

**RESOLUTION #2024-46
TOWNSHIP OF FRANKLIN, HUNTERDON COUNTY**

GOVERNING BODY CERTIFICATION OF THE ANNUAL AUDIT (CY 2023)

WHEREAS, N.J.S.A. 40A: 5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2023 has been filed by a Registered Municipal Accountant with the Municipal Clerk pursuant to N.J.S.A. 40A: 5-6, and a copy has been received by each member of the governing body; and

WHEREAS, R.S. 52:27BB-34 authorizes the Local Finance Board of the State of New Jersey to prescribe reports pertaining to the local fiscal affairs; and

WHEREAS, the Local Finance Board has promulgated N.J.A.C. 5:30-6.5, a regulation requiring that the governing body of each municipality shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, as a minimum, the sections of the annual audit entitled "Comments and Recommendations; and

WHEREAS, the members of the governing body have personally reviewed, as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled "Comments and Recommendations, as evidenced by the group affidavit form of the governing body attached hereto; and

WHEREAS, such resolution of certification shall be adopted by the Governing Body no later than forty-five days after the receipt of the annual audit, pursuant to N.J.A.C. 5:30-6.5; and


WHEREAS, all members of the governing body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board; and

WHEREAS, failure to comply with the regulations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of R.S. 52:27BB-52, to wit:

R.S. 52:27BB-52: A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office.

NOW, THEREFORE BE IT RESOLVED, That the Township Committee of the Township of Franklin, Hunterdon County, hereby states that it has complied with N.J.A.C. 5:30-6.5 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING HELD ON SEPTEMBER 26, 2024.



Christine J. Burke, RMC
Municipal Clerk



TOWNSHIP OF FRANKLIN
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a Summary or Synopsis of the Audit Report together with the recommendations is the minimum required to be published pursuant to N.J.S. 40A:5-7.

Summary or Synopsis of 2023 Audit report of the Township of Franklin as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>ASSETS</u>	December 31,	
	2023	2022
Cash and Cash Equivalents	\$ 7,775,679.37	\$ 7,318,405.43
Taxes and Liens Receivable	204,374.29	227,585.26
Property Acquired for Taxes - Assessed Value	400.00	400.00
Accounts Receivable	53,057.35	55,455.45
Deferred Charges to Future Taxation - Funded	111,000.00	184,182.23
Deferred Charges to Future Taxation - Unfunded	2,147,661.00	1,100,042.00
Fixed Assets	8,321,281.84	8,321,281.84
 TOTAL ASSETS	 \$ 18,613,453.85	 \$ 17,207,352.21
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bonds, Notes and Loans Payable	\$ 1,011,000.00	\$ 1,084,182.23
Improvement Authorizations	2,374,583.45	1,051,721.91
Other Liabilities and Special Funds	4,716,272.36	4,798,202.87
Reserve for Certain Assets Receivable	206,226.47	230,085.54
Reserve for Fixed Assets	8,321,281.84	8,321,281.84
Fund Balances	1,984,089.73	1,721,877.82
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE	 \$ 18,613,453.85	 \$ 17,207,352.21

TOWNSHIP OF FRANKLIN
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
(Continued)

Comparative Statement of Operations and Change in
Fund Balance - Regulatory Basis - Current Fund

	Year Ended December 31,	
	2023	2022
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 600,000.00	\$ 540,000.00
Miscellaneous Revenue Anticipated	985,633.01	896,471.39
Receipts from:		
Delinquent Taxes	189,186.63	246,785.78
Current Taxes	15,409,536.77	15,270,102.32
Nonbudget Revenue	155,270.29	27,957.58
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	202,657.83	275,434.29
Interfunds Returned		18,417.12
Cancellation of Special District Taxes		3,723.25
Cancellation of Prior Year Other Encumbrance	951.49	
Cancellation of Tax Overpayments	24,776.51	
	<u>17,568,012.53</u>	<u>17,278,891.73</u>
<u>Expenditures</u>		
Budget Appropriations - Municipal Purposes	3,676,583.73	3,320,045.62
Municipal Open Space Taxes	27,441.07	27,345.37
County Taxes	2,173,238.28	2,104,779.50
County Added and Omitted Taxes	1,083.28	4,728.84
Regional High School Taxes	3,543,783.00	3,752,775.00
Local District School Taxes	6,837,516.00	6,864,671.00
Special District Taxes	438,000.00	426,723.25
Refund of Prior Year 100% Disabled Veteran		4,064.45
Interfunds Advanced	8,155.26	
	<u>16,705,800.62</u>	<u>16,505,133.03</u>
Excess in Revenue	862,211.91	773,758.70
Balance January 1	<u>1,708,429.84</u>	<u>1,474,671.14</u>
	<u>2,570,641.75</u>	<u>2,248,429.84</u>
Decreased by:		
Utilized as Anticipated Revenue	<u>600,000.00</u>	<u>540,000.00</u>
Balance December 31	<u>\$ 1,970,641.75</u>	<u>\$ 1,708,429.84</u>

TOWNSHIP OF FRANKLIN
SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION
SUMMARY OF RECOMMENDATIONS

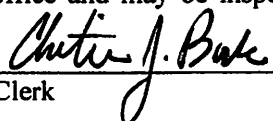
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It is recommended that:

1. Consideration is given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
2. Tax overpayment balances be reviewed on a periodic basis to ensure that balances are accurate, taxes related to tax title liens are transferred to the applicable lien accounts annually, current and prior year taxes receivables are fully proven with the related tax and finance records and a detailed analysis of the tax sale premiums is available for audit review.
3. The remaining balance of State dog license fees is remitted to the State.
4. The monthly cashbook for the Construction Department contain the date of receipt for each permit issued and a cashbook is prepared for Clerk's Office collections.
5. Finance Department Records:
 - a) Every effort be made to ensure that the interfunds between the various funds are reconciled and that the current year budget and tax levy in the Current Fund and the prior year audit journal entries in the various funds are posted.
 - b) Approved overtime sheets be available for audit review and the employee health benefit contributions are correctly calculated. Also, employees should be paid by payroll and issued a W-2 for all wages. Finally, the wages reported on the PERS quarterly pension reports for an individual with multiple positions should be the position with the highest compensation among concurrently held eligible positions.
 - c) Every effort be made to ensure that purchase orders are approved prior to orders being placed for goods or services. Also, all purchase orders be available for audit review and purchase orders should contain a receipt of goods signature.
 - d) Every effort be made to limit interfund activity and to liquidate all interfunds by year end.
 - e) Serial bond payments be made by the due date.
 - f) Copies of deposit slips be maintained on file for audit review.

A corrective action plan, which outlines actions the Township of Franklin will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the office of the Municipal Clerk of the Township of Franklin within 45 days of this notice.

The above summary or synopsis was prepared from the Report of Audit of the Township of Franklin, County of Hunterdon, for the calendar year 2023. This Report of Audit, submitted by Heidi A. Wohlleb, Registered Municipal Accountant, of Nisivoccia LLP, is on file at the Township Clerk's office and may be inspected by any interested person.


Clerk