



Certified Public Accountants + Advisors

Class

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www.hfacpas.com

January 18, 2023

Donna M. Manno, Municipal Clerk
Municipal Clerk
Township of Barnegat
900 West Bay Avenue
Barnegat, New Jersey 08005

Dear Ms. Manno:

I would like to take this opportunity to express my gratitude for the appointment as Auditor for the Township of Barnegat for the year **2023**.

We have enclosed two copies of our contract for the audit of the year ending **December 31, 2023** for your review and approval. One copy is for your files, and the other copy should be signed and returned to our **Headquarters**.

We have also enclosed the Certificate of Employee Information Report, Business Registration Certificate, PEER Review, and a W9 Form (Taxpayer Identification Number & Certification) for our firm, which you need for your files. Our updated insurance certificate was mailed under separate cover, directly from the Agency.

Should you have any questions, please contact us.

Very truly yours,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'Jerry W. Conaty', written over a horizontal line.

Jerry W. Conaty, CPA, RMA, PSA, CFE
Partner

JWC:rc
Enclosures

AGREEMENT

THIS AGREEMENT made this 5th day of January, 2023 by and between the Township of Barnegat, a municipal corporation of the State of New Jersey, hereinafter referred to as "Township" and Jerry W. Conaty, C.P.A., R.M.A., P.S.A., C.F.E., hereinafter referred to as "Auditor";

WITNESSETH:

WHEREAS, by virtue of Resolution 2023-21, passed January 5, 2023, Jerry W. Conaty, C.P.A., R.M.A., P.S.A., C.F.E., has been appointed Auditor for the Township of Barnegat; and

WHEREAS, the parties hereto have reviewed existing appropriations for funds and desire by this Agreement to reduce the understanding with reference to the compensation of the Auditor in writing;

NOW THEREFORE, in consideration of the mutual terms, conditions and covenants herein, it is agreed by and between the parties as follows:

1. SCOPE AND OBJECTIVES

The Auditor agrees to perform the professional services ordinarily provided by Registered Municipal Accountants of the State of New Jersey, including the audit of the accounts and financial transactions for the **2023** calendar year.

The Auditor will audit the financial statements of the various funds and account group of the Township which comprise the statements of assets, liabilities, reserves and fund balance - regulatory basis and the related statements of operations and changes in fund balance – regulatory basis and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis including the notes to the financial statements, which collectively comprise the basic financial statements, of the Township of Barnegat as of and for the year ended **December 31, 2023**.

The Auditor also has been engaged to report on supplementary information other than RSI that accompanies Township of Barnegat's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Supplemental Schedules
- 2) Schedules of expenditures of federal awards and state financial assistance
- 3) Comments and Recommendations

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards and state financial assistance that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJ OMB Circular 15-08)*.

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

The Auditor will conduct the audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance and NJ OMB Circular 15-08, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance and NJ OMB Circular 15-08, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

The Auditor evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan

and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, the Auditor will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. The Auditor will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. The Auditor include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The Auditor will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

The Auditor's procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. The Auditor will also request written representations from your attorneys as part of the engagement, and they may bill you separately for their response to such inquiries.

The Auditors have identified the following significant risk(s) of material misstatement for your industry as part of the audit planning:

- Management override of controls
- Improper revenue recognition due to fraud
- Risk of Noncompliance with state government regulatory requirements

As of the date of this letter, planning has not concluded and modifications to these risks may be made. Additionally, risks specific to your organization may be identified. If new significant risks are identified after the date of this letter, we will communicate them to those charged with governance in a timely manner, in writing.

The Auditor may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures—Internal Control

The Auditor will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and NJ OMB Circular 15-08, the Auditor will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and NJ OMB Circular 15-08.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance and NJ OMB Circular 15-08.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, the Auditor will perform tests of Township of Barnegat's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and NJ OMB Circular 15-08, requires that the Auditor also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Township of Barnegat's major programs. For federal and state programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Township of Barnegat's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and NJ OMB Circular 15-08.

Other Services

If requested by the Township, the Auditor will complete certain non-attest services normally performed by a Registered Municipal Accountant in the State of New Jersey. These services will include the following:

- a) Assist with the 2023 Unaudited Annual Financial Statement on state approved forms from general ledgers provided by the Township.
- b) Assist with the 2023 Unaudited Annual Debt Statement on state approved forms from general ledgers provided by the Township.
- c) Compilation of 2023 Basic Financial Statements and supplemental exhibits from general ledgers to State approved format.

- d) Assist with preparation of 2024 Budget document on state approved forms from documents provided by the Township.

The Auditor will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related disclosures of Township of Barnegat in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the Uniform Guidance and NJ OMB Circular 15-08 based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. The Auditor will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards and state financial assistance, and related disclosure services previously defined. The Auditor, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements and Single Audit

The audit will be conducted on the basis that the Township acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards and state financial assistance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards and state financial assistance, and all accompanying information in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Management responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

The Township is also responsible for making drafts of financial statements, schedule of expenditures of federal awards and state financial assistance, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and NJ OMB Circular 15-08; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards and state financial assistance; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

The Township's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

The Township is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance and NJ OMB Circular 15-08, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards and state financial assistance; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

The Township is responsible for identifying all federal awards and state financial assistance received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards and state financial assistance (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance and NJ OMB Circular 15-08. You agree to include our report on the schedule of expenditures of federal awards and state financial assistance in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards and state financial assistance. The Township also agrees to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards and state financial assistance no later than the date the schedule of expenditures of federal awards and state financial assistance is issued with our report thereon. The Township's responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards and state financial assistance in accordance with the Uniform Guidance and NJ OMB Circular 15-08; (2) you believe the schedule of expenditures of federal awards and state financial assistance, including its form and content, is stated fairly in accordance with the Uniform Guidance and NJ OMB Circular 15-08; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.

The Township also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Township agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. The Township also agrees to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. The Township's responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The Township is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The Township is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. The Township is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

The Township agrees to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards and state financial assistance, and related disclosures, and any other non-audit services we provide. The Township will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards and state financial assistance, and related disclosures and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards and state financial assistance, and related disclosures prior to their issuance and have accepted responsibility for them. Further, the Township agrees to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

The Auditor understands that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, the Auditor will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards and state financial assistance, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. The Auditor will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

The Auditor will provide copies of our reports to Township of Barnegat; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Holman Frenia Allison, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Division of Local Government Services or its designee, a federal and state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. The Auditor will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Holman Frenia Allison, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

2. COMPENSATION

The above services will be compensated as follows:

1. To perform the Audit of the financial statements-regulatory basis of the various funds of the Township, including audit of the LOSAP and utility funds and single audit, the Auditor's fee will be in the amount of **\$58,795**.
2. To assist with the 2023 Unaudited Annual Financial Statement on state approved forms from general ledgers provided by the Township, the fee will be **\$7,500**.
3. To assist with the 2023 Unaudited Annual Debt Statement on state approved forms from general ledgers provided by the Township, the fee will be **\$2,000**.
4. For the compilation of 2023 Basic Financial Statements and supplemental exhibits from general ledgers to State approved format, the fee will be **\$4,000**.
5. To assist with preparation of 2023 Budget document on state approved forms from documents provided by the Township, the fee will be **\$3,000**.
6. Specialized financial and bonding services, price dependent on size and complexity of offering, the fee will be **\$5,000** per bond issuance.

The Auditor's standard hourly rates for local government audit services, which vary according to the degree of responsibility involved and the experience level of the personnel assigned to the Township's audit, are as follows:

STAFF	HOURLY RATE
Engagement Partner	\$220.00
Quality Review Partner	220.00
Principal	185.00
Manager	175.00
Supervisor	155.00
Senior	135.00
Staff II	120.00
Staff I	100.00
Administrative	90.00

If additional services are requested that are beyond the scope of services of this contract, the hourly rates may differ from the local government audit service rates listed above.

The invoices for these fees will be rendered each month as work progresses and are payable on presentation. If the Auditor elects to terminate its services for nonpayment, the engagement will be deemed to have been completed upon written notification of termination, even if the Auditor has not completed its report(s). The Township will be obligated to compensate the Auditor for all time expended and to reimburse the Auditor for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from the Township's personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, the Auditor will discuss it with the Township and arrive at a new fee estimate before the Auditor incurs the additional costs. This would include if the State of New Jersey is delayed in the release of the Accounting and Financial Reporting for Postemployment Benefits other than Pensions causing the statutory deadline to be extended. Should this occur, the Auditor would be required to perform additional procedures, which may result in additional fees.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, the Auditor request that you inform us prior to any such discussions so that the Auditor can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Reporting

The Auditor will issue written reports upon completion of the Single Audit. Our reports will be addressed to the Township Committee of Township of Barnegat. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of

these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with the Township in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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 on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance and NJ OMB Circular 15-08 report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB Circular 15-08. Both reports will state that the report is not suitable for any other purpose.

3. ADDITIONAL AUDITING AND/OR ACCOUNTING SERVICES

It is agreed by and between the parties that this contract does not cover additional auditing and/or accounting services to such events as fraud detection by the Auditor or Township, financial records being maintained in un-auditable condition and requiring additional work by the Auditor, bond consulting services, or work of any other nature that would not be included in the normal services described in Section 1 of this contract. Prior to undertaking any such additional services on behalf of the Township, the Auditor shall obtain a Purchase Order approved by the Township authorizing said services and establishing the fee structure upon which said additional services shall be based, at the hourly rates set forth in Section 2 of this contract.

4. INDEPENDENT CONTRACTOR

It is recognized that the Auditor will be performing a variety of services in various capacities pursuant to this contract. It is specifically agreed by and between the parties that all compensation pursuant to this contract is based on the status of the Auditor as an independent contractor and no portion of this sum herein specified shall be payable for services rendered as an employee of the Township.

5. AFFIRMATIVE ACTION MANDATORY LANGUAGE

The parties of this contract agree to incorporate into this contract the mandatory Affirmative Action Language of P.L. 1975, c 127, (N.J.A.C. 17:27) as attached (Exhibit A).

6. DURATION OF CONTRACT

This Contract shall take effect _____ and continue through and including _____, including specifically the time period during which the 2023 Audit is completed and filed in 2024.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals, the day and year first above written.

ATTEST:

TOWNSHIP OF BARNEGAT



Township Clerk



Mayor



Jerry W. Conaty, Auditor

EXHIBIT A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq. and N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICES AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to **N.J.S.A. 10:5-31 et seq.** as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to employ minority and women workers consistent with the applicable county employment goals established in accordance with **N.J.A.C. 17:27-5.2**, or a binding determination of the applicable Township employment goals determined by the Division, pursuant to **N.J.A.C. 17:27-5.2**.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personal testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval
Certificate of Employee Information Report
Employee Information Report Form AA302

The contractor and its subcontractor shall furnish such reports or other documents to the Division of Contract Compliance & EEO as may be requested by the Division from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Contract Compliance & EEO for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C.17:27.**

Holman Frenia Allison, P.C.
Print Name of Company/Firm

January 18, 2023

Date

Jerry W. Conaty
Print Name



Signature