

BOROUGH 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 2009 Audit report of the Borough of Franklin as required by N.J.S. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	December 31,	
	2009	2008
Cash and Cash Equivalents	\$ 2,943,973.97	\$ 3,551,871.29
Investments	100,000.00	100,000.00
Taxes, Assessments and Liens Receivable	274,385.56	194,999.68
Property Acquired for Taxes Assessed Valuation	255,800.00	255,800.00
Accounts Receivable	128,520.82	341,733.46
Deferred Charges	184,000.00	232,000.00
Deferred Charges to Future Taxation - General Capital Fund	1,782,999.24	1,929,299.24
Fixed Capital - Utility	20,530,395.06	20,499,387.75
Fixed Capital Authorized and Uncompleted - Utility	1,004,000.00	60,000.00
Fixed Assets (Unaudited)	5,779,991.00	5,917,962.00
 TOTAL ASSETS	 \$ 32,984,065.65	 \$ 33,083,053.42
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bonds, Notes and Loans Payable	\$ 4,989,959.69	\$ 5,881,339.08
Improvement Authorizations	1,287,426.05	112,853.37
Other Liabilities and Special Funds	2,565,961.41	2,823,568.49
Reserve for Certain Assets Receivable	612,273.26	532,688.98
Reserve for Amortization - Utility	17,037,735.37	16,476,648.67
Deferred Reserve for Amortization - Utility	195,000.00	60,000.00
Investment in Fixed Assets (Unaudited)	5,779,991.00	5,917,962.00
Capital Fund Balance	9,485.39	557,292.43
Fund Balances	506,233.48	720,700.40
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE	 \$ 32,984,065.65	 \$ 33,083,053.42

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(Continued)

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

	Year Ended December 31,	
	2009	2008
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 267,000.00	\$ 275,000.00
Miscellaneous Revenue Anticipated	1,785,555.92	2,070,778.09
Receipts from:		
Delinquent Taxes	167,902.46	291,568.70
Current Taxes	11,223,091.36	11,119,563.83
Nonbudget Revenue	44,462.76	51,645.78
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	83,263.42	104,246.51
Federal and State Grant Fund Unappropriated Reserves Canceled	0.81	2.23
Tax Overpayments Canceled	125.24	3,082.00
Interfunds Returned	27,555.84	10,253.68
	<u>13,598,957.81</u>	<u>13,926,140.82</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	5,587,323.87	5,750,417.73
County Taxes	1,958,095.95	2,025,702.88
Local School District Taxes	4,109,239.00	3,984,846.00
Regional High School District Taxes	1,804,224.70	2,010,648.22
Refund of Prior Year Taxes		9,685.59
Refund of Prior Year Revenue	1,097.03	
Petty Cash Canceled		400.00
Interfunds and Other Receivables Advanced		27,555.84
	<u>13,459,980.55</u>	<u>13,809,256.26</u>
Excess in Revenue/Statutory Excess to Fund Balance	138,977.26	116,884.56
Adjustments Before Fund Balance:		
Expenditures Included Above Which Are by Statute		
Deferred Charges to Budget of Succeeding Year		200,000.00
		<u>200,000.00</u>
Statutory Excess to Fund Balance	138,977.26	316,884.56
<u>Fund Balance</u>		
Balance January 1	506,392.00	464,507.44
	<u>645,369.26</u>	<u>781,392.00</u>
Decreased by:		
Utilized as Anticipated Revenue	267,000.00	275,000.00
	<u>267,000.00</u>	<u>275,000.00</u>
Balance December 31	<u>\$ 378,369.26</u>	<u>\$ 506,392.00</u>

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(Continued)

Comparative Statement of Operations and Change in  
Fund Balance - Water/Sewer Utility Operating Fund

	<u>Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 150,000.00	\$ 327,564.00
Rents	1,689,667.36	1,728,836.89
Reserve for:		
Sewer Hook - Ups WVRHS	29,169.00	30,592.00
Water Hook - Ups	6,894.00	11,708.00
Sewer Allocation	368,000.00	325,000.00
Miscellaneous	100,537.64	118,696.84
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	10,836.21	35,388.67
	<u>2,355,104.21</u>	<u>2,577,786.40</u>
<u>Expenditures</u>		
Operating	1,548,723.00	1,424,550.00
Capital Improvements	10,000.00	50,000.00
Debt Service	682,090.00	703,678.00
Deferred Charges and Statutory Expenditures	41,250.00	49,636.00
Surplus to General Budget		200,000.00
	<u>2,282,063.00</u>	<u>2,427,864.00</u>
Statutory Excess to Fund Balance	73,041.21	149,922.40
<u>Fund Balance</u>		
Balance January 1	204,823.01	382,464.61
	<u>277,864.22</u>	<u>532,387.01</u>
Decreased by:		
Utilized by Water/Sewer Operating Budget	150,000.00	327,564.00
Balance December 31	<u>\$ 127,864.22</u>	<u>\$ 204,823.01</u>

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RECOMMENDATIONS

It is recommended that:

1. Adequate segregation of duties is maintained with respect to the recording and treasury functions.
2. All outside offices prepare monthly cash reports and submit them to the Chief Financial Officer for reconciliation to the general ledger.

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The above summary or synopsis was prepared from the report of audit of the Borough of Franklin, County of Sussex, for the calendar year 2009. This report of audit, submitted by Kathryn L. Mantell, Registered Municipal Accountant, of Nisivoccia & Company LLP, is on file at the Borough Clerk's office and may be inspected by any interested person.

Patricia A. Leasure  
MUNICIPAL CLERK

A Corrective Action Plan outlining actions to be taken by the Borough of Franklin to correct the above findings will be prepared in accordance with federal and state guidelines. A copy of the plan will be on file and available for public inspection with the Borough Clerk no later August 23, 2010 in compliance with directives from the Division of Local Government Services.