

TOWNSHIP OF FRANKLIN
SUMMARY OF AUDIT REPORT 2014
SYNOPSIS OF 2014 AUDIT REPORT AS REQUIRED BY
N.J.S.A 40A:5-7
COMBINED COMPARATIVE BALANCE SHEET

MEMORANDUM ONLY TOTALS

	<u>DEC. 31, 2014</u>	<u>DEC. 31, 2013</u>
<u>ASSETS</u>		
Cash and Investments	\$ 97,169,412.19	\$ 80,497,166.07
Accounts Receivable		
State and Federal Grants Receivable	2,856,452.14	3,068,191.19
Due from State of New Jersey	20,854.55	17,604.58
Taxes, Assessments, Liens & Utility Charges	5,374,848.49	5,572,661.47
Interfund Loans	5,831,135.33	3,275,131.51
Other Accounts Receivable	28,296.45	329,489.42
Property Acquired For Taxes at Assessed Valuation	329,973.00	329,973.00
Inventory	803,617.65	218,272.55
Fixed Assets - Governmental	56,901,615.34	55,537,852.24
Fixed Capital - Utility	32,414,136.40	32,233,309.26
Fixed Capital - Authorized and Uncompleted - Utility	16,117,633.00	12,012,633.00
Deferred Charges to Revenue of Succeeding Years		
Deferred Charges to Future Taxation: General Capital Fund/Open Space Fund	46,238,936.64	50,307,307.79
Total Assets	<u>\$ 264,086,911.18</u>	<u>\$ 243,399,592.08</u>
<u>LIABILITIES, RESERVES AND FUND</u>		
<u>BALANCE</u>		
Bonds and Notes Payable	\$ 49,721,000.00	\$ 37,464,000.00
Leases and Loans Payable	2,139,861.99	2,921,908.44
Prepaid Taxes, Assessments, Utility Charges and Licenses	1,583,855.30	1,471,518.98
Tax, Assessment, Lien, License and Utility Charge Overpayments	150,083.47	156,107.80
Appropriation Reserves	5,405,834.72	3,586,616.70
Reserves for Encumbrances/ Accounts Payable	5,022,402.03	9,174,491.87
Due County for Added Taxes		264,566.99
Other Liabilities	65,490.63	50,167.50
Amounts Pledged to Specific Purposes	46,041,953.30	46,324,448.31
Interfund Loans	5,831,135.33	3,275,131.51
Escrow Funds	2,044,292.78	1,918,806.54
Improvement Authorizations	20,916,554.43	17,514,428.03
Investments in Governmental Fixed Assets	56,901,615.34	55,537,852.24
Reserve for Amortization of Costs of Fixed Capital Acquired or Authorized	32,806,542.38	31,335,939.94
Reserve for Certain Assets Acquired or Receivables & Inventories	8,520,646.53	7,217,196.36
Fund Balance	26,935,642.95	25,186,410.87
Total Liabilities, Reserves and Fund Balance	<u>\$ 264,086,911.18</u>	<u>\$ 243,399,592.08</u>

TOWNSHIP OF FRANKLIN
CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Sheet # 1

	<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance - Appropriated	\$ 5,839,320.49	\$ 6,961,049.11
Miscellaneous Revenue Anticipated	14,788,091.02	12,889,987.91
Receipts from Delinquent Taxes	2,495,093.22	2,019,322.85
Receipts from Current Taxes	203,681,938.34	199,085,603.50
Miscellaneous Revenue Not Anticipated	836,088.99	768,064.93
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,536,850.42	3,464,685.90
Accounts Payable and Reserves Cancelled	264,566.99	30,706.96
	230,441,949.47	225,219,421.16
 <u>Expenditures</u>		
Budget Appropriations:		
Operations:		
Salaries and Wages	21,508,717.00	20,645,080.76
Other Expenses	19,894,912.98	19,138,796.19
Public and Private Programs	797,430.17	522,923.26
Deferred Charges and Statutory Expenditures	4,892,639.00	5,607,725.00
Capital Improvements	774,100.00	250,000.00
Municipal Debt Service	4,801,760.58	5,155,316.94
County Taxes (All)	30,681,233.07	29,935,838.25
Local District School Taxes	128,277,241.00	125,997,973.00
Special District Taxes (All)	6,311,104.00	5,659,630.00
Municipal Open Space	4,475,531.00	4,434,391.00
Prior Year Sr. Citizens/Veterans Deductions Disallowed	12,378.77	22,837.68
Reserve for Tax Appeals	1,500,000.00	1,500,000.00
Special Improvement District	117,416.47	
Interfund Loans Advanced (Net)	510,752.86	279,036.95
	224,555,216.90	219,149,549.03
 Total Expenditures		
Excess (Deficit) in Revenues (Carried Forward)	5,886,732.57	6,069,872.13

TOWNSHIP OF FRANKLIN
CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Sheet # 2

	<u>2014</u>	<u>2013</u>
Excess (Deficit) in Revenues (Carried Forward)	\$ 5,886,732.57	\$ 6,069,872.13
Adj. to Income Before Fund Balance:		
Expend. Included Above Which are		
by Statute Deferred Charges to		
Budget of Succeeding Years	<hr/>	<hr/>
	5,886,732.57	6,069,872.13
 <u>FUND BALANCE</u>		
Balance December 31, 2013	<hr/> 18,060,339.94	<hr/> 18,951,516.92
	23,947,072.51	25,021,389.05
Decreased by:		
Utilized as Anticipated Revenue	<hr/> 5,839,320.49	<hr/> 6,961,049.11
Balance December 31, 2014	<hr/> <u>\$ 18,107,752.02</u>	<hr/> <u>\$ 18,060,339.94</u>

TOWNSHIP OF FRANKLIN
WATER UTILITY FUND

WATER UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

<u>REVENUE AND OTHER INCOME</u>	<u>2014</u>	<u>2013</u>
Operating Fund Balance	\$ 1,803,455.00	\$ 2,200,000.00
Water Rents	11,538,724.94	9,869,909.51
Fire Service Rents	1,082,623.80	1,037,713.70
Miscellaneous	922,007.06	904,693.29
Water Utility Capital Fund Balance		290,499.85
Non-budget Revenue	457,890.62	
Other Credits to Income:		
Unexpended Balance of Approp. Reserves	564,396.80	417,702.36
Accrued Interest Adjustment		9,384.17
	<hr/>	<hr/>
Total Revenues	16,369,098.22	14,729,902.88
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
Budget Expenditures:		
Operating	11,086,600.00	10,901,543.17
Capital Improvements	265,000.00	250,000.00
Debt Service	1,218,500.77	1,193,841.76
Deferred Charges and Statutory Expenditures	268,400.00	261,000.00
Accrued Interest Adjustment	15,323.13	
Refunds of Prior Year Revenues	10,800.02	77,581.44
	<hr/>	<hr/>
Total Expenditures	12,864,623.92	12,683,966.37
	<hr/>	<hr/>
Excess of Revenues	3,504,474.30	2,045,936.51
<u>FUND BALANCE</u>		
Balance, December 31,	2,126,038.95	2,280,102.44
	<hr/>	<hr/>
	5,630,513.25	4,326,038.95
Decreased by:		
Utilized as Anticipated Revenue	1,803,455.00	2,200,000.00
	<hr/>	<hr/>
Balance, December 31,	<u>\$ 3,827,058.25</u>	<u>\$ 2,126,038.95</u>

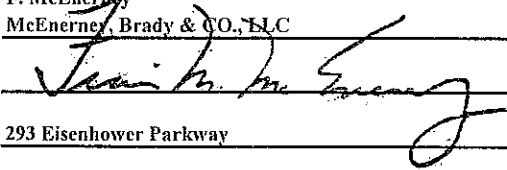
The attached summary was prepared from the Report of Audit of the Township of Franklin, County of Somerset for the year 2014, filed by Francis M. McEnerney, Registered Municipal Accountant of the firm of McEnerney, Brady and Company, LLC and is published in compliance with N.J.S.A. 40A:5-7. The Report is on file at the Township Clerk's Office and may be inspected by any interested person.

Township Clerk

ANNUAL AUDIT REPORT FOR THE YEAR 2014

MUNICIPAL COURT OF TOWN OF FRANKLIN COUNTY OF MORRIS
 MUNICIPAL COURT STATUS: SINGLE X JOINT SHARED

COURT ADDRESS: Township of Franklin Municipal Court
875 Demott Lane
Somerset , NJ 08873
 PHONE: 732-873-2500
 JUDGE: Michael Fedun
 JUDGE: Hector Rodriguez
 COURT DIRECTOR: _____
 COURT ADMINISTRATOR: Damaris Santiago

AUDITOR'S INFORMATION RMA #: 539 DATE: June 6, 2015
 NAME: F. McEnerney
McEnerney, Brady & CO., LLC
 SIGNATURE: 
 ADDRESS: 293 Eisenhower Parkway
Livingston, NJ 07039

RECEIPTS AND DISBURSEMENTS FOR YEAR 2014

AGENCY	BEGINNING BALANCE AS OF December 31, 2013	RECEIPTS	DISBURSEMENTS	ENDING BALANCE AS OF December 31, 2014
STATE OF NJ	21,867.34	357,997.04	346,820.88	33,043.50
COUNTY	12,590.50	196,758.97	196,731.97	12,617.50
MUNICIPALITY	34,357.16	483,390.75	483,390.75	34,357.16
PUBLIC DEFENDER	650.00	16,817.00	16,167.00	1,300.00
P.O.A.A	14.00	406.00	394.00	26.00
WEIGHTS & MEASURES	6,150.00	24,531.00	24,081.00	6,600.00
RESTITUTION	30.00	1,920.00	1,920.00	30.00
SPCA	100.00	1,272.50	1,272.50	100.00
CIGARETS	500.00		500.00	-
FISH & GAME	150.00			150.00
BIL REINSTATEMENT		915.00	915.00	-
INTEREST				-
MISCELLANEOUS				-
BAIL	76,132.00			76,132.00
TOTAL	152,541.00	1,084,008.26	1,072,193.10	164,356.16

Was the ending balance disbursed by the 15th of the next month:
 If not, explain: Court administrator did not remit the payment for Weights & Measures

YES NO X

TOWN OF FRANKLIN

GENERAL MUNICIPAL COURT INFORMATION

1. LIST ALL STAFF MEMBERS WHO ARE BONDED

AMOUNT OF BOND

Judge	Michael Fedun	\$10,000.00
Judge	Hector rodriguez	\$10,000.00
Court Administrator	Damaris Santiago	\$1,000,000.00 Blanket
Deputy Court Adm.	Maria Dimarzio	None
Deputy Court Adm.	Orchid Santana	None
Violations Clerk	Kristina Bush	None
Violations Clerk	Hedy Scibilia	None
Violations Clerk		

2. ARE STAFF INDIVIDUALLY BONDED OR UNDER A JIF BOND

IND. JIF X

If bonded individually are amounts in conformance with NJAC 5:30-8.4?

YES X NO

Minimum \$55,596.00

Recommended \$84,041.00

3. Is the court administrator certified pursuant to statute?
 Is the court administrator's certification in good standing?

YES X NO
 YES X NO

If not, provide current status?

4. When does the judges' term expire?

Fedun:12/31/2015 - Rodriguez 12/31/2016

5. If a joint court, has the Judge received a Governors' appt?

YES NO

BUDGETARY INFORMATION

1. Amount paid or charged in 2014 for salary of Judge in S & W

\$38,557.89

2. Amount paid for all other staff salaries in S & W

\$248,327.01

3. Amount charged for Other Expenses

\$21,508.56

4. Was the budget submitted and approved by Assignment Judge

YES X NO

OFFICE CONTROL

- | | | |
|--|--------------|----|
| 1. Is an approved statewide Violations Bureau Schedule prominently posted? | YES <u>X</u> | NO |
| 2. Does the court have an approved Local Violations Bureau Schedule? | YES <u>X</u> | NO |
| 2. a. If so, is it properly posted? | YES <u>X</u> | NO |
| 3. Are uniform traffic tickets serially numbered, properly controlled and accounted for? | YES <u>X</u> | NO |
| 4. Does the court void tickets or complaints in accordance with Directive 02-08?
If not, provide details ___ | YES <u>X</u> | NO |
| 5. Are complaints eligible for destruction disposed of in a timely and proper manner? | YES <u>X</u> | NO |
| 6. Is the auditor's approval received for all financial records approved for destruction?
If not, provide details ___ | YES <u>X</u> | NO |
| 7. Are manual receipts serially numbered, properly controlled and accounted for?
If not, provide details ___ | YES <u>X</u> | NO |

DAILY FINANCIAL PROCEDURES

- | | | |
|---|------------------------------------|----|
| 1. Are separate lockable, cash boxes used by each employee that receipts money? | YES <u>X</u> | NO |
| 2. Who is responsible for completing the Daily Bank Deposit? | Deputy Court Admins or Court Admin | |
| 3. Are the un-validated and validated bank deposit slips attached to the daily journal? | YES <u>X</u> | NO |
| 4. Who is responsible for transporting the Daily Deposit to the bank? | Court Admin or DCA in absence | |
| 5. What security procedures are followed when transporting the money to the bank? | Police Escort | |
| 6. Are deposits made within 48 hours pursuant to statute?
If not, provide details with dates | YES <u>X</u> | NO |
| 7. Do the deposit slips match the totals provided by the Daily Journals?
If not, provide details with dates | YES <u>X</u> | NO |
| 8. Do the deposit slips match the individual cash/check amounts provided
by the Daily Journals
If not, provide details with dates | YES <u>X</u> | NO |
| 9. Are overages /shortages or help desk calls documented with the daily journals?
If not, provide details with dates | YES <u>X</u> | NO |
| 10. As of what date or dates was cash counted, reconciliation made and bank balance confirmed?
Reconciliations made as of 12/31/14, bank balances confirmed as of 12/31/14 | | |
| 11. Change fund amount | \$100.00 | |
| Does this amount conform with municipal records? | YES <u>X</u> | NO |

MONTHLY FINANCIAL PROCEDURES

- | | | |
|---|--------------|------------------------|
| 1. Are separate general and bail accounts maintained? | YES <u>X</u> | NO |
| 2. Is the court utilizing the monthly cashbook? | YES <u>X</u> | NO |
| 3. Who is responsible for the financial procedures? | DIRECTOR | MCA <u>X</u> DCA OTHER |
| 4. Does the monthly disbursements checks equal account totals on Part V of the Monthly Cashbook? | YES <u>X</u> | NO |
| 5. Are monthly disbursements made before the 15 th of each month? | YES | NO X |
| If not, provide details: Due to Two Townships MCA Often delays in issuing by a week | | |
| 6. Does the general account accrue interest? | YES | NO <u>X</u> |
| Is the interest disbursed each month? | | |
| | YES | NO |
| 7. Are the overpayment checks written on a monthly basis? | YES <u>X</u> | NO |
| 8. Are restitution checks promptly written? | YES <u>X</u> | NO |
| 9. Are the outstanding public defender fees turned over to the municipality for collection on cases that have been adjudicated? | YES <u>X</u> | NO |
| 10. Are the reconciliations completed within 10 days of receipt of the bank statements? | YES | NO X |
| If not, provide details: By Months End | | |
| 11. Are fiscal records kept secured in the court office? | YES <u>X</u> | NO |
| If not, provide details | | |

BAIL PROCEDURES

- | | | |
|--|--------------|----|
| 1. Is bail collected by the police properly and promptly turned over to the court? | YES <u>X</u> | NO |
| If not, provide details | | |
| 2. Are bail refunds done in a timely manner? | YES <u>X</u> | NO |
| 3. Are refund checks made out to the surety? | YES <u>X</u> | NO |
| 4. Are bail forfeitures done in a timely manner? | YES <u>X</u> | NO |
| 5. Are judgments filed timely and in accordance with procedures? | YES <u>X</u> | NO |
| 6. Are the cash balances on the Monthly Bail on Account Report equal to the Account balance in the bail account? | YES <u>X</u> | NO |

FUNDS

- | | | |
|--|--------------|----|
| 1. Does the town have the following dedicated funds? | | |
| Public Defender (N.J.S.A. 2B:24-17(b)) | YES <u>X</u> | NO |
| POAA (N.J.S.A. 39:4-139-9) | YES <u>X</u> | NO |
| DWI (N.J.S.A.26:2B-35(b) (3)) | YES X | NO |
| 2. Does the DWI and POAA funds balance for the town match the court's record? | YES <u>X</u> | NO |
| If not, provide details | | |
| 3. Does the town's balance and expenditures of the DWI and/or POAA funds match the approved DWI/POAA expenditure requests utilized by the court? | YES <u>X</u> | NO |
| If no, POAA town balance \$___ Court Balance \$___ | | |
| If no, DWI Fund town balance \$___ Court Balance \$___ | | |
| 4. Does the court follow approval process for use of DWI/POAA funds? | YES <u>X</u> | NO |
| If not, provide details | | |
| 5. Did the Judge, Municipal Court Director or Administrator provide all authorizations for approved use of DWI/POAA funds? | YES <u>X</u> | NO |
| If not, provide details | | |

COMMENTS

General Account:

3 out of 10 tested tickets did not have T-pay form attached to the ticket. Exception noted

Bank balance Exceeded the book balance by \$50, amount was adjusted by sending the money to the township in 2015
It is recommended to have greater care handling bank reconciliations

Auditors noticed a monthly credit card fees withheld by the credit card company for the credit card fees
it recommended that these fees should be paid by the township.

369 Number of tickets assigned and not issued for over then 180 days

Court does not make payments to proper agencies before the 15th of each month. Exception noted
It is recommended to make payments before the 15th of the following month .

Bail Account:

A check for \$139.00 was entered into the ATS/ACS system as a disbursement, but it was not issued until 2015.

Disbursements totalling \$1,500 were issued in December 2015, but were not entered into the ATS/ACS system until 2015.

One transaction tested was not deposited within 48 hours.