

FRANKLIN TOWNSHIP FIRE DISTRICT NO. 5

COUNTY OF GLOUCESTER

SYNOPSIS REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

FRANKLIN TOWNSHIP FIRE DISTRICT NO. 5
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Operating grant revenue	\$ 0.00	\$ 1,192.58	\$ 0.00	\$ 0.00	\$ 1,192.58
Amount to be raised by taxation to support the district budget	210,446.00	155.00	0.00	69,478.00	280,079.00
Non-budgetary revenues	472.67	0.00	0.00	0.00	472.67
Total revenues	<u>210,918.67</u>	<u>1,347.58</u>	<u>0.00</u>	<u>69,478.00</u>	<u>281,744.25</u>
EXPENDITURES:					
Operating appropriations:					
Administration	44,530.18	0.00	0.00	0.00	44,530.18
Cost of operations and maintenance	95,100.55	1,347.58	0.00	0.00	96,448.13
Contribution to length of service awards program (L.O.S.A.P.)	9,338.00	0.00	0.00	0.00	9,338.00
Debt service:					
Principal	0.00	0.00	0.00	79,432.84	79,432.84
Interest and other charges	0.00	0.00	0.00	7,739.91	7,739.91
Total expenditures	<u>148,968.73</u>	<u>1,347.58</u>	<u>0.00</u>	<u>87,172.75</u>	<u>237,489.06</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses) of funds	61,949.94	0.00	0.00	(17,694.75)	44,255.19
OTHER FINANCING SOURCES (USES) OF FUNDS:					
Prior period adjustment - outstanding check	(600.00)	0.00	0.00	0.00	(600.00)
Operating transfers in (out):					
Reserve for future capital outlays	(41,435.00)	0.00	41,435.00	0.00	0.00
Total other financing sources (uses) of funds	<u>(42,035.00)</u>	<u>0.00</u>	<u>41,435.00</u>	<u>0.00</u>	<u>(600.00)</u>
Net change in fund balances	19,914.94	0.00	41,435.00	(17,694.75)	43,655.19
Fund balance - January 1	110,431.49	0.00	121,799.00	17,695.00	249,925.49
Fund balance - December 31	<u>\$ 130,346.43</u>	<u>\$ 0.00</u>	<u>\$ 163,234.00</u>	<u>\$ 0.25</u>	<u>\$ 293,580.68</u>

FRANKLIN TOWNSHIP FIRE DISTRICT NO. 5
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2020

EXHIBIT B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 298,113.17	\$ 0.00	\$ 0.00	\$ 0.25	\$ 298,113.42
Due from Township of Franklin - district taxes	2,050.00	0.00	0.00	0.00	2,050.00
Due from general fund	0.00	0.00	163,234.00	0.00	163,234.00
Total assets	\$ 300,163.17	\$ 0.00	\$ 163,234.00	\$ 0.25	\$ 463,397.42
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 6,582.74	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6,582.74
Due to capital projects fund	163,234.00	0.00	0.00	0.00	163,234.00
Total liabilities	169,816.74	0.00	0.00	0.00	169,816.74
Fund balances:					
Reserved:					
Future capital outlays	0.00	0.00	163,234.00	0.00	163,234.00
Subsequent year's expenditures	15,000.00	0.00	0.00	0.00	15,000.00
Unreserved:					
Undesignated, reported in:					
General fund	115,346.43	0.00	0.00	0.25	115,346.68
Total fund balances	130,346.43	0.00	163,234.00	0.25	293,580.68
Total liabilities and fund balances	\$ 300,163.17	\$ 0.00	\$ 163,234.00	\$ 0.25	
Amounts reported for governmental activities in the statement of net positions (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,190,693.05 and the accumulated depreciation is \$1,569,440.76					
Long-term liabilities, including capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds					
Interest on long-term debt in the statement of activities is accrued regardless of when due					
					621,252.29
					(180,679.50)
					(2,747.26)
					<u>\$ 731,406.21</u>

Prior Year Findings

In accordance with government auditing standards, we have included a review of all prior year findings. Corrective action has not been taken on the following findings from the prior year, all of which are considered an immaterial weakness.

Finding No. 19-01

Condition

During the audit of cash, it was noted that formal bank reconciliations were not performed.

Recommendation

Formal bank reconciliations should be performed on a monthly basis. Outstanding checks and deposits in transit should be identified in each bank reconciliation and investigated further if deemed necessary.

Management's Response

The Fire District will correct this issue.

Current Status

Condition remains.

Finding No. 19-02

Finding

It was noted during the audit that general ledger maintenance was not being performed. Accounts receivable, accounts payables, fixed assets, and depreciation expense had not been adjusted or recorded since the prior year's audit.

Recommendation

A complete and accurate general ledger system should be implemented and maintained.

Management's Response

The Fire District will correct this issue.

Current Status

Condition remains.

Finding No. 19-03

The Fire District did not establish a corrective action plan in accordance with NJ Statute 40A5:3 I-7.6.

Recommendation

The Fire District should formally establish a corrective action plan in accordance with NJ Statute 40A5:3 I-7.6.

Management's Response

The Fire District will correct this issue.

Current Status

Condition remains.

Finding 19-04

It was noted during the audit that the Fire District did not maintain an appropriate check register.

Recommendation

A complete and accurate check register system should be implemented and maintained.

Management's Response

The Fire District will correct this issue.

Current Status

The Fire District has taken corrective action.

Current Year Findings

None.

The above summary or synopsis was prepared from the Report of Audit of the Franklin Township Fire District No. 5, County of Gloucester, for the calendar year 2020. This Report of Audit, submitted by William H. Buckley, III, Registered Municipal Accountant, is on file at the Fire District's office and may be inspected by any interested person.

Secretary