
Memberships and Dues	500	2,830	(2,330)	48
Other	-	-	-	3,141
Total Administration	<u>23,800</u>	<u>20,736</u>	<u>3,064</u>	<u>23,128</u>
Commissioners' Expense:				
Commissioners' Expense	<u>50,000</u>	<u>51,005</u>	<u>(1,005)</u>	<u>51,967</u>
LOSAP	<u>78,000</u>	<u>37,059</u>	<u>40,941</u>	<u>45,428</u>
Contractual:				
Fire Hydrant Service	<u>79,400</u>	<u>64,229</u>	<u>15,171</u>	<u>64,402</u>
Volunteer Fire Company:				
Insurance	99,260	98,147	1,113	131,625
Training	25,000	2,880	22,120	-
Operating Materials & Supplies	5,000	1,422	3,578	-
Fuel	26,000	14,233	11,767	9,612
Other Rentals	79,400	65,000	14,400	51,100
Purchase of Non-bondable Assets	75,000	73,443	1,557	82,881
Utilities and Related Expense	23,000	24,841	(1,841)	25,357
Maintenance and Repairs	30,000	26,592	3,408	58,841
Uniforms and Personal Equipment	30,000	28,927	1,073	3,726
Bureau Expense	5,000	38,010	(33,010)	-
Other	-	8,033	(8,033)	6,047
Total Volunteer Fire Company	<u>397,660</u>	<u>381,528</u>	<u>16,132</u>	<u>369,189</u>
Contingent	<u>21,500</u>	<u>-</u>	<u>21,500</u>	<u>-</u>
Supplemental Fire Services Grant:				
State Share	<u>3,570</u>	<u>-</u>	<u>3,570</u>	<u>-</u>
Total Current Operating Expenditures	<u>\$ 653,930</u>	<u>\$ 554,557</u>	<u>\$ 99,373</u>	<u>\$ 554,114</u>

The Board of Commissioners of Fire District #5

Township of Howell

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2018

With Comparative Actual Amounts for Period Ended December 31, 2017

		<u>2018</u>	Variance Favorable (Unfavorable)	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<u>Capital Appropriations:</u>				
Partially Funded Future Capital Outlay	\$ <u>200,000</u>	\$ <u>129,657</u>	\$ <u>70,343</u>	\$ <u>129,657</u>
Total Capital Appropriations	<u>200,000</u>	<u>129,657</u>	<u>70,343</u>	<u>129,657</u>
Total Expenditures	\$ <u>200,000</u>	\$ <u>129,657</u>	\$ <u>70,343</u>	\$ <u>129,657</u>

See notes to financial statements

The Board of Commissioners of Fire District #5Township of HowellGeneral Fixed Assets Account GroupComparative Statement of Net PositionDecember 31, 2018 and 2017

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
Building and Improvements	\$ 535,273	\$ 535,273
Fire Equipment	1,265,893	1,265,893
Fire Apparatus	3,062,446	3,062,446
Computer Systems and Equipment	<u>59,710</u>	<u>59,710</u>
Total Assets	\$ 4,923,322	\$ 4,923,322
Less Accumulated Depreciation:		
Building and Improvements	442,213	430,079
Equipment	<u>1,645,458</u>	<u>1,539,272</u>
Total Accumulated Depreciation	<u>2,087,671</u>	<u>1,969,351</u>
Total Net Assets	\$ <u>2,835,651</u>	\$ <u>2,953,971</u>

NET POSITION

Investment in General Fixed Assets	\$ <u>2,835,651</u>	\$ <u>2,953,971</u>
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See notes to financial statements

The Board of Commissioners of Fire District #5Township of HowellGeneral Fixed Assets Account GroupStatement of Revenues, Expenditures and Net PositionDecember 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Revenues and Other Financing Sources:</u>		
Total Revenue and Other Financing Sources	\$ -	\$ 34,457
<u>Charges:</u>		
Depreciation	<u>118,320</u>	<u>139,295</u>
Total charges	<u>118,320</u>	<u>139,295</u>
Excess of Revenue Over Expenditures	(118,320)	(104,838)
Net Position, Beginning of Year	<u>2,953,971</u>	<u>3,058,809</u>
Net Position, End of Year	<u>\$2,835,651</u>	<u>\$2,953,971</u>

See notes to financial statements

The Board of Commissioners - Howell Township Fire District #5

Notes to Financial Statements

For the Year Ended December 31, 2018 and 2017

NOTE 1. GENERAL INFORMATION

Description of Reporting Entity

Howell Township Fire District #5 (The District) is a political subdivision of the Township of Howell of Monmouth County, State of New Jersey. A board of fire commissioners oversees all of the operations of the District.

Fire District No. 5 of the Township of Howell is not a component unit of any other financial reporting entity nor does the Fire District have any component units to be presented in accordance with Governmental Accounting Standards Board Statement No. 14.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Howell Township Fire District #5 (the "District") conform to the accounting principles applicable to special districts which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect public funds.

The financial statements include:

General Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds, except as otherwise noted.

Capital Fund - Resources and expenditures for the acquisition of general capital facilities, other than those acquired through the general fund, including the status of bonds and notes authorized for said purposes.

General Fixed Assets Account Group - Shows the District's investment in buildings and equipment, net of accumulated depreciation.

The following is a summary of the significant policies:

Basis of Accounting - The modified accrual basis of accounting is followed. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized in the period in which the fund liability is incurred, if measurable, except that unearned interest and principal on general obligation debt are accounted for as expenditures in the year becoming due and payable.

The Board of Commissioners - Howell Township Fire District #5

Notes to Financial Statements

For the Year Ended December 31, 2018 and 2017

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories of Supplies - Purchases of materials and supplies are recognized and recorded as expenditures when they are acquired, regardless of when used.

Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds and cash in banks. All certificates of deposit are recorded as cash regardless of the date of maturity. Fire districts are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey organized under the laws of the United States or of the State of New Jersey or with the New Jersey Cash Management Fund. N.J.S.A. 40A: 5-15.1 provides a list of investments that may be purchased by fire districts.

N.J.S.A. 17:9-42 requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in the State of New Jersey.

Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of five percent of its average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Prepaid Expenses

Prepaid expenses that benefit future periods are recorded as an expenditure during the year of purchase.

Fixed Assets - Property, plant and equipment purchased by the current fund and the general capital fund are recorded as expenditures at the time of purchase. The historical cost, or if such cost is not practically determinable, the estimated historical cost of such fixed assets is reflected in the General Fixed Assets group of accounts.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

The Board of Commissioners

Howell Township Fire District #5

Notes to Financial Statements

For the Year Ended December 31, 2018 and 2017

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20
Fire Trucks	25
Other Vehicles	5
Equipment	10

CAPITAL ASSETS

All reported capital assets except for land are depreciated. At December 31, 2017 and 2016, capital assets and the useful lives used for determination of annual depreciation were as follows:

	Balance <u>December 31, 2016</u>	Current Year's Activity		Balance <u>December 31, 2017</u>
		<u>Increase</u>	<u>Decrease</u>	
Depreciable:				
Buildings & Improvs.	\$ 535,273	\$ -	-	\$ 535,273
Machinery & Equip.	<u>4,353,572</u>	<u>34,457</u>	<u>-</u>	<u>4,388,049</u>
	4,888,865	34,457	-	4,923,322
Less: Accumulated Depreciation	<u>1,830,056</u>	<u>139,295</u>	<u>-</u>	<u>1,969,351</u>
	<u>\$ 3,058,809</u>	<u>\$ 104,838</u>	<u>\$ -</u>	<u>\$ 2,953,971</u>
	Balance <u>December 31, 2017</u>	Current Year's Activity		Balance <u>December 31, 2018</u>
		<u>Increase</u>	<u>Decrease</u>	
Depreciable:				
Buildings & Improvs.	\$ 535,273	\$ -	\$ -	\$ 535,273
Machinery & Equip.	<u>4,388,049</u>	<u>-</u>	<u>-</u>	<u>4,388,049</u>
	4,923,322	-	-	4,923,322
Less: Accumulated Depreciation	<u>1,969,351</u>	<u>118,320</u>	<u>-</u>	<u>2,087,671</u>
	<u>\$ 2,953,971</u>	<u>\$ 118,320</u>	<u>\$ -</u>	<u>\$ 2,835,651</u>

Depreciation expense for the years ended December 31, 2018 and 2017 were \$133,861 and \$118,320, respectively.

The Board of Commissioners

Howell Township Fire District #5

Notes to Financial Statements

For the Year Ended December 31, 2018 and 2017

Capital Fund - The accounting for expenditures for property, plant and equipment financed by debt authorized or from restricted grant funds is contained in the general capital fund, as is the related debt issued and outstanding. The acquisition and construction cost of such assets, when completed, is reflected in the General Fixed Assets group of accounts.

Note 3. LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

The Fire District offers its volunteers a Length of Service Awards Program in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the Program and all income attributed to those amounts are the exclusive property of the Fire District, subject to the claims of its general creditors. Participants' rights under the Program are equal to those of a general creditor of the Fire District in an amount equal to the fair market value of the deferred account for each participant. It is unlikely that the Fire District would use Program assets to satisfy claims of the general creditors in the future.

Note 4. LOAN RECEIVABLE

The Board lent funds to Freewood Acres Fire Company No. 1, a related party, for a capital improvement. There was no repayment in 2015. The Fire District paid rent to the Company for use of its fire station. In 2013, In lieu of cash payment, the District reduced the amount due from the company by \$32,500. The amount paid for this rent was \$65,000 and \$51,100 in 2018 and 2017.



The Board of Commissioners

Howell Township Fire District #5

Notes to Financial Statements

For the Year Ended December 31, 2018 and 2017

Note 5. LEASE PAYABLE

On August 11, 2011, the District, in order to acquire a new Aerial ladder truck and custom pumper truck, entered into a lease agreement with Capital One Funding Corp. as Lessor pursuant to a competitive bid awarded on November 17, 2010 at an interest rate of 4.572%. The minimum annual payments called for under the lease are as follows:

<u>Payment Date</u>	<u>Total Annual Payment</u>	<u>Interest</u>	<u>Principal</u>
1/1/2011	129,657.16	19,068.12	110,589.04
1/1/2012	129,657.16	42,947.77	86,709.39
1/1/2013	129,657.16	38,983.61	90,673.55
1/1/2014	129,657.16	34,838.22	94,818.94
1/1/2015	129,657.16	30,503.31	99,153.85
1/1/2016	129,657.16	25,970.22	103,686.94
1/1/2017	129,657.16	21,229.88	108,427.28
1/1/2018	129,657.16	16,272.83	113,384.33
1/1/2019	129,657.16	11,089.15	118,568.01
1/1/2020	<u>129,657.16</u>	<u>5,668.49</u>	<u>123,988.67</u>
Totals	<u>\$1,296,571.60</u>	<u>\$246,571.60</u>	<u>\$1,050,000.00</u>

Note 6. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amount of assets and liability and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 7. Subsequent Events

There were no transactions after the balance sheet date through the issuance of these financial statements on August 26, 2019, which would require additional recognition or disclosure as a subsequent event in the financial statements.

The Board of Commissioners of Fire District #5

Township of Howell

Roster of Officials

December 31, 2018 and 2017

ROSTER OF OFFICIALS

<u>NAME</u>		<u>AMOUNT OF BLANKET BOND</u>
<u>Board of Commissioners:</u>		
James Donahue	Commissioner	\$ 300,000
Charles Davison	Chairman	300,000
Robert Donahue	Treasurer	300,000
Randolph Jager	Clerk	300,000
Jeffrey Hodges	Vice Chairman	300,000

Surety Company:

American Alternative Insurance Corp.

# BART & BART Certified Public Accountants

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## Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To The Board of Fire commissioners  
Howell Township Fire District #5  
Howell Township, NJ 07105

We have audited the financial statements of Howell Township Fire District #5 Howell Township, New Jersey, for the year ended December 31, 2018, and have issued our report thereon dated August 26, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the State of New Jersey.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Districts 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Districts 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 entity's financial statements will not be prevented, or detected or corrected on a timely basis.

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 in internal over financial reporting that we consider to be a material weaknesses as defined above. 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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Board of Fire Commissioners  
Howell Township Fire District #5  
Howell Township, NJ 07105

This report is intended solely for the information and use of the members of the District and its management and for filing with the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.



Bart & Bart, CPA's

Woodbridge, NJ

August 26, 2019

Howell Township Fire District #5

General Comments and Recommendations

None