

PENNINGTON BOROUGH FIRE DISTRICT NO. 1

December 31, 2015

**BEDARD, KUROWICKI & CO., CPA'S, PC
CERTIFIED PUBLIC ACCOUNTANTS**

PENNINGTON BOROUGH FIRE DISTRICT NO. 1

For the Year Ended December 31, 2015

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Bedard, Kurowicki & Co.
Certified Public Accountants, PC
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Independent Auditors' Report

Board of Fire Commissioners
Pennington Borough Fire District No. 1
Pennington, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Pennington Borough Fire District No. 1, a political subdivision of the Borough of Pennington, New Jersey which comprise the statement of net position as of December 31, 2015 and the related statement of activities and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 audit. 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. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Pennington Borough Fire District No. 1, as of December 31, 2015, and the respective changes in financial position thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information and roster of officials and surety bond on pages 3 - 5, 14 and 15 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 an essential part of the financial reporting for placing the basic financial statements in an appropriated operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basis 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.

Other Reporting Required by Government Auditing Standards

In accordance with the *Government Auditing Standards*, we have also issued our report dated April 19, 2015, on our consideration of the Pennington Borough Fire District No. 1 internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pennington Borough Fire District No. 1's internal controls over financial reporting and compliance.

Bedard, Kurowicki & Co.

BEDARD, KUROWICKI & CO., CPA'S, PC

April 19, 2016
Flemington, New Jersey

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF PENNINGTON
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Our discussion and analysis of the financial performance of Pennington Borough Fire District No. 1 provides an overview of the District's financial activities for the year ended December 31, 2015. Please review it in conjunction with the District's basic financial statements which begin on page 6.

Financial Highlights

Total net position increased \$62,823 which represents 40.6 percent decrease from 2014. The excess revenue over expenditures was \$15,431 after transfers in the General fund. The decrease in net position reserved for capital projects was \$186,006 and the increase in net position invested in capital assets was \$233,398.

The amount raised by taxation was \$201,150 or 25.5 percent of all revenue and other funding sources. Funds from an adjoining municipality, transfers from the Capital fund and interest totaled \$589,298 or 74.5 percent of all revenue and other funding sources.

Total expenditures have increased \$13,766 or 3.3 percent. Expenditures for capital projects were \$330,067 and \$140,572 in 2015 and 2014, respectively.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on page 6 and 7) provide information about the activities of the District as a whole. Fund financial statements start on page 8. These statements tell how these services were financed. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins on page 6. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid. These two statements report the District's *net position* and changes to them.

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF PENNINGTON
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

You can think of the District's net position - the difference between assets and liabilities - as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 8. The fund financial statements provide detailed information about the most significant funds - not the District as a whole.

General Fund - Most of the District's basic services are reported in the General fund, which focuses on how money flows in and out of the funds and the balances left at year-end that are available for spending. The General fund statements provide a detailed *short-term view* of the District's general operations and the basic services it provides. General fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Capital Fund - The Capital fund represents money allocated for future capital expenditures.

The District as a Whole

The District's total net position increased \$62,823 to \$1,659,846 or 3.9 percent. Details of the changes are reflected on page 7.

Original versus Final Budget

Page 14 reflects the variances between the original and final budgeted amounts.

Final Budget versus Actual Results

As reflected on page 14 the District operated within budgetary constraints. Actual revenues were over the final budget by \$11,694 while actual expenses were under the final budget by \$4,246. Revenues were up due to reimbursements for fixed assets purchased. Expenses were down primarily due to a decrease in the costs of the items budgeted for in professional services and office expenses.

Capital Assets

At year-end, the District had \$3,019,222 at cost in total capital assets - a net increase of \$330,067 from 2014.

**BOARD OF FIRE COMMISSIONERS
DISTRICT NO. 1
BOROUGH OF PENNINGTON
Management's Discussion and Analysis
For the Year Ended December 31, 2015**

Condensed Comparative Information

	2015	2014	Increase (Decrease)
Net position			
Current and other assets	\$ 1,226,948	\$ 1,388,860	\$ (161,912)
Capital assets	629,837	396,439	233,398
Total assets	<u>\$ 1,856,785</u>	<u>\$ 1,785,299</u>	<u>\$ 71,486</u>
Liabilities and deferred inflows of resources	<u>\$ 196,939</u>	<u>\$ 188,276</u>	<u>\$ 8,663</u>
Unreserved	\$ 747,255	\$ 731,824	\$ 15,431
Reserved for capital purchases	282,754	468,760	(186,006)
Investment in capital assets	629,837	396,439	233,398
	<u>\$ 1,659,846</u>	<u>\$ 1,597,023</u>	<u>\$ 62,823</u>
Revenue and expenditures			
Revenue	\$ 490,448	\$ 519,603	\$ (29,155)
Expenditures	427,625	413,849	13,776
Change in net position	<u>\$ 62,823</u>	<u>\$ 105,754</u>	<u>\$ (42,931)</u>

Economic Factors and Next Year's Budget and Rates

The District's governing body considers many factors when setting the 2015 budget and tax rates including the economy, the rate of inflation and planned future capital projects. The tax rate will remain \$.04 per \$100 of assessed valuation.

Contacting the District's Financial Management

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. This discussion and analysis is based upon information that was available as of April 19, 2016.

If you have questions about this report or need additional financial information, contact the Board Clerk at P.O. 387, Pennington, NJ 08534.

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Statement of Net Position
December 31, 2015

ASSETS

Assets		
Cash and cash equivalents		\$ 1,018,522
Due from adjoining municipality		136,430
Note receivable from municipality		71,996
Capital assets, net of accumulated depreciation		<u>629,837</u>
 Total assets		 <u><u>\$ 1,856,785</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Liabilities		
Accrued expenses		\$ <u>124,943</u>
Total liabilities		124,943
 Deferred inflows of resources		
Unearned revenue		<u>71,996</u>
Total liabilities and deferred inflows of resources		196,939
 Net position		
Unreserved		747,255
Reserved for capital asset purchases		282,754
Investment in capital assets		<u>629,837</u>
Total net position		<u><u>1,659,846</u></u>
 Total liabilities, deferred inflows of resources and net position		 <u><u>\$ 1,856,785</u></u>

See accompanying notes to the financial statements.

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Statement of Activities and Change in Net Position
For the Year Ended December 31, 2015

Revenue	
District taxes	\$ 201,150
Adjoining municipality taxes	277,604
Interest	2,473
Other income	9,221
Total revenue	<u>490,448</u>
Expenses	
Operating and maintenance	330,956
Depreciation	96,669
Total expenses	<u>427,625</u>
Change in net position	62,823
Net position - beginning of year	<u>1,597,023</u>
Net position - end of year	<u><u>\$ 1,659,846</u></u>

See accompanying notes to the financial statements.

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Balance Sheet - Governmental Funds
December 31, 2015

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 435,768	\$ 582,754	\$ -	\$ 1,018,522
Due from adjoining municipality	136,430	-	-	136,430
Due from Capital fund	300,000	-	(300,000)	-
Note receivable from municipality	71,996	-	-	71,996
Total assets	<u>\$ 944,194</u>	<u>\$ 582,754</u>	<u>\$ (300,000)</u>	<u>\$ 1,226,948</u>
Liabilities				
Accrued expenses	\$ 124,943	\$ -	\$ -	\$ 124,943
Due to General fund	-	300,000	(300,000)	-
Total liabilities	<u>124,943</u>	<u>300,000</u>	<u>(300,000)</u>	<u>124,943</u>
Deferred inflows of resources				
Unearned revenue	<u>71,996</u>	<u>-</u>	<u>-</u>	<u>71,996</u>
Total liabilities and deferred inflow of resources	196,939	300,000	(300,000)	196,939
Fund balance				
Unreserved	747,255	-	-	747,255
Reserved for capital asset purchases	-	282,754	-	282,754
Total fund balances	<u>747,255</u>	<u>282,754</u>	<u>-</u>	<u>1,030,009</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 944,194</u>	<u>\$ 582,754</u>	<u>\$ (300,000)</u>	<u>\$ 1,226,948</u>

See accompanying notes to the financial statements.

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Reconciliation of Governmental Fund Position
to the District-Wide Statement of Net Position
December 31, 2015

Total fund position - Governmental funds	\$ 1,030,009
Capital assets used in government activities are not financial resources and therefore are not reported in the funds	<u>629,837</u>
Total net position	<u><u>\$ 1,659,846</u></u>

See accompanying notes to the financial statements.

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Statement of Revenue, Expenses and Changes in Fund Balance
For the Year Ended December 31, 2015

	General Fund	Capital Fund	Eliminations	Total
Revenue				
District taxes	\$ 201,150	\$ -	\$ -	\$ 201,150
Adjoining municipality	277,604	-	-	277,604
Interest	1,964	509	-	2,473
Other income	9,221	-	-	9,221
Transferred from/to General fund	-	113,485	(113,485)	-
Total revenue	<u>489,939</u>	<u>113,994</u>	<u>(113,485)</u>	<u>490,448</u>
Expenses				
Operating and maintenance	330,956	-	-	330,956
Transfer from/to Capital fund	113,485	-	(113,485)	-
Capital outlay	30,067	300,000	-	330,067
Total expenses	<u>474,508</u>	<u>300,000</u>	<u>(113,485)</u>	<u>661,023</u>
Increase (decrease) fund balance	15,431	(186,006)	-	(170,575)
Fund balance - beginning of year	<u>731,824</u>	<u>468,760</u>	<u>-</u>	<u>1,200,584</u>
Fund balance - end of year	<u>\$ 747,255</u>	<u>\$ 282,754</u>	<u>\$ -</u>	<u>1,030,009</u>

Amounts reported in the governmental activity in the statement of activities is different because:

Cumulative difference between fund balance and net fund balance from Governmental activity through December 31, 2014	<u>396,439</u>
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Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$330,067) exceeded depreciation (\$96,669) in the current year	<u>233,398</u>
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Net fund balance of governmental activity	<u>\$ 1,659,846</u>
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See accompanying notes to the financial statements.

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

Nature of activities

The Pennington Borough Fire District No. 1 (the District) is a political subdivision of the Borough of Pennington, New Jersey. A five-member Board governs the District. Members are elected annually on a rotating basis to three-year terms. The District provides fire protection, prevention, safety and education services to the Borough of Pennington and to surrounding local communities.

Financial reporting/principles of accounting

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The implementation of GASB has created additional statements, schedules, reports and notes disclosures as follows:

- Financial statements are prepared using full accrual accounting methods, including recording of depreciation on capital assets and recording those assets net of accumulated depreciation.
- The basic financial statements include District-wide Statements and Fund Financial Statements, as explained in the following note disclosures:

District-wide Statements: The statement of net position and the statement of activities display information about the District. The District activities are financed through taxes and funds from an adjoining municipality. The government-wide financial statements are reported using the accrual basis of accounting. Revenue is recorded when earned and expenses recorded at the time liabilities are incurred, regardless of when the cash flows take place.

Fund Financial Statements: The fund financial statements provide information about the District's activities, which are reported in the General fund and the Capital fund. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. Expenditures are recorded when the related fund liabilities are incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

General fund: This is the District's operating fund. It accounts for all financial resources of the District except those required to be accounted for in other funds.

Capital fund: This fund accounts for expenditures for capital assets.

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

Budget and budgetary accounting

The District adopts an annual budget for the General fund. Budget amendments are passed on an as-needed basis, and a balanced budget is required. Appropriations lapse at the end of the year, unless encumbered.

Use of estimates

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

Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and money market funds.

Capital assets

Capital assets are recorded as expenditures at the time of purchase and the related assets are capitalized at cost. It is the District's policy to capitalize assets with costs in excess of \$1,000 and an estimated useful life in excess of one year. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets as follows:

Fire apparatus	10 years
Fire-fighting equipment	5 - 10 years
Other equipment	3 - 10 years

Income taxes

The District is a subdivision of the Borough of Pennington and is not required to file tax returns. Accordingly no provision for income taxes has been made in the financial statements.

Note 2 - Concentration of credit risk

The District maintains its cash balances in one financial institution. These cash balances are insured by Federal Deposit Insurance Corporation, (FDIC). The funds in excess of the FDIC limit are insured by the State of New Jersey's Governmental Unit Deposit Protection Act.

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Notes to the Financial Statements

Note 3 - Capital assets

A summary of changes in capital assets and accumulated depreciation at December 31, 2015 is as follows:

Capital assets	Beginning Balance	Additions	Dispositions	Ending Balance
Fire apparatus	\$ 1,144,931	\$ -	\$ -	\$ 1,144,931
Fire-fighting equipment	797,812	15,067	-	812,879
Other equipment	102,412	15,000	-	117,412
Truck - deposit	-	300,000	-	300,000
Truck	644,000	-	-	644,000
Total	2,689,155	330,067	-	3,019,222
Accumulated depreciation				
Fire apparatus	1,144,931	-	-	1,144,931
Fire-fighting equipment	578,305	48,046	-	626,351
Other equipment	93,165	2,110	-	95,275
Truck	476,315	46,513	-	522,828
Total	2,292,716	96,669	-	2,389,385
Capital assets, net	\$ 396,439	\$ 233,398	\$ -	\$ 629,837

Depreciation expense was \$96,669 for the year ended December 31, 2015.

Note 4 - Levied taxes

The total tax levied by the Borough of Pennington to fund the operations of the District was \$201,150. The tax rate per \$100 of assessed valuation is \$.04, based on the assessed valuation of \$498,293,851.

Note 5 - Retirement plan

The District has a Length of Service Award Program (LOSAP). Members qualify based on various criteria determined by the District. LOSAP expenditures for the year ended December 31, 2015 were \$71,000.

Note 6 - Subsequent events

The District's management has determined that no material events or transactions occurred subsequent to December 31, 2015 and through April 19, 2016, the date of the District's financial statement issuance, which require additional disclosure in the District's financial statements.

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Schedule of Budget vs. Actual Expenses - General Fund
For the Year Ended December 31, 2015

	Unaudited Original Budget	Unaudited Final Budget	Actual	Under (over) Final Budget
Revenue				
District taxes	\$ 201,150	\$ 201,150	\$ 201,150	\$ -
Adjoining municipality	277,604	277,604	277,604	-
Reserve from capital fund	300,000	300,000	300,000	-
Interest	-	-	2,473	2,473
Other income	-	-	9,221	9,221
Total revenue and other financing sources	778,754	778,754	790,448	11,694
Expenditures				
Fire-fighting equipment	41,284	37,484	37,365	119
Capital outlays	315,000	315,000	315,000	-
Rent	55,872	55,872	55,872	-
Insurance	54,000	71,000	70,945	55
Professional services	32,500	32,500	32,130	370
Office	9,984	9,984	6,374	3,610
Elections	500	500	500	-
Training and education	11,900	11,600	10,778	822
Diesel and gas	12,000	6,600	6,935	(335)
Equipment and repairs	28,329	20,829	21,283	(454)
Vehicle repairs	20,400	20,400	21,958	(1,558)
Medical	1,000	1,000	-	1,000
Contingency	2,000	2,000	-	2,000
LOSAP	71,000	71,000	71,000	-
Hazmat	-	-	109	(109)
Awards	2,500	2,500	2,644	(144)
Telephone	7,000	7,000	8,130	(1,130)
Reserve for capital outlays	113,485	113,485	113,485	-
Total expenditures	778,754	778,754	774,508	4,246
Excess of revenue over expenditures	\$ -	\$ -	\$ 15,940	\$ 15,940

See independent auditors' report

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Schedule of Officials and Surety Bond
December 31, 2015

NAMES OF BOARD
OF COMMISSIONERS

AMOUNT OF SURETY BOND

Mark Blackwell	}	
William Meytrott	}	
William Naylor	}	\$75,000 total coverage per loss
Thomas Timperman	}	
Gene Schooley	}	

See independent auditors' report



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Board of Fire Commissioners
Pennington Borough Fire District No. 1
Pennington, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Pennington Borough Fire District No. 1, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Pennington Borough Fire District No. 1's basic financial statements, and have issued our report thereon dated April 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Pennington Borough Fire District No. 1's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstance 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pennington Borough Fire District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. The report is an integral part of any audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC

April 19, 2016
Flemington, New Jersey

PENNINGTON BOROUGH FIRE DISTRICT NO. 1
Schedule of Findings and Responses
For the year ended December 31, 2015

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Bureau of Authority Regulation, Division of Local Government Services, Department of Community Affairs, and State of New Jersey.

Findings 2015 - None

**BOROUGH OF PENNINGTON
FIRE DISTRICT NO. 1
Synopsis of Audit
Year Ended December 31, 2015**

COMBINED COMPARATIVE BALANCE SHEET

	2015	2014
ASSETS:		
Cash	\$ 1,018,522	\$ 1,240,393
Note receivable from Municipality	136,430	67,250
Miscellaneous Receivable	71,996	81,217
Total assets	\$ 1,226,948	\$ 1,388,860
LIABILITIES:		
Accounts Payable	\$ 124,943	\$ 107,059
Unearned Revenue	71,996	81,217
Total liabilities	196,939	188,276
FUND BALANCES:		
Unreserved Fund Balance- General	747,255	731,824
Reserved Fund Balance- Capital	282,754	468,760
Total Liabilities and Fund Balances	\$ 1,226,948	\$ 1,388,860

**GENERAL FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

REVENUE:		
District Taxes	\$ 201,150	\$ 199,706
Adjoining Municipality	277,604	262,662
Other Income	9,221	54,225
Miscellaneous Income	1,964	2,953
Total Revenue	489,939	519,546
EXPENDITURES:		
Operating & Maintenance	330,956	323,914
Capital Outlay	30,067	65,572
Transfer to Capital Fund	113,485	68,788
Total Expenditures	474,508	458,274
Excess of Revenue Over Expenditures	15,431	61,272
Fund Balance- Beginning	731,824	670,552
Fund Balance- Ending	\$ 747,255	\$ 731,824

The above synopsis was prepared from the report of the audit of the Board of Fire Commissioners, Borough of Pennington Fire District No. 1, County of Mercer, for the years ended December 31, 2015 and 2014.

The report of audit, submitted by Bedard, Kurowicki & Co., CPA's, PC, is on file at the Borough of Pennington Clerk's office and may be inspected by any person.

April 19, 2016
Thomas J. Timperman, Clerk of the Board