

BOROUGH OF FRANKLIN

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

Attention is directed to the fact that a summary 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 the 2014 Audit Report of the Borough of Franklin,
County of Sussex, as required by N.J.S. 40A : 5 - 7.

| <u>ASSETS</u> | December 31 Year 2014 | December 31 Year 2013 |
|--|--------------------------|--------------------------|
| Cash, Investments and Prepaid Debt Service | 8,303,040.41 | 6,198,986.24 |
| Taxes, Assessments, Liens and Utility Charges Receivable | 560,470.41 | 518,265.93 |
| Property Acquired for Taxes - Assessed Value | 61,500.00 | 61,500.00 |
| Accounts Receivable (and Inventory) | 271,538.11 | 102,160.59 |
| General Fixed Assets | 5,729,589.00 | 5,784,750.00 |
| Fixed Capital Authorized and Uncompleted - Utility | 992,000.00 | 959,000.00 |
| Fixed Capital - Utility | 20,713,564.71 | 20,665,775.39 |
| Deferred Charges to Future Taxation - General Capital | 2,128,393.48 | 925,107.72 |
| Deferred Charges to Revenue of Succeeding Years | 24,000.00 | 33,000.00 |
| TOTAL ASSETS | <u>38,784,096.12</u> | <u>35,248,545.87</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCES</u> | | |
| Bond and Notes Payable | 5,080,262.93 | 4,001,347.35 |
| Improvement Authorizations | 2,212,618.80 | 824,855.74 |
| Other Liabilities and Special Funds | 3,916,998.06 | 3,895,180.81 |
| Investment in General Fixed Assets | 5,729,589.00 | 5,784,750.00 |
| Amortization of Debt for Fixed Capital Acquired or Authorized | 18,585,386.78 | 18,339,528.04 |
| Reserve for Certain Assets Receivable | 621,970.41 | 579,765.93 |
| Fund Balance | 2,637,270.14 | 1,823,118.00 |
| TOTAL LIABILITIES, RESERVES AND SURPLUS | <u>38,784,096.12</u> | <u>35,248,545.87</u> |

BOROUGH OF FRANKLIN, N.J.
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN SURPLUS - CURRENT FUND

| | <u>2014</u> | <u>2013</u> |
|--|---------------|---------------|
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Utilized | 74,000.00 | 74,000.00 |
| Miscellaneous - From Other Than Local | | |
| Property Tax Levies | 1,344,475.16 | 1,195,514.20 |
| Collection of Delinquent Taxes and Tax | | |
| Title Liens | 289,613.23 | 507,023.22 |
| Collection of Current Tax Levy | 13,363,300.58 | 13,097,390.95 |
| Other Credits to Income | 590,523.09 | 627,419.58 |
| Total Income | 15,661,912.06 | 15,501,347.95 |
| <u>Expenditures</u> | | |
| Budget Expenditures: | | |
| Municipal Purpose | 6,006,039.67 | 5,700,008.06 |
| County Taxes | 2,109,101.17 | 2,196,709.09 |
| Local and Regional School Taxes | 6,914,666.00 | 6,777,854.27 |
| Other Expenditures | | |
| Total Expenditures | 15,029,806.84 | 14,674,571.42 |
| Excess in Revenue over Expenditures | 632,105.22 | 826,776.53 |
| Add: Expenditures to be Raised by Future Taxes | | 25,000.00 |
| Statutory Excess to Fund Balance | 632,105.22 | 851,776.53 |
| Fund Balance January 1 | 1,055,405.27 | 277,628.74 |
| | 1,687,510.49 | 1,129,405.27 |
| Less: | | |
| Utilized as Anticipated Revenue | 74,000.00 | 74,000.00 |
| Fund Balance December 31 | 1,613,510.49 | 1,055,405.27 |

BOROUGH OF FRANKLIN, N.J.
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN SURPLUS - WATER/SEWER UTILITY FUND

| | <u>2014</u> | <u>2013</u> |
|---|--------------|--------------|
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Utilized | | 126,218.00 |
| Collection of Water/Sewer Rents | 2,251,920.85 | 2,290,957.08 |
| Miscellaneous - From other than Water/Sewer Rents | 109,691.00 | 135,390.67 |
| Other Credits to Income | 213,724.97 | 180,978.57 |
| Total Income | 2,575,336.82 | 2,733,544.32 |
| <u>Expenditures</u> | | |
| Budget Expenditures: | | |
| Operating | 1,838,195.00 | 1,815,711.00 |
| Capital Improvements | 125,053.00 | 140,000.00 |
| Debt Service | 286,664.89 | 290,702.00 |
| Deferred Charges and Statutory Expenditures | 77,121.00 | 88,005.00 |
| Total Expenditures | 2,327,033.89 | 2,334,418.00 |
| Statutory Excess to Surplus | 248,302.93 | 399,126.32 |
| Fund Balance January 1 | 745,374.34 | 472,466.02 |
| | 993,677.27 | 871,592.34 |
| Less: | | |
| Utilized as Anticipated Revenue | | 126,218.00 |
| Fund Balance December 31 | 993,677.27 | 745,374.34 |

BOROUGH OF FRANKLIN, N.J.

RECOMMENDATIONS

1. That requisition/purchase orders be issued prior to the purchase of goods or services rendered.
2. That adequate segregation of duties within the Treasury, Tax Collector and Water/Sewer Utility Collector Departments be maintained.

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 Municipal Clerk in the Borough of Franklin no later than 45 days from when the audit was received in compliance with directives from the Division of Local Government Services.

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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 2014. This report of audit, submitted by Thomas M. Ferry, C.P.A., R.M.A., of the firm of FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A., is on file at the Borough Clerk's office and may be inspected by any interested person.

CLERK