

BOROUGH OF FOLSOM

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2014**

BOROUGH OF FOLSOM

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BOROUGH OF FOLSOM

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BOROUGH OF FOLSOM

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of Borough Council
Borough of Folsom, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Folsom, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles.

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Folsom on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Folsom as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 20 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$55,710.44 and \$56,210.78 for 2014 and 2013 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Folsom’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,

the supplemental information listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2015 on our consideration of the Borough of Folsom's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Folsom's internal control over financial reporting and compliance.

Very truly yours,

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

May 15, 2015

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EXHIBIT A - CURRENT FUND

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**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Treasurer	\$ 719,395.83	982,447.39
Petty Cash	100.00	100.00
Total Cash	719,495.83	982,547.39
Other Receivables:		
Due from State - Senior Citizens and Veterans	1,151.71	651.71
Total Other Receivables	1,151.71	651.71
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	128,174.60	102,709.43
Tax Title and Other Liens	71,172.57	259,156.08
Property Acquired for Taxes - at Assessed Valuation	592,177.00	159,477.00
Property Deeded	121,000.00	112,700.00
Revenue Accounts Receivable		
Municipal Court	3,385.76	3,021.95
Interfund Receivable:		
Grant Fund	21,340.40	-
General Capital Fund	155,000.00	30,000.00
Total Receivables and Other Assets	1,092,250.33	667,064.46
Total Regular Fund	1,812,897.87	1,650,263.56
Federal and State Grant Fund:		
Federal and State Grants Receivable	77,989.00	80,605.00
Due from Regular Fund	-	86,852.11
Total Federal and State Grant Fund	77,989.00	167,457.11
Total Current Fund	\$ 1,890,886.87	1,817,720.67

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 61,198.78	30,136.49
Encumbrances Payable/Accounts Payable	74,208.18	105,771.00
Prepaid Taxes	29,522.49	31,069.55
Overpaid Taxes	902.59	321.82
Due to State of New Jersey		
DCA Training Fees	186.32	400.00
Local School Tax Payable	18,841.49	29,170.49
Marriage License Payable	-	50.00
County Added Tax Payable	504.67	3,187.29
Interfund Payable:		
Grant Fund	-	86,852.11
Trust Funds	4.96	35.66
Other		
Reserve for JIF Safety Funds	125.29	808.79
	<u>185,494.77</u>	<u>287,803.20</u>
Reserve for Receivables and Other Assets	1,092,250.33	667,064.46
Fund Balance	535,152.77	695,395.90
Total Regular Fund	<u>1,812,897.87</u>	<u>1,650,263.56</u>
Federal and State Grant Fund:		
Due to Regular Fund	21,340.40	-
Unappropriated Reserves	4,631.49	2,649.60
Appropriated Reserves	51,662.74	62,913.51
Encumbrances Payable	354.37	101,894.00
Total Federal and State Grant Fund	<u>77,989.00</u>	<u>167,457.11</u>
Total Current Fund	<u>\$ 1,890,886.87</u>	<u>1,817,720.67</u>

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Revenue and Other Income Realized		
Fund Balance	\$ 235,000.00	230,000.00
Miscellaneous Revenue Anticipated	353,514.61	464,646.32
Receipts from Delinquent Taxes	103,416.24	115,057.16
Receipts from Current Taxes	3,150,845.06	3,141,659.32
Non Budget Revenue	18,001.43	20,998.11
Proceeds from Sale of Municipal Property	46,279.91	-
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	45,572.50	50,917.71
Interfund Returned	30,000.00	-
Cancellation of Prior Year Liability	3,669.02	183.20
Payment in Lieu of Taxes on Real Property	7,530.65	7,530.65
Total Income	3,993,829.42	4,030,992.47
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	313,950.00	314,830.00
Other Expenses	571,270.00	548,245.00
Deferred Charges & Statutory Expenditures	60,815.00	55,784.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	-	6,000.00
Other Expenses	48,068.04	59,588.65
Capital Improvements	15,000.00	164,000.00
Municipal Debt Service	34,562.00	34,562.00
Deferred Charges & Statutory Expenditures	36,570.00	36,570.00
Local District School Tax	1,780,009.00	1,800,667.00
County Tax	881,983.44	852,290.15
County Share of Added Tax	504.67	3,187.29
Interfund Created	176,340.40	30,000.00
Total Expenditures	3,919,072.55	3,905,724.09
Excess in Revenue	74,756.87	125,268.38

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	-
Total Adjustments	-	-
Statutory Excess to Fund Balance	74,756.87	125,268.38
Fund Balance January 1	695,395.90	800,127.52
	770,152.77	925,395.90
Decreased by:		
Utilization as Anticipated Revenue	235,000.00	230,000.00
Fund Balance December 31	\$ 535,152.77	695,395.90

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 235,000.00		235,000.00	
Total Fund Balance Anticipated	235,000.00	-	235,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Fines and Costs:				
Municipal Court	52,000.00		46,384.47	(5,615.53)
Interest on Investments and Deposits	500.00		858.03	358.03
Interest and Costs on Taxes	14,900.00		18,671.07	3,771.07
Total Section A: Local Revenues	67,400.00	-	65,913.57	(1,486.43)
Section B: State Aid Without Offsetting Appropriations				
Consolidated Municipal Property Tax Relief	10,770.00		9,818.00	(952.00)
Energy Receipts Tax	175,312.00		176,264.00	952.00
Total Section B: State Aid Without Offsetting Appropriations	186,082.00	-	186,082.00	-
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	25,000.00		81,465.00	56,465.00
Total Section C: Uniform Construction Code Fees	25,000.00	-	81,465.00	56,465.00

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Recycling Tonnage Grant	2,649.60		2,649.60	
Clean Communities Program		5,350.44	5,350.44	
Municipal Alliance on Alcoholism & Drug Abuse	12,054.00		12,054.00	
Total Section F: Special Items - Public and Private Programs	14,703.60	5,350.44	20,054.04	-
Total Miscellaneous Revenues:	293,185.60	5,350.44	353,514.61	54,978.57
Receipts from Delinquent Taxes	110,000.00		103,416.24	(6,583.76)
Amount to be Raised by Taxes for Support of Municipal Budget	636,783.44		688,432.39	51,648.95
Local Tax for Municipal Purposes	636,783.44	-	688,432.39	51,648.95
Total Amount to be Raised by Taxes for Support of Municipal Budget	1,274,969.04	5,350.44	1,380,363.24	100,043.76
Budget Totals				
Non- Budget Revenues:				
Other Non- Budget Revenues:	-		18,001.43	18,001.43
\$	1,274,969.04	5,350.44	1,398,364.67	118,045.19

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$	3,150,845.06
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Allocated to:

School, County and Other Taxes		<u>2,662,497.11</u>
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Balance for Support of Municipal Budget Appropriations		488,347.95
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Increased by:

Appropriation "Reserved for Uncollected Taxes"		<u>200,084.44</u>
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Amount for Support of Municipal Budget Appropriations		<u><u>688,432.39</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collection		102,420.62
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Tax Title Lien Collections		<u>995.62</u>
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Total Receipts from Delinquent Taxes		<u><u>103,416.24</u></u>
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Tax Collector:

Duplicate Bill Fees/Tax Searches		9.00
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Treasurer:

Licenses and Fees		2,892.00
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Street Openings		1,680.00
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Zoning/Planning Board Fees		2,602.51
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Cable Franchise Fees		8,668.91
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County Election Reimbursement		695.92
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Motor Vehicles Fines		350.00
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Administration Fee - Senior Citizens and Veterans		425.00
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Miscellaneous Other		<u>678.09</u>
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		<u>17,992.43</u>
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Total Miscellaneous Revenue Not Anticipated:	\$	<u><u>18,001.43</u></u>
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**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
Borough Council						
Salaries and Wages	\$ 18,300.00	18,300.00	17,996.13		303.87	
Other Expenses	1,800.00	1,800.00	1,460.00	340.00	-	
Municipal Clerk						
Salaries and Wages	59,000.00	59,500.00	59,143.11		356.89	
Other Expenses	28,650.00	24,650.00	18,061.87	1,923.83	4,664.30	
Financial Administration						
Salaries and Wages	14,000.00	14,000.00	13,999.98		0.02	
Other Expenses	8,900.00	9,400.00	7,777.30	541.90	1,080.80	
Audit Service	19,500.00	18,500.00	18,500.00		-	
Tax Assessment Administration						
Salaries and Wages	13,740.00	13,740.00	13,734.99		5.01	
Other Expenses	4,370.00	5,870.00	3,296.18	2,085.00	488.82	
Collection of Taxes						
Salaries and Wages	15,160.00	15,160.00	15,160.00		-	
Other Expenses	4,400.00	4,400.00	3,683.30		716.70	
Legal Services and Costs						
Other Expenses	55,000.00	55,000.00	18,104.33	33,903.08	2,992.59	
Engineering Services and Costs						
Other Expenses	25,000.00	25,000.00	19,816.00		5,184.00	
Historical Society						
Other Expenses	200.00	200.00	-		200.00	
Planning Board						
Salaries and Wages	4,250.00	4,250.00	4,243.54		6.46	
Other Expenses	5,000.00	5,000.00	495.15	20.00	4,484.85	
Insurance						
General Liability	10,600.00	10,600.00	10,085.00		515.00	
Worker's Compensation	25,000.00	25,000.00	25,000.00		-	
Employee Group Insurance	66,000.00	63,000.00	55,207.85	5,243.63	2,548.52	
Health Benefits Waiver	5,000.00	5,000.00	4,999.80		0.20	
Unemployment Compensation Insurance	1,000.00	11,000.00	11,000.00		-	
Municipal Court						
Salaries and Wages	55,000.00	55,000.00	52,769.05		2,230.95	
Other Expenses	10,450.00	10,450.00	9,608.79	837.57	3.64	
Public Defender						
Other Expenses	3,500.00	3,500.00	3,500.00		-	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
PUBLIC SAFETY						
Office of Emergency Management						
Salaries and Wages	1,500.00	1,500.00	1,291.63		208.37	
Other Expenses	200.00	200.00	-		200.00	
Municipal Prosecutor's Office						
Other Expenses	6,000.00	6,000.00	5,579.70		420.30	
STREETS AND ROADS						
Streets and Road Maintenance						
Salaries and Wages	128,000.00	113,000.00	109,155.69		3,844.31	
Other Expenses	20,000.00	22,000.00	14,537.07	2,630.50	4,832.43	
Solid Waste Collection						
Other Expenses	73,000.00	73,000.00	61,546.22	10,172.00	1,281.78	
Public Building and Grounds						
Other Expenses	13,000.00	13,000.00	12,023.89	664.75	311.36	
Vehicle Maintenance	18,000.00	20,000.00	17,019.12	270.61	2,710.27	
SANITATION						
Landfill & Solid Waste Disposal Costs						
Other Expenses	63,000.00	63,000.00	48,535.38	5,707.65	8,756.97	
HEALTH AND WELFARE						
Animal Control Services						
Other Expenses	6,000.00	6,000.00	5,400.00		600.00	
Environmental Commission						
Other Expenses	600.00	600.00	-		600.00	
RECREATION AND EDUCATION						
Recreation Services and Programs						
Other Expenses	6,000.00	6,000.00	4,623.76		1,376.24	
STATE UNIFORM CONSTRUCTION CODE						
Construction Official						
Salaries and Wages	19,500.00	19,500.00	19,343.99		156.01	
Other Expenses	1,100.00	1,100.00	165.00		935.00	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
UTILITIES						
Electricity & Natural Gas	55,000.00	57,000.00	48,721.80	7,116.19	1,162.01	
Telecommunications Costs	10,000.00	12,000.00	9,169.78	1,761.51	1,068.71	
Petroleum Products	11,000.00	13,000.00	11,282.92	957.48	759.60	
TOTAL OPERATIONS WITHIN "CAPS"	885,720.00	885,220.00	756,038.32	74,175.70	55,005.98	-
Contingent	-	-	-	-	-	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	885,720.00	885,220.00	756,038.32	74,175.70	55,005.98	-
Detail:						
Salaries and Wages	328,450.00	313,950.00	306,838.11	-	7,111.89	
Other Expenses	557,270.00	571,270.00	449,200.21	74,175.70	47,894.09	
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Deferred Charges:						
none						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	33,565.00	33,565.00	30,488.93		3,076.07	
Social Security System (O.A.S.I.)	26,000.00	26,000.00	23,845.66		2,154.34	
Defined Contribution Retirement Program	750.00	1,250.00	766.93	32.48	450.59	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	60,315.00	60,815.00	55,101.52	32.48	5,681.00	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	946,035.00	946,035.00	811,139.84	74,208.18	60,686.98	-

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
None	-	-	-	-	-	-
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"						
Interlocal Municipal Service Agreements	10,000.00	10,000.00	9,488.20		511.80	
Police Dispatch	15,000.00	15,000.00	15,000.00		-	
Fire Services						
TOTAL SHARED SERVICE AGREEMENTS	25,000.00	25,000.00	24,488.20	-	511.80	-
(A) Public and Private Programs Off-Set by Revenues						
Clean Communities Program Grant		5,350.44	5,350.44		-	
Municipal Alliance on Alcoholism and Drug Abuse						
State Match	12,054.00	12,054.00	12,054.00		-	
Local Match	3,014.00	3,014.00	3,014.00		-	
Recycling Tonnage Grant	2,649.60	2,649.60	2,649.60		-	
Total Public and Private Programs Off-Set by Revenues	17,717.60	23,068.04	23,068.04	-	-	-
Total Operations - Excluded from "CAPS"	42,717.60	48,068.04	47,556.24	-	511.80	
Detail:						
Salaries and Wages						
Other Expenses	42,717.60	48,068.04	47,556.24	-	511.80	
(C) Capital Improvements						
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		-	

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Total Capital Improvements	15,000.00	15,000.00	15,000.00	-	-	-
(D) Debt Service						
Payment of Bond Principal	18,431.00	18,431.00	18,431.00	-	-	-
Interest on Bonds	16,131.00	16,131.00	16,131.00	-	-	-
Total Debt Service	34,562.00	34,562.00	34,562.00	-	-	-
(E) Deferred Charges						
Deferred Charge to Future Taxation Unfunded Ordinance	36,570.00	36,570.00	36,570.00	-	-	-
Total Deferred Charges	36,570.00	36,570.00	36,570.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	128,849.60	134,200.04	133,688.24	-	511.80	-
SUBTOTAL GENERAL APPROPRIATIONS	1,074,884.60	1,080,235.04	944,828.08	74,208.18	61,198.78	-
(M) Reserve for Uncollected Taxes	200,084.44	200,084.44	200,084.44	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 1,274,969.04	1,280,319.48	1,144,912.52	74,208.18	61,198.78	-
Budget		1,274,969.04				
Appropriations by 40A:4-87		5,350.44				
Emergency Appropriations		-				
		<u>1,280,319.48</u>				
Reserve for Uncollected Taxes		200,084.44				
Federal and State Grants		23,068.04				
Disbursements		921,760.04				
		<u>1,144,912.52</u>				

EXHIBIT B - TRUST FUND

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**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
ASSETS		
Animal Control Fund:		
Cash	\$ 979.37	1,873.77
	979.37	1,873.77
Length of Service Award Program (LOSAP) (unaudited)		
Investments	55,710.44	56,210.78
	55,710.44	56,210.78
Other Funds:		
Cash - Treasurer	133,525.65	114,027.47
Small Cities Loans Receivable	136,016.00	145,081.00
Interfund Receivable:		
Current Fund	4.96	35.66
	269,546.61	259,144.13
	\$ 326,236.42	317,228.68

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
LIABILITIES, RESERVES AND FUND BALANCE		
Animal Control Fund:		
Reserve for Expenditures	979.37	1,873.77
	979.37	1,873.77
Length of Service Award Program (LOSAP) (unaudited)		
Net Assets Available for Benefits	55,710.44	56,210.78
Other Funds:		
Reserve for Receivables - Small Cities Loans	136,016.00	145,081.00
Reserves - Miscellaneous	133,530.61	114,063.13
	269,546.61	259,144.13
	\$ 326,236.42	317,228.68

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

EXHIBIT C - CAPITAL FUND

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**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 3,238.38	1,805.07
Deferred Charges to Future Taxation -		
Funded	308,744.00	327,175.00
Unfunded	<u>292,560.00</u>	<u>329,130.00</u>
	<u>604,542.38</u>	<u>658,110.07</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds Payable	308,744.00	327,175.00
Contracts Payable	19,065.00	105,725.00
Interfund Payable:		
Due to Current Fund	155,000.00	30,000.00
Improvement Authorizations:		
Funded	-	5,000.00
Unfunded	29,078.68	112,555.37
Capital Improvement Fund	35,175.23	20,175.23
Fund Balance	57,479.47	57,479.47
	<u>\$ 604,542.38</u>	<u>658,110.07</u>

There were bonds and note authorized but not issued at December 31,

2013	329,130.00
2014	292,560.00

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$ 57,479.47	57,479.47
No Activity		
Ending Balance December 31	\$ <u>57,479.47</u>	<u>57,479.47</u>

EXHIBIT G - GENERAL FIXED ASSETS ACCOUNT GROUP

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STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31,
REGULATORY BASIS

	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land	\$ 213,600.00	213,600.00
Buildings and Improvements	818,930.00	735,295.00
Vehicles	294,396.00	556,447.80
Furniture, Fixtures and Equipment	279,849.22	276,312.20
	<u>1,606,775.22</u>	<u>1,781,655.00</u>
 Investment in General Fixed Assets	 \$ <u>1,606,775.22</u>	 <u>1,781,655.00</u>

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NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Folsom was incorporated in 1906 and is located in Southern New Jersey in Atlantic County. The population estimate by the US Department of Census as of July 2013 is 1,873. The Borough provides to its citizens the following services: recreation, public improvements, planning and zoning and general administrative services.

The Borough of Folsom is governed by a Mayor and a six-member Borough Council. The Mayor is the chief executive officer and Council is the legislative body of the Borough. The Mayor is elected to a four-year term and the six Borough Council members are elected to three-year terms. The Borough Clerk monitors the daily administrative responsibilities.

The financial statements of the Borough of Folsom include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Folsom, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough of Folsom had no component units as defined by Governmental Accounting Standards Board (GASB).

B. Description of Funds

The accounting policies of the Borough of Folsom conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the Borough of Folsom accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

A modified accrual basis of accounting is followed with minor exceptions.

Revenues -- are recorded as received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are reported on a pay as you go basis and no accrual or expenditure is reported as the absences are earned.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

General Fixed Assets -- The Borough of Folsom has developed a fixed assets accounting and reporting system in accordance with the requirements of the State of New Jersey, Division of Local Government Services. This reporting system differs in certain respects from Generally Accepted Accounting Principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$5,000 are capitalized except for computer equipment which is capitalized regardless of cost.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes -- It is the policy of the Borough to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency.

Capitalization of Interest -- It is the policy to the Borough of Folsom to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenues-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Borough's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$200,084.44, and \$196,012.85. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$235,000 and \$230,000.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Borough Council. The following significant budget transfers were approved in the 2014 and 2013 calendar years.

	<u>2014</u>	<u>2013</u>
Municipal Clerk - OE	(4,000)	
Engineering Services – OE		9,000
Planning Board - OE		(5,500)
Employee Group Insurance	(3,000)	
Unemployment Insurance	10,000	
Public Works - S&W	(15,000)	(7,000)
Public Works – OE		(5,000)
Solid Waste Disposal OE		4,000
Public Buildings & Grounds - OE	2,000	
Vehicle Maintenance - OE	2,000	
Electricity & Natural Gas	2,000	9,000
Telecommunications	2,000	
Petroleum Products	2,000	

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During the 2014 calendar year, Borough Council approved total budget insertions in the amount of \$5,350.44. Borough Council approved total budget insertions in the amount of \$149,703.79 during the 2013 calendar year. The following schedule details the significant budget insertions:

<u>Budget Category</u>		<u>2014</u>	<u>2013</u>
Clean Communities	\$	5,350.44	5,703.79
NJ Department of Transportation			144,000.00

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. No emergency authorizations were approved by Borough Council during 2014 or 2013.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 3: INVESTMENTS

As of December 31, 2014 and 2013, the municipality had no investments other than in the Length of Service Award Program (LOSAP)

Interest Rate Risk. The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The municipality places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 20, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37 the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2014 and 2013 amounted to \$55,710.44 and \$56,210.78.

The following investments represent 5% or more of the total invested with Lincoln Financial Advisors as of December 31, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
American Funds Growth Fund	\$ 4,761.76	4,443.20
DWS Equity 500 Index VIP Portfolio		
Fixed	18,075.41	19,538.78
L VIP SSgA S&P 500 Index Fund	17,143.38	17,776.70
L VIP T Rowe Price Structured		
Mid Cap Growth	5,405.73	4,903.78
All Others	10,324.16	9,548.32
Total	<u>\$ 55,710.44</u>	<u>56,210.78</u>

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2014 and 2013, \$0 of the municipality's bank balance of \$850,071.19 and \$1,168,443.34 was exposed to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 5: FIXED ASSETS

The following schedule is a summarization of the changes in general fixed assets for the calendar years ended December 31, 2014 and 2013.

	Balance as of <u>12/31/13</u>	Additions/ <u>Adjustments</u>	Disposals/ <u>Adjustments</u>	Balance as of <u>12/31/14</u>
Land	\$ 213,600.00			213,600.00
Buildings and Improvements	735,295.00	83,635.00		818,930.00
Furniture, Fixtures & Equipment	276,312.20	3,537.02		279,849.22
Vehicles	556,447.80	105,725.00	(367,776.80)	294,396.00
Total	<u>1,781,655.00</u>	<u>192,897.02</u>	<u>(367,776.80)</u>	<u>1,606,775.22</u>

	Balance as of <u>12/31/12</u>	Additions/ <u>Adjustments</u>	Disposals/ <u>Adjustments</u>	Balance as of <u>12/31/13</u>
Land	213,600.00			213,600.00
Buildings and Improvements	735,295.00			735,295.00
Furniture, Fixtures & Equipment	217,311.20	65,341.00	(6,340.00)	276,312.20
Vehicles	479,227.80	77,220.00		556,447.80
Total	<u>\$ 1,645,434.00</u>	<u>142,561.00</u>	<u>(6,340.00)</u>	<u>1,781,655.00</u>

Note 6: LONG TERM DEBT

Summary of Municipal Debt

Long-term debt as of December 31, 2014 and 2013 consisted of the following:

	Balance 12/31/13	Additions	Payments	Balance 12/31/14	Due in One Year
General	\$ 327,175.00		18,431.00	308,744.00	19,363.00
Comp Absences	2,407.87	10,009.14	8,876.43	3,540.58	-
	<u>329,582.87</u>	<u>10,009.14</u>	<u>27,307.43</u>	<u>312,284.58</u>	<u>19,363.00</u>
	Balance	Additions	Payments	Balance	Due in
	12/31/12			12/31/13	One Year
General	344,718.00		17,543.00	327,175.00	18,431.00
Comp Absences	2,895.06	11,690.03	12,177.22	2,407.87	-
	<u>\$ 347,613.06</u>	<u>11,690.03</u>	<u>29,720.22</u>	<u>329,582.87</u>	<u>18,431.00</u>

Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the Borough:

\$534,000 General Improvement Bond with the United States Department of Agriculture, Rural Economic and Community Development with a balance due on December 31, 2014 and 2013 of \$308,744 and \$327,175. This loan is payable in semi-annual installments of \$17,281 beginning on July 18, 1997 and continuing through July 18, 2026. Interest is calculated at 5% and is included in the semi-annual installments. This method of calculating interest, as well as semi-annual principal payments, is not in conformance with New Jersey Statutes. The Borough has received approval from the Local Finance Board to use this method of interest calculation for this issue.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 19,363.65	15,198.35	34,562.00
2016	20,343.94	14,218.06	34,562.00
2017	21,373.85	13,188.15	34,562.00
2018	22,455.90	12,106.10	34,562.00
2019	23,592.73	10,969.27	34,562.00
2020-2024	137,135.53	35,674.47	172,810.00
2025-2026	64,478.40	4,062.66	68,541.06
Total	<u>\$ 308,744.00</u>	<u>105,417.06</u>	<u>414,161.06</u>

As of December 31, 2014, the carrying value of the above bonds approximates the fair value of the bonds.

<u>Summary of Municipal Debt</u>	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
Bonds & Notes Issued	\$ 308,744.00	327,175.00	344,718.00
Bonds & Notes Authorized But Not Issued	<u>292,560.00</u>	<u>329,130.00</u>	<u>365,700.00</u>
Net Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 601,304.00</u>	<u>656,305.00</u>	<u>710,418.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .342%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 1,825,000.00	1,825,000.00	-
General Debt	601,304.00		601,304.00
	<u>\$ 2,426,304.00</u>	<u>1,825,000.00</u>	<u>601,304.00</u>

Net Debt \$601,304.00 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$175,789,120.67 = .342%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 ½ % of Equalized Valuation Basis (Municipal)	\$ 6,152,619.22
Net Debt	<u>601,304.00</u>
Remaining Borrowing Power	<u>\$ 5,551,315.22</u>

The above information is in agreement with the Annual Debt Statement filed by the Borough of Folsom.

Note 7: BOND ANTICIPATION NOTES

The Borough of Folsom had no outstanding notes at December 31, 2014. A bond ordinance was approved in 2012 for various general improvements which authorized debt of \$365,700. It is the Borough's intent to pay off the authorized debt through the Local Municipal Budget over ten years. The remaining authorized debt at December 31, 2014 and 2013 was \$292,560 and \$329,130, respectively.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 8: LEASE OBLIGATIONS

At December 31, 2014, the Borough had a lease agreement in effect for a postage meter and electric scale under an operating lease. The remaining balance of the lease was \$4,938.96 and future minimum payments are as follows:

<u>Year Ending Dec. 31,</u>	<u>Amount</u>
2015	\$ 2,279.76
2016	2,279.76
2017	379.92
2018	-
2019	-
Total	<u>\$ 4,938.96</u>

During the calendar year 2014 and 2013 rental payments were \$2,279.76 and \$2,089.78.

Note 9: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2014 and 2013 which were appropriated and included as anticipated revenue in the current operating budget for the year ending December, 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Current Fund	\$ 310,000.00	235,000.00

Municipalities are permitted to appropriate the full amount of fund balance, net of any amounts due from the State of New Jersey for Senior Citizens and Veterans Deductions, deferred charges, and cash deficit. The total amount of fund balance available to the Borough to appropriate in the 2015 budget is \$534,001.06 and \$694,744.19 in 2014.

Note 10: SCHOOL TAXES

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	Local District School Tax	
	Balance	Balance
	<u>12/31/14</u>	<u>12/31/13</u>
Balance of Tax	\$ 890,003.49	900,332.49
Deferred	871,162.00	871,162.00
Tax Payable	<u>\$ 18,841.49</u>	<u>29,170.49</u>

Note 11: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance	Balance
	<u>12/31/14</u>	<u>12/31/13</u>
Prepaid Taxes	29,522.49	31,069.55
Cash Liability for Taxes Collected in Advance	<u>\$ 29,522.49</u>	<u>31,069.55</u>

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 12: PENSION FUNDS

Description of Plans

Substantially all of the Borough's employees are covered by the Public Employees' Retirement System cost sharing multiple-employer defined benefit pension plan which has been established by State Statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the report can be accessed on the internet – <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement system is a cost-sharing multiple—employer plan. Membership is mandatory for substantially all full time employees of the State or any County, Municipality, School District or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15c-1 et seq). The DCRP is a cost-sharing multiple employer defined contribution pension fund. The DCRP provides eligible members and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15c-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter of employee's annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 11.3% of covered payroll. The Borough's contributions to PERS for the years ended December 31, 2014, 2013 and 2012 were \$30,488.93, \$31,084.00, and \$34,377.00.

The total payroll for the years ended December 31, 2014, 2013 and 2012 was \$312,297.12, \$319,820.02, and \$316,840.98. Payroll covered by PERS was \$258,521.00, \$281,581.60, and \$282,389.96.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) AND THE Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to $\frac{1}{60}$ th from $\frac{1}{55}$ th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a $\frac{1}{7}$ th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013

also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 13: POST-RETIREMENT BENEFITS

Plan Description – The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. The SHBP was established in 1961 under N.J.S.A 52:14-17.25 et seq to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/shbp.htm>.

Plan Coverage - The Borough does not provide post-retirement benefits to retirees.

Note 14: DEFERRED COMPENSATION

Employees of the Borough may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Borough. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Borough has an obligation of due care in selecting the third party administrator. In the opinion of the Borough's legal counsel, the Borough has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 15: ACCRUED SICK AND VACATION BENEFITS

Borough employees are permitted to accrue six (6) sick days per year which may be accumulated from year to year with a 25 day limitation. If the employee was hired prior to January 1, 1999, they are permitted to accumulate up to 36 days. Employees are not permitted to receive compensation for this accumulated time upon termination. Vacation is earned depending on length of service, with five (5) days permitted to be carried over to the following year provided notice is given thirty (30) days prior to the end of the year. Employees will be paid for this time, plus vacation earned in the current year, upon termination. Compensatory time will be paid upon termination only if the time was earned in the immediately preceding six months.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

It is estimated that the current cost of such unpaid compensation would approximate \$3,540.58 in 2014 and \$2,407.87 in 2013. This amount is not reported either as an expenditure or liability. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The Borough has elected not to accrue this liability as of December 31, 2014; but, instead is accounting for the expense on a pay-as-you-go basis.

Note 16: ECONOMIC DEPENDENCY

The Borough of Folsom is not economically dependent on any one business or industry as a major source of tax revenue for the Borough.

Note 17: CONTINGENT LIABILITIES

From time to time, the Borough is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the Borough's management, the outcome of any present legal proceedings will not have an adverse material effect on the accompanying financial statements.

Note 18: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance –The Borough is a member of the Atlantic County Joint Insurance Fund and the Municipal Excess Liability Fund which also includes other municipalities throughout the region. The Borough is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Borough has a coverage limitation of \$100,000 under JIF and a coverage limitation of \$10,000,000 under MEL. There was no reduction in coverage and no claims in excess of coverage during 2014 or 2013. The Joint Insurance Fund issues its own financial report which may be obtained from the Atlantic County Joint Insurance Fund, PO Box 488, Marlton, NJ 08053

New Jersey Unemployment Compensation Insurance – The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits and the ending balance of the Borough's trust fund for the current and prior two years:

<u>Calendar Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	11,000.00	698.54	4.36	4,521.00	15,920.46
2013	None	723.34	14.42	22.68	8,738.56
2012	5,000.00	723.30	16.72	12,029.44	8,023.48

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

Note 19: INTERFUND BALANCES

As of December 31, 2014 the following interfunds were included on the balance sheets of the various funds of the Borough of Folsom:

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
Grant Fund	\$ 21,340.40	
Trust Other		4.96
General Capital	155,000.00	
Grant Fund:		
Current Fund		21,340.40
Other Trusts:		
Current Fund	4.96	
General Capital:		
Current Fund		155,000.00
	\$ 176,345.36	176,345.36

The grant fund interfund was created as a result of funds awarded but not yet received from the New Jersey Department of Transportation for road projects. The general capital interfund was the result of a current fund advance of cash to cover expenditures. The Borough does not maintain a separate bank account for the Grant Fund.

Note 20: LENGTH OF SERVICE AWARDS PROGRAM (UNAUDITED)

On August 9, 2001 Borough Council adopted an ordinance establishing the Length of Service Awards (LOSAP) Deferred Compensation Plan. This plan was approved by the voters of the Borough of Folsom by referendum at the general election in November of 2001. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP also complies with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. Contributions by the Borough for qualified participants were \$0 for the 2014 and 2013 calendar years. The contributions are based on qualified service credits earned in the previous calendar year. Effective January 1, 2012, the volunteer fire company was dissolved by the Borough and no additional contributions will be made to the LOSAP program.

Note 21: SANITARY LANDFILL

The Borough owns a landfill that has not been open for several years. Although the Borough has complied with monitoring requirements, the landfill has not been permanently closed in accordance with the requirements of the Commissioner of the New Jersey Department of Environmental Protection, the Solid Waste Management Act, the Sanitary Landfill Closure and Contingency Fund Act, and the New Jersey Water Pollution Control Act. The Borough has been in communication with the Department of Environmental Protection to determine the specific requirements for this landfill. There is not sufficient information available to estimate the cost of closure or the required cost of post closure activity.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

Note 22: RESTATEMENT OF PRIOR BALANCES

Certain prior year balances have been restated to conform with current categories.

Note 23: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through May 15, 2015, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

SUPPLEMENTARY DATA

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of Borough Council
Borough of Folsom, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated May 15, 2015, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

Ford, Scott & Associates, L.L.C.

**FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS**

Leon P. Costello

**Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393**

May 15, 2015

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal or State Grantor/Pass - Through Grantor/Program Title	Pass-Through Grantor's # or CFDA #	Grant Period	Program or Award Amount	Balance Dec. 31, 2013	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjusted	Balance Dec. 31, 2014	(Memo Only)
									Total Cumulative State Expenditures
State of New Jersey									
NJ Transportation Trust Fund Authority Act Reconstruction of 14th Street	6320-480-078-6320-Z50-TCAP-6010	1/1/13-12/31/13	\$ 144,000.00	45,100.00		14,949.44		30,150.56	113,849.44
Department of Environmental Protection									
Recycling Tonnage Grant	4900-765-042-4900-004-VCMC-6020	1/1/11-12/31/11	5,346.03	5,346.03		450.30		4,895.73	450.30
Recycling Tonnage Grant	4900-765-042-4900-004-VCMC-6020	1/1/12-12/31/12	5,902.00	5,902.00				5,902.00	
Recycling Tonnage Grant	4900-765-042-4900-004-VCMC-6020	1/1/13-12/31/13	2,600.00	2,600.00				2,600.00	
Recycling Tonnage Grant	4900-765-042-4900-004-VCMC-6020	1/1/14-12/31/14	2,649.60		2,649.60			2,649.60	
Clean Communities Act	4900-765-042-4900-004-VCMC-6020	1/1/14-12/31/14	5,350.44		5,350.44				5,350.14
Green Communities Grant	N/A	1/1/13-12/31/13	3,000.00	110.00			110.00	-	2,890.00
Total State Assistance				<u>\$ 59,058.03</u>	<u>8,000.04</u>	<u>20,749.88</u>	<u>110.00</u>	<u>46,197.89</u>	<u>122,539.88</u>

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2014**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedules of expenditure of federal awards and state financial assistance includes the federal and state grant activity of the Borough of Folsom, New Jersey and is presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Encumbrances are considered in determining single audit threshold on major programs.

NOTE 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule do not agree with amounts reported in the Borough's financial statement. Receipts from Federal and State grants are realized as revenue when anticipated in the Borough's budget. Expenditures are recognized when they become payable.

	<u>Revenue</u>	<u>Expenditures</u>
State	\$ 8,000.04	20,749.88
Add:		
Revenue realized in prior year	2,890.00	
Prior year encumbrances expended in 2014		101,790.00
Municipal Alliance Program	7,560.70	5,784.31
Amount in Basic Financials	<u>\$ 18,450.74</u>	<u>128,324.19</u>

NOTE 3: USDA RURAL DEVELOPMENT LOAN

Although the Federal government continues to be at risk for the \$308,744.00 loan, there are no specific covenants or compliance requirements beyond the loan repayment. Therefore, this loan is not included in the determination of the threshold for single audit requirements.

AUDIT FINDINGS AND RESPONSES

NONE

STATUS OF PRIOR RECOMMENDATIONS

NONE

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		Current Fund
Balance December 31, 2013	\$	982,447.39
Increased by Receipts:		
Tax Collector		3,252,164.24
Revenue Accounts Receivable		314,789.50
Miscellaneous Revenue		17,992.43
State of New Jersey:		
Senior Citizen and Veterans Deductions		21,250.00
Marriage Licenses		100.00
DCA Training Fees		6,389.49
Due from Escrows		4.96
Sale of Municipal Equipment		46,279.91
Payment In Lieu of Taxes on Real Property		7,530.65
Reserve for JIF Safety Fees		750.00
Federal and State Unappropriated Reserves		4,631.49
Federal and State Receivables		15,800.84
		3,687,683.51
		4,670,130.90
Decreased by Disbursements:		
Current Year Appropriation		921,760.04
Prior Year Appropriations		90,334.99
County Taxes		885,170.73
Local District School Taxes		1,790,338.00
Due to Escrow		35.66
Due to General Capital Fund		125,000.00
State of New Jersey:		
Marriage Licenses		150.00
DCA Training Fees		6,603.17
Property Tax Refunds		1,939.16
Reserve for JIF Safety Fees		1,433.50
Federal and State Disbursements		127,969.82
		3,950,735.07
Balance December 31, 2014	\$	719,395.83

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2013		\$	-
Increased by Receipts:			
Prepaid Taxes	29,522.49		
Taxes Receivable	3,202,966.06		
Revenue Accounts Receivable	18,671.07		
Miscellaneous Revenue	9.00		
Tax Title and Other Liens	995.62		
			3,252,164.24
			3,252,164.24
Payments to Treasurer			3,252,164.24
Balance December 31, 2014		\$	-

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2013		\$ 259,156.08
Increased by:		
Transfers from Taxes Receivable	13,580.10	
Interest and Costs Accrued by Sale of April 23, 2014	<u>47.38</u>	<u>13,627.48</u>
		272,783.56
Decreased by:		
Cancellations	3,387.31	
Transferred to Property Acquired for Taxes	197,228.06	
Collections	<u>995.62</u>	<u>201,610.99</u>
Balance December 31, 2014		<u><u>\$ 71,172.57</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2014	Collected by		Balance Dec. 31, 2014
			Collector	Treasurer	
\$					
Code Enforcement:					
Building Permits		81,465.00		81,465.00	
Municipal Court:					
Fines and Costs	3,021.95	46,748.28		46,384.47	3,385.76
Interest and Costs on Taxes		18,671.07	18,671.07		
Interest Earned on Investments and Deposits		858.03		858.03	
Energy Receipts Tax		176,264.00		176,264.00	
Consolidated Municipal Property Tax Relief Act		9,818.00		9,818.00	
	<u>3,021.95</u>	<u>333,824.38</u>	<u>18,671.07</u>	<u>314,789.50</u>	<u>3,385.76</u>
\$					

See Accompanying Auditor's Report

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Municipal Clerk					
Other Expenses	\$ 2,288.09	2,288.09	1,044.39	1,243.70	
Financial Administration					
Other Expenses	816.87	816.87	797.10	19.77	
Assessment of Taxes					
Other Expenses	534.80	534.80	217.26	317.54	
Legal Services and Costs					
Other Expenses	36,241.11	36,241.11	36,219.00	22.11	
Engineering Services and Costs					
Other Expenses	26,737.50	26,737.50	26,507.00	230.50	
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Other Expenses	993.32	993.32	83.26	910.06	
Insurance					
Employee Group Insurance	5,189.53	5,189.53	5,189.53		
Unemployment Insurance	300.00	300.00	97.97	202.03	
Municipal Court					
Other Expenses	1,385.49	1,385.49	751.98	633.51	
STREETS AND ROADS					
Road Repairs and Maintenance					
Other Expenses	2,384.35	2,384.35	1,195.09	1,189.26	
Building and Grounds					
Other Expenses	558.99	558.99	370.98	188.01	
Vehicle Maintenance					
Other Expenses	1,858.22	1,858.22	51.74	1,806.48	
Solid Waste Collection					
Other Expenses	11,757.19	11,757.19	5,685.48	6,071.71	
Solid Waste Deposal Costs	16,449.85	16,449.85	5,832.21	10,617.64	
RECREATION AND EDUCATION					
Recreation Services and Programs					
Other Expenses	1,937.00	1,937.00	140.00	1,797.00	
UTILITIES					
Electricity and Natural Gas	12,462.65	12,462.65	4,023.31	8,439.34	
Telecommunications	427.81	427.81	183.57	244.24	
Petroleum Products	2,711.93	2,711.93	1,306.06	1,405.87	
Operations Excluded from "CAPS"					
Employee Group Insurance	1,560.00	1,560.00	639.06	920.94	
All Other Accounts - No Change	9,312.79	9,312.79		9,312.79	
	<u>\$ 135,907.49</u>	<u>135,907.49</u>	<u>90,334.99</u>	<u>45,572.50</u>	<u>-</u>

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2013			
School Tax Payable	\$	29,170.49	
School Tax Deferred		<u>871,162.00</u>	
			900,332.49
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015			<u>1,780,009.00</u>
			2,680,341.49
Decreased by:			
Payments			<u>1,790,338.00</u>
Balance December 31, 2014			
School Tax Payable		18,841.49	
School Tax Deferred		<u>871,162.00</u>	
			<u>890,003.49</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			1,790,338.00
Tax Payable Ending			<u>18,841.49</u>
			1,809,179.49
Less: Tax Payable Beginning			<u>29,170.49</u>
Amount Charged to Current Year Operations	\$		<u><u>1,780,009.00</u></u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Cancelled	Balance Dec. 31, 2014
FEDERAL GRANTS:					
None	\$ -				-
Total Federal	-				-
STATE GRANTS:					
NJ Transportation Trust Fund Authority	69,825.00				69,825.00
Green Communities Grant 2013	3,000.00		2,890.00	(110.00)	
Clean Communities		5,350.44	5,350.14		
Recycling Tonnage Grant		2,649.60	2,649.60		
Total State	<u>72,825.00</u>	<u>8,000.04</u>	<u>10,889.74</u>	<u>(110.00)</u>	<u>69,825.00</u>
LOCAL GRANTS:					
Municipal Alliance Program	7,780.00	12,054.00	7,560.70	(4,109.30)	8,164.00
Total Local	<u>7,780.00</u>	<u>12,054.00</u>	<u>7,560.70</u>	<u>(4,109.30)</u>	<u>8,164.00</u>
	\$ 80,605.00	20,054.04	18,450.44	(4,219.30)	77,989.00
		Cash	15,800.84		
		Unappropriated Reserves	2,649.60		
			<u>18,450.44</u>		

See Accompanying Auditor's Report

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2013	2014					Balance
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed	Encumbrances	Cancelled	Dec. 31, 2014
FEDERAL GRANTS:							
None	-	-	-	-	-	-	-
Total Federal	-	-	-	-	-	-	-
STATE GRANTS:							
Recycling Tonnage Grant	13,848.03		2,649.60	450.30			16,047.33
Clean Communities			5,350.44	5,350.14			
Green Communities Grant	3,110.00	2,890.00		2,890.00		(3,110.00)	
NJ Transportation Trust Fund Authority Act	45,100.00	98,900.00		113,849.44			30,150.56
Total State	<u>62,058.03</u>	<u>101,790.00</u>	<u>8,000.04</u>	<u>122,539.88</u>	<u>-</u>	<u>(3,110.00)</u>	<u>46,197.89</u>
LOCAL GRANTS:							
Atlantic County Drug Alliance-County	855.48	104.00	15,068.00	5,429.94	354.37	(4,778.32)	5,464.85
Total Local	<u>855.48</u>	<u>104.00</u>	<u>15,068.00</u>	<u>5,429.94</u>	<u>354.37</u>	<u>(4,778.32)</u>	<u>5,464.85</u>
	<u>\$ 62,913.51</u>	<u>101,894.00</u>	<u>23,068.04</u>	<u>127,969.82</u>	<u>354.37</u>	<u>(7,888.32)</u>	<u>51,662.74</u>

\$

\$

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred To 2014 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2014</u>
STATE GRANTS:				
Recycling Tonnage Grant	\$ 2,649.60	2,649.60	4,631.49	4,631.49
Total State	<u>\$ 2,649.60</u>	<u>2,649.60</u>	<u>4,631.49</u>	<u>4,631.49</u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	Animal Control	Other
Balance December 31, 2013	\$ 1,873.77	114,027.47
Increased By:		
State Dog License Fees	229.80	
Municipal Dog License Fees	1,043.20	
Cat License Fees	429.00	
Unemployment Claims		11,702.90
Escrow Deposits		19,855.53
Tax Title Lien Premiums		7,200.00
Tax Title Lien Redemption		5,196.24
Payroll and Deductions		402,127.81
	1,702.00	446,082.48
	3,575.77	560,109.95
Decreased By:		
Paid to State of NJ	229.80	
Dog Fund Expenditures	2,366.60	
Unemployment Claims		4,521.00
Escrow Payments		17,906.20
Payroll and Deductions		404,157.10
	2,596.40	426,584.30
Balance December 31, 2014	979.37	133,525.65
Analysis of December 31, 2014 Balance		
Payroll Deductions		6.05
Unemployment Trust		15,920.46
Developer's Escrow		33,517.88
Tax Title Lien Redemption		24,796.24
Small Cities Revolving Loan Trust		59,285.02
	\$	133,525.65

**TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
FUND EXPENDITURES**

Balance December 31, 2013	\$		1,873.77
Increased by:			
Dog License Fees Collected		1,043.20	
Cat License Fees Collected		429.00	
			1,472.20
			3,345.97
Decreased by:			
Expenditures under N.J.S.A. 4:19-15.11:			
Cash		2,366.60	
			2,366.60
Balance December 31, 2014	\$		979.37

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	1,630.00
2012	1,807.00
	3,437.00

**TRUST FUND
SCHEDULE OF AMOUNT DUE TO/(FROM) STATE OF NEW JERSEY
ANIMAL CONTROL FUND**

Balance December 31, 2013	\$		-
Increased By:			
Collected in 2014			
State License Fees		119.00	
Pilot Clinic Fund Fees		23.80	
Animal Population Control Fees		87.00	
			229.80
			229.80
Decreased By:			
Payments			
			229.80
Balance December 31, 2014	\$		-

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Reserve</u>	Balance Dec. 31, 2013	Increased by		Decreased by		Balance Dec. 31, 2014
		Receipts	Other	Disbursements	Other	
Unemployment Compensation Trust	\$ 8,738.56	11,702.90		4,521.00		15,920.46
Developers Escrow	31,604.21	19,855.53	4.96	17,906.20	35.66	33,522.84
Tax Title Lien Premiums	12,400.00	7,200.00				19,600.00
Tax Title Lien Redemptions		5,196.24				5,196.24
Payroll Deductions	2,035.34	402,127.81		404,157.10		6.05
Small Cities Revolving Loan Trust	59,285.02					59,285.02
	<u>\$ 114,063.13</u>	<u>446,082.48</u>	<u>4.96</u>	<u>426,584.30</u>	<u>35.66</u>	<u>133,530.61</u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2013		\$	1,805.07
Increased by:			
Current Operating Budget Appropriations:			
Capital Improvement Fund	15,000.00		
Bonds and Notes Authorized But Not Issued	36,570.00		
Due to Current Fund	<u>125,000.00</u>		
			<u>176,570.00</u>
			178,375.07
Decreased by:			
Contracts Payable	105,725.00		
Improvement Authorizations	<u>69,411.69</u>		
			<u>175,136.69</u>
Balance December 31, 2014		\$	<u><u>3,238.38</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance		Receipts		Disbursements		Transfers		Balance
	Dec. 31, 2013		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 57,479.47								57,479.47
Capital Improvement Fund	20,175.23		15,000.00						35,175.23
Contracts Payable	105,725.00			125,000.00		105,725.00		19,065.00	19,065.00
Due to Current Fund	30,000.00								155,000.00
<u>Improvement Authorizations:</u>									
8-2012 Various General Improvements	(211,574.63)			36,570.00	69,411.69		19,065.00		(263,481.32)
	<u>\$ 1,805.07</u>		<u>15,000.00</u>	<u>161,570.00</u>	<u>69,411.69</u>	<u>105,725.00</u>	<u>19,065.00</u>	<u>19,065.00</u>	<u>3,238.38</u>

**GENERAL CAPITAL FUND
DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2013	\$	327,175.00
Decreased by:		
2014 Budget Appropriation to Pay Bonds:		
Municipal Bonds		<u>18,431.00</u>
Balance December 31, 2014	\$	<u><u>308,744.00</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord #	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Raised in 2014 Budget	Balance Dec. 31, 2014	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
8-2012	Various General Improvements	\$ 329,130.00		36,570.00	292,560.00	-	263,481.32	29,078.68
		<u>\$ 329,130.00</u>	<u>-</u>	<u>36,570.00</u>	<u>292,560.00</u>	<u>-</u>	<u>263,481.32</u>	<u>29,078.68</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2013	\$	20,175.23
Increased by:		
Budget Appropriation		<u>15,000.00</u>
Balance December 31, 2014	\$	<u><u>35,175.23</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Authorizations		Paid or Charged	Encumbered	Balance December 31, 2014	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation			Funded	Unfunded
8-2012	Various General Improvements	12/12/12	\$								
	(a) Purchase of Computer & Electronic Equipment		15,000	1,500.00				623.00			877.00
	(b) Acquisition of Ford F550 & F650 Trucks for Public Works		190,000	7,032.37				1,674.00			5,358.37
	(c) Municipal Building Roof Repairs		55,000	5,250.00							5,250.00
	(d) Acquisition of Public Works Equipment including Diesel & Gas Mowers		25,000	3,773.00							3,773.00
	(e) Construction of Public Works Storage		100,000	95,000.00				67,114.69	19,065.00		13,820.31
			\$	5,000.00	112,555.37			69,411.69	19,065.00		29,078.68

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Acquisition of Land, Renovations, and Addition to Borough Hall	7/18/96	534,000	1/18/15	9,562	5.00%	327,175.00	-	18,431.00	308,744.00
			7/18/15	9,801					
			1/18/16	10,046					
			7/18/16	10,297					
			1/18/17	10,555					
			7/18/17	10,819					
			1/18/18	11,089					
			7/18/18	11,367					
			1/18/19	11,651					
			7/18/19	11,942					
			1/18/20	12,240					
			7/18/20	12,546					
			1/18/21	12,860					
			7/18/21	13,182					
			1/18/22	13,511					
			7/18/22	13,849					
			1/18/23	14,195					
			7/18/23	14,550					
			1/18/24	14,914					
			7/18/24	15,287					
		1/18/25	15,669						
		7/18/25	16,061						
		1/18/26	16,462						
		7/18/26	16,291						
					5.00%	327,175.00		18,431.00	308,744.00
						<u>327,175.00</u>		<u>18,431.00</u>	<u>308,744.00</u>

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Paid Through Budget	Balance Dec. 31, 2014
8-2012	Various General Improvements	\$ 329,130.00			36,570.00	292,560.00
		<u>\$ 329,130.00</u>	<u>-</u>	<u>-</u>	<u>36,570.00</u>	<u>292,560.00</u>

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BOROUGH OF FOLSOM

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

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GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement". Effective July 1, 2010, the bid threshold was increased to \$36,000 for municipalities with a Qualified Purchasing Agent. On August 11, 2011 the Borough Council appointed a Qualified Purchasing Agent and adopted a resolution to increase the bid threshold to \$36,000.

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$36,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicated the following contracts were bid in 2014: Purchase of pole barn for public works garage, including concrete and electrical work.

The minutes indicate resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

My examination of expenditures did not reveal individual payments, contracts or agreements in excess of \$36,000 "for the performance of any work or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they become delinquent.

The governing body on January 8, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, NJSA 54:5-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the payment of taxes as provided by law.

NOW, THEREFORE BE IT RESOLVED, by the Mayor and Council of the Borough of Folsom, County of Atlantic and State of New Jersey, as follows:

The Tax Collector is hereby authorized and directed to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent as due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 30st, an additional penalty of six percent (6%) shall be charged against the delinquency.

There will be a ten (10) day grace period of quarterly tax payments made by cash, check, or money order. If payments are not received within the grace period, interest is then calculated from the date when the payment was originally due, until the date of actual payment.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on April 23, 2014 and was complete. There were no properties in bankruptcy as of December 31, 2014.

The following comparison is made of the number of the tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2014	44
2013	126
2012	122

During the 2014 calendar year, the Borough received final judgment on two in-rem foreclosure listings.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulation of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2014 and 2015 Taxes	5
Delinquent Taxes	4
Tax Title Liens	1
Municipal Court	10

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>		<u>Currently</u>		
		<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percent of Collections</u>
2014	\$	3,301,280.55	3,150,845.06	95.44%
2013		3,273,416.00	3,141,659.00	95.97%
2012		3,087,183.00	2,937,441.00	95.14%
2011		3,014,379.00	2,867,156.00	95.12%
2010		2,952,406.00	2,805,862.00	95.04%

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	3.055	3.063	2.902	2.851	2.779
Apportionment of Tax Rate:					
Municipal	0.590	0.570	0.556	0.549	0.538
County	0.816	0.802	0.678	0.654	0.632
Local School	1.649	1.691	1.668	1.648	1.609
Assessed Valuation	107,996,651	106,472,183	108,879,775	105,697,672	106,207,502

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Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

<u>Year</u>		Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage Of Tax <u>Levy</u>
2014	\$	71,172.57	128,174.60	199,347.17	6.04%
2013		259,156.00	102,709.00	361,865.00	11.05%
2012		239,093.00	113,562.00	352,655.00	11.42%
2011		219,364.00	124,488.00	343,852.00	11.41%
2010		203,015.00	112,309.00	315,324.00	10.68%

Uniform Construction Code

The Borough of Folsom construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b)2 and NJAC 5:23.4.17(b)3.

RECOMMENDATIONS

NONE

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,

Ford, Scott & Associates, L.L.C.

**FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS**

Leon P. Costello

**Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393**

May 15, 2015