

RESOLUTION #2020-41
TOWNSHIP OF FRANKLIN, HUNTERDON COUNTY

CERTIFICATION OF CY2019 AUDIT

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 2019 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 AUGUST 13, 2020.



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 2019;
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.)	<u>Phil Koway</u>	(L.S.)
(L.S.)	<u>Mike Hunsick</u>	(L.S.)
(L.S.)	<u>Robert...</u>	(L.S.)
(L.S.)	<u>[Signature]</u>	(L.S.)
(L.S.)	<u>W. Burgess</u>	(L.S.)

Sworn to and subscribed before me this 8th day of September 2020.

Christine J. Burke
Christine J. Burke, Municipal Clerk

Catherine M. Innella
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 2019 Audit report of the Township of Franklin as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
<u>ASSETS</u>	2019	(Restated) 2018
Cash and Cash Equivalents	\$ 4,903,336.98	\$ 4,956,284.88
Taxes and Liens Receivable	220,102.52	315,041.70
Property Acquired for Taxes - Assessed Value	400.00	400.00
Accounts Receivable	82,764.05	73,316.00
Deferred Charges to Future Taxation - Unfunded	450,034.21	536,140.30
Fixed Assets	7,478,885.00	7,176,447.00
 TOTAL ASSETS	 \$ 13,135,522.76	 \$ 13,057,629.88
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Notes and Loans Payable	\$ 449,852.42	\$ 535,958.51
Improvement Authorizations	71,576.71	218,862.26
Other Liabilities and Special Funds	3,580,370.23	3,534,807.61
Reserve for Certain Assets Receivable	560,455.44	660,235.01
Reserve for Fixed Assets	7,478,885.00	7,176,447.00
Fund Balances	994,382.96	931,319.49
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE	 \$ 13,135,522.76	 \$ 13,057,629.88

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,	
	2019	2018
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 400,000.00	\$ 400,000.00
Miscellaneous Revenue Anticipated	873,918.26	906,474.30
Receipts from:		
Delinquent Taxes	284,656.25	195,813.89
Current Taxes	14,378,650.75	13,918,085.52
Nonbudget Revenue	41,263.54	36,284.33
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	289,493.47	192,335.74
Interfunds Returned	8,815.35	
Cancellation of Special District Taxes	1,666.40	3,215.36
Cancellation of Tax Overpayments		499.51
	16,278,464.02	15,652,708.65
<u>Expenditures</u>		
Budget Appropriations - Municipal Purposes	3,020,990.31	2,868,063.02
Municipal Open Space Taxes	27,642.93	27,682.65
County Taxes	2,148,336.28	2,163,448.58
County Added and Omitted Taxes	12,544.41	11,735.73
Regional High School Taxes	3,637,505.00	3,485,643.00
Local District School Taxes	6,410,425.00	6,254,950.00
Special District Taxes	343,666.40	341,965.36
Refund of Prior Year Taxes	7,700.22	
Interfunds Advanced	157,950.00	318,990.24
	15,766,760.55	15,472,478.58
Excess in Revenue	511,703.47	180,230.07
Balance January 1	856,731.51	1,076,501.44
	1,368,434.98	1,256,731.51
Decreased by:		
Utilized as Anticipated Revenue	400,000.00	400,000.00
Balance December 31	\$ 968,434.98	\$ 856,731.51

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

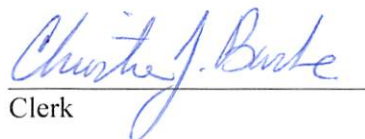
It is recommended that:

1. Consideration is given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
2. Financial Records:
 - a. The unallocated balance for the payroll agency account is reviewed.
 - b. Employees' pensionable salaries are accurately reported on the quarterly State of New Jersey Public Employee's Retirement System (PERS) and Police and Firemen's Retirement System (PFRS) reports.
 - c. The reconciling items on the various bank reconciliations are investigated and resolved.
 - d. Every effort is 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.
3. Animal Control Fund receipts are deposited within 48 hours as per State statute and payments to the State are remitted in a timely manner.

* * * * *

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 2019. 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

