

**TOWNSHIP OF FRANKLIN  
COUNTY OF HUNTERDON  
STATE OF NEW JERSEY**

**RESOLUTION 2019 – 42**

**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 2018 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 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, 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 JULY 11, 2019.**







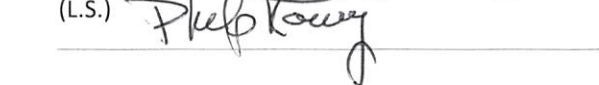
  
\_\_\_\_\_  
Christine J. Burke, RMC  
Municipal Clerk

**CERTIFICATION OF GOVERNING BODY OF THE ANNUAL AUDIT  
GROUP AFFIDAVIT FORM  
NO PHOTO COPIES OF SIGNATURES**

STATE OF NEW JERSEY  
COUNTY OF HUNTERDON

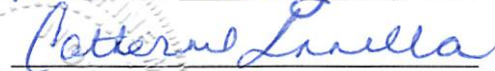
We, members of the governing body of the Township of Franklin, in the County of Hunterdon, being duly sworn according to law, upon our oath depose and say:

1. We are duly elected (or appointed) members of the Town Committee of the Township of Franklin in the county of Hunterdon;
2. In the performance of our duties, and pursuant to N.J.A.C. 5:30-6.5, we have familiarized ourselves with the contents of the Annual Municipal Audit filed with the Clerk pursuant to N.J.S.A. 40A:5-6 for the year 2018;
3. We certify that we have personally reviewed and are familiar with, as a minimum, the sections of the Annual Report of Audit entitled "Comments and Recommendations."

(L.S.)		(L.S.)
(L.S.)		(L.S.)
(L.S.)		(L.S.)
(L.S.)		(L.S.)
(L.S.)		(L.S.)

Sworn to and subscribed before me this  
12 day of July, 2019.

  
Christine J. Burke, Municipal Clerk

  
Notary Public of New Jersey  
**CATHERINE M. INNELLA**  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires 1/11/2022

The Municipal Clerk (or Clerk of the Board of Chosen Freeholders as the case may be) shall set forth the reason for the absence of signature of any members of the governing body.

IMPORTANT: This certificate must be sent to the Bureau of Financial Regulation and Assistance, Division of Local Government Services, P.O. Box 803, Trenton, New Jersey 08625.

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 2018 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,	
	2018	2017
Cash and Cash Equivalents	\$ 4,956,284.88	\$ 6,239,199.03
Taxes and Liens Receivable	315,041.70	213,692.11
Property Acquired for Taxes - Assessed Value	400.00	400.00
Accounts Receivable	73,316.00	71,014.77
Deferred Charges to Future Taxation - Unfunded	536,140.30	363,502.81
Fixed Assets (Unaudited)	7,757,412.00	7,850,441.00
 TOTAL ASSETS	 \$ 13,638,594.88	 \$ 14,738,249.72
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Notes and Loans Payable	\$ 535,958.51	\$ 363,363.02
Improvement Authorizations	218,862.26	45,778.84
Other Liabilities and Special Funds	3,534,807.61	5,038,246.52
Reserve for Certain Assets Receivable	660,235.01	237,165.92
Reserve for Fixed Assets (Unaudited)	7,757,412.00	7,850,441.00
Fund Balances	931,319.49	1,203,254.42
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE	 \$ 13,638,594.88	 \$ 14,738,249.72

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,	
	2018	2017
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 400,000.00	\$ 592,600.00
Miscellaneous Revenue Anticipated	906,474.30	752,176.74
Receipts from:		
Delinquent Taxes	195,813.89	194,721.22
Current Taxes	13,918,085.52	13,685,784.71
Nonbudget Revenue	36,284.33	82,565.67
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	192,335.74	283,576.26
Interfunds Returned		2,827.49
Cancellation of Special District Taxes	3,215.36	
Cancellation of Tax Overpayments	499.51	
	15,652,708.65	15,594,252.09
<u>Expenditures</u>		
Budget Appropriations - Municipal Purposes	2,868,063.02	2,965,243.26
Municipal Open Space Taxes	27,682.65	163,242.67
County Taxes	2,163,448.58	2,050,251.53
County Added and Omitted Taxes	11,735.73	3,495.81
Regional High School Taxes	3,485,643.00	3,269,332.00
Local District School Taxes	6,254,950.00	6,366,955.00
Special District Taxes	341,965.36	338,791.00
Prior Year Senior Citizen Deductions Disallowed		768.49
Refund of Prior Year Taxes		4,273.40
Interfunds Advanced	318,990.24	23,073.81
	15,472,478.58	15,185,426.97
Excess in Revenue	180,230.07	408,825.12
Balance January 1	1,076,501.44	1,260,276.32
	1,256,731.51	1,669,101.44
Decreased by:		
Utilized as Anticipated Revenue	400,000.00	592,600.00
Balance December 31	\$ 856,731.51	\$ 1,076,501.44

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

It is recommended that:

1. The Township formally approve the purchase of goods or services through a cooperative purchasing agreement.
2. Consideration be given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
3. Financial Records:
  - a. The individual withholding balances included in the analysis of balance for the payroll agency account be reviewed for accuracy and any necessary adjustments be made. In the future, the analysis of balance should be reviewed on a monthly basis to ensure that the individual withholding balances are accurate.
  - b. The Township make every effort to ensure that employees are paid in accordance with the related contract or salary ordinance.
  - c. The older reconciling items on the bank reconciliation for the tax collector's bank account be investigated and resolved.
  - d. Every effort be made to limit interfund activity in the future and liquidate all interfunds by the end of the year especially those interfunds due to the Current Fund.
4. Animal Control Fund receipts be deposited within 48 hours as per State statute.
5. Board of Health and Zoning collections are deposited within 48 hours of receipt as per State statute and that Board of Health applications are available 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 2018. 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