

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 2025 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,	
	2025	2024
Cash and Cash Equivalents	\$ 14,854,432.30	\$ 16,025,462.14
Taxes and Liens Receivable	1,445,437.74	1,115,568.17
Property Acquired for Taxes	402,700.00	402,700.00
Accounts Receivable	412,816.50	365,961.17
Fixed Capital - Utility	23,376,768.23	23,308,523.55
Fixed Capital Authorized and Uncompleted - Utility	1,078,920.00	1,078,920.00
Deferred Charges to Future Taxation	4,275,464.00	3,606,519.00
General Fixed Assets	12,996,266.20	12,121,760.68
	<u>\$ 58,842,804.97</u>	<u>\$ 58,025,414.71</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bonds, Notes & Loans Payable	\$ 6,041,000.00	\$ 5,897,000.00
Improvement Authorizations	2,101,250.92	1,794,085.96
Other Liabilities and Special Funds	6,135,330.63	6,470,809.12
Reserve for Amortization - Utility	22,169,154.23	21,966,415.55
Reserve for Certain Assets Receivable	1,855,914.56	1,564,344.31
Capital Improvement Fund	359,422.37	465,022.37
Investment in General Fixed Assets	12,996,266.20	12,121,760.68
Fund Balances	7,184,466.06	7,745,976.72
	<u>\$ 58,842,804.97</u>	<u>\$ 58,025,414.71</u>

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(Continued)

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

	Year Ended December 31,	
	2025	2024
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 910,000.00	\$ 755,000.00
Miscellaneous Revenue Anticipated	2,637,195.50	3,417,653.59
Receipts from:		
Delinquent Taxes	415,664.57	523,697.98
Current Taxes	16,814,622.88	16,620,526.08
Nonbudget Revenue	183,107.20	198,466.63
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	398,864.69	624,894.84
Interfunds and Other Receivables Returned	42,929.08	89,883.00
Cancellation of Prior Year Accounts Payable		5,739.52
Cancellation of Prior Year Tax Overpayments	45,103.77	
Total Income	21,447,487.69	22,235,861.64
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	8,393,967.70	7,986,967.15
County Taxes	2,945,775.01	2,872,899.62
Local School District Taxes	6,851,894.00	6,570,047.00
Regional High School Taxes	2,398,968.00	2,387,398.00
Tax Overpayments Reinstated		9,191.76
Interfunds and Other Receivables Advanced	3,260.43	42,929.08
Total Expenditures	20,593,865.14	19,869,432.61
Excess in Revenue	853,622.55	2,366,429.03
<u>Fund Balance</u>		
Balance January 1	4,789,137.73	3,177,708.70
	5,642,760.28	5,544,137.73
Decreased by:		
Utilized as Anticipated Revenue	910,000.00	755,000.00
Balance December 31	\$ 4,732,760.28	\$ 4,789,137.73

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(Continued)

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

	Year Ended December 31,	
	2025	2024
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,043,279.00	\$ 685,167.00
Water and Sewer Rents	2,275,601.90	2,246,793.78
Miscellaneous Revenue Not Anticipated	226,746.66	607,449.62
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	266,808.05	212,202.19
Total Income	3,812,435.61	3,751,612.59
<u>Expenditures</u>		
Budget Appropriations:		
Operating	2,472,455.00	2,423,344.00
Capital Improvements	435,000.00	143,000.00
Debt Service	288,529.98	294,628.19
Deferred Charges and Statutory Expenditures	87,236.00	80,179.00
Total Expenditures	3,283,220.98	2,941,151.19
Excess in Revenue	529,214.63	810,461.40
<u>Fund Balance</u>		
Balance January 1	2,790,626.36	2,665,331.96
	3,319,840.99	3,475,793.36
Decreased by:		
Utilization as Anticipated Revenue	1,043,279.00	685,167.00
Balance December 31	\$ 2,276,561.99	\$ 2,790,626.36

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(Continued)

RECOMMENDATIONS

It is recommended that:

- 1) Segregation of duties for the various departments/offices of the Borough be reviewed in order to improve internal control.
- 2) All interfund balances be liquidated and every effort be made to avoid or limit interfund transactions.

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A Corrective Action Plan, which outlines actions the Borough 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 in the Borough of Franklin within 45 days of this notice.

The above summary or synopsis was prepared from the report of audit of the Borough of Franklin, County of Sussex, for the calendar year 2025. This report of audit, submitted by Raymond A. Sarinelli, Registered Municipal Accountant of Nisivoccia LLP, is on file at the Borough Clerk's office and may be inspected by any interested person.

Colleen L. Little  
Clerk \_\_\_\_\_