

BOROUGH OF MADISON

COUNTY OF MORRIS

REPORT OF AUDIT

2014

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF MADISON

COUNTY OF MORRIS

REPORT OF AUDIT

2014

BOROUGH OF MADISON
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BOROUGH OF MADISON
PART I
REPORT ON AUDIT OF
FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2014



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Independent Auditors' Report

The Honorable Mayor and Members
 of the Borough Council
 Borough of Madison
 Madison, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* – of the various funds of the Borough of Madison, in the County of Morris (the "Borough") as of and for the years ended December 31, 2014 and 2013, and the related notes to the 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 accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws 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 misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 Borough'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 Borough'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.

The Honorable Mayor and Members
of the Borough Council
Borough of Madison
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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Borough on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 the 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 as of December 31, 2014 and 2013, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough as of December 31, 2014 and 2013, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Honorable Mayor and Members
of the Borough Council
Borough of Madison
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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'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's internal control over financial reporting and compliance.

May 15, 2015
Mount Arlington, New Jersey



NISIVOCCIA LLP



David H. Evans
Certified Public Accountant
Registered Municipal Accountant No. 98

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
CURRENT FUND

BOROUGH OF MADISON
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 11,575,695.56	\$ 10,907,351.38
Change Fund		450.00	450.00
		<u>11,576,145.56</u>	<u>10,907,801.38</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	416,851.90	296,681.05
Tax Title Liens Receivable	A-7	30,193.63	27,035.90
Property Acquired for Taxes at Assessed Valuation		15,300.00	15,300.00
Revenue Accounts Receivable	A-8	10,179.23	15,186.14
Interfund Accounts Receivable:			
General Capital Fund	C		341.45
Animal Control Fund	B	17,340.18	33,264.93
Other Trust Fund	B	3,022.60	22,025.26
Net Payroll Account			0.98
Payroll Agency Account		30,891.70	14.56
Imprest Account			0.06
Total Receivables and Other Assets With Full Reserves		<u>523,779.24</u>	<u>409,850.33</u>
Deferred Charges:			
Special Emergency Authorization		160,000.00	240,000.00
		<u>160,000.00</u>	<u>240,000.00</u>
Total Regular Fund		<u>12,259,924.80</u>	<u>11,557,651.71</u>
Federal and State Grant Fund:			
State and Federal Grants Receivable	A-11	117,292.33	70,428.62
Due from Current Fund	A	33,361.68	46,293.70
Total Federal and State Grant Fund		<u>150,654.01</u>	<u>116,722.32</u>
<u>TOTAL ASSETS</u>		<u>\$ 12,410,578.81</u>	<u>\$ 11,674,374.03</u>

BOROUGH OF MADISON
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-9	\$ 1,691,061.97	\$ 1,447,311.60
Encumbered	A-3;A-9	925,449.63	923,966.24
Total Appropriation Reserves		<u>2,616,511.60</u>	<u>2,371,277.84</u>
Special Emergency Notes		160,000.00	240,000.00
Prepaid Taxes		389,738.94	358,438.02
Tax Overpayments		4,986.83	
County Taxes Payable		54,478.03	88,277.70
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		12,299.97	13,541.76
Construction Code Fees		5,891.00	2,053.00
Interfund Accounts Payable:			
Federal and State Grant Fund	A	33,361.68	46,293.70
Open Space Trust Fund	B	10,179.23	6,364.44
General Capital Fund	C	67,501.07	
Reserve for Tax Appeals Pending		561,892.84	246,688.46
Reserve for Sale of Municipal Assets			462,000.00
Reserve for Revaluation		40,990.11	62,441.31
		<u>3,957,831.30</u>	<u>3,897,376.23</u>
Reserve for Receivables and Other			
Assets		523,779.24	409,850.33
Fund Balance	A-1	7,778,314.26	7,250,425.15
Total Regular Fund		<u>12,259,924.80</u>	<u>11,557,651.71</u>
Federal and State Grant Fund:			
Accounts Payable - Vendors		2,191.62	3,321.80
Appropriated Reserves	A-12	77,327.22	55,650.97
Unappropriated Reserves	A-13	71,135.17	57,749.55
Total Federal and State Grant Fund		<u>150,654.01</u>	<u>116,722.32</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 12,410,578.81</u>	<u>\$ 11,674,374.03</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 3,597,000.00	\$ 2,975,000.00
Miscellaneous Revenue Anticipated		12,747,345.69	9,266,856.74
Receipts from:			
Delinquent Taxes		297,413.38	518,144.42
Current Taxes		60,872,379.56	59,573,074.05
Nonbudget Revenue		462,343.00	682,770.93
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,625,021.72	1,566,429.74
Cancellation of Federal & State Grant Fund Accounts Payable		2,825.70	
Cancellation of Local School District Taxes Payable		0.27	0.54
Tax Overpayments Cancelled			6.44
Interfunds and Other Receivables Returned		55,647.24	19,391.47
Prepaid School Taxes Realized			4,102.96
Total Income		<u>79,659,976.56</u>	<u>74,605,777.29</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		28,070,534.59	24,146,516.90
County Taxes		9,248,811.95	8,997,193.89
Amount Due County for Added and Omitted Taxes		54,478.03	88,277.70
Local School District Taxes		37,483,335.00	36,064,003.00
Municipal Open Space Taxes		621,237.18	616,378.28
Refund of Prior Year Revenue			14.00
Prior Year Senior Citizens' Deduction Disallowed		750.00	500.00
Cancel Prior Year Reconciling Items		4,686.22	10.00
Reinstate Appropriated Grant Reserves Cancelled			3,905.57
Refund Prior Year State Share Marriage License Fees to Other Trust Fund			105.00
Interfunds Advanced		51,254.48	55,647.24
Total Expenditures		<u>75,535,087.45</u>	<u>69,972,551.58</u>
Statutory Excess to Fund Balance		4,124,889.11	4,633,225.71
<u>Fund Balance</u>			
Balance January 1		<u>7,250,425.15</u>	<u>5,592,199.44</u>
		11,375,314.26	10,225,425.15
Decreased by:			
Utilized as Anticipated Revenue		<u>3,597,000.00</u>	<u>2,975,000.00</u>
Balance December 31	A	<u>\$ 7,778,314.26</u>	<u>\$ 7,250,425.15</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 3,597,000.00		\$ 3,597,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	25,000.00		31,814.60	\$ 6,814.60
Other Licenses	15,000.00		29,827.50	14,827.50
Fees and Permits	230,000.00		315,987.20	85,987.20
Fines and Costs:				
Municipal Court	180,000.00		200,268.04	20,268.04
Interest and Costs on Taxes	58,000.00		82,489.71	24,489.71
Parking Meters	35,000.00		84,618.16	49,618.16
Interest on Investments and Deposits	20,000.00		16,744.09	3,255.91 *
Police Burglar Alarm	15,000.00		19,960.00	4,960.00
Cablevision Franchise Fees	180,000.00		204,509.60	24,509.60
Sewer Fees on Tax Exempt Property	270,000.00		279,617.00	9,617.00
Consolidated Municipal Property Tax Relief Aid	78,975.00		78,975.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	729,554.00		729,554.00	
Uniform Construction Code Fees	460,000.00		624,523.00	164,523.00
Inter-Municipal Health Contracts for Local Community				
Health Services	260,000.00		285,299.00	25,299.00
Inter-Municipal Agreements for "Southeast Morris Project				
Community Pride" (S.L.E.P.A.)	40,000.00		26,875.00	13,125.00 *
Inter-Municipal Contract for Tax Assessor Services	92,000.00		93,800.00	1,800.00
Inter-Municipal Contract for Joint Court Agreement	484,000.00		546,596.00	62,596.00
Recycling Tonnage Grant	23,513.47		23,513.47	
Clean Communities Program	26,245.22		26,245.22	
Alcohol Education and Rehabilitation Fund	422.20		422.20	
Body Armor Replacement	3,582.46		3,582.46	
Alcohol and Drug Abuse Grant (M.A.A.S.A.):				
2013	8,137.00		8,137.00	
2014	3,637.00		3,637.00	
Alcohol and Drug Abuse Grant (M.A.A.S.A.) - Supplemental	2,500.00		2,000.00	500.00 *
COPS in Schools (CIS) Alcohol Grant	2,000.00		2,000.00	
State Forestry Grant	1,986.20		1,986.20	
Law and Public Safety Grant	6,804.83			6,804.83 *
Madison Main Street Foundation Grant	110,000.00		110,000.00	
FY 2013 Assistance to Firefighter Grant		\$ 125,400.00	125,400.00	
Other Special Items:				
Utility Operating Surplus of Prior Years - Electric Utility	5,796,000.00		5,796,000.00	
Payment in Lieu of Taxes on Exempt Property - Madison				
Housing Authority	45,000.00		105,210.00	60,210.00
Life Hazard Use Fees	35,000.00		67,961.69	32,961.69
Payment in Lieu of Taxes on Exempt Property - FDU	36,000.00			
Madison Cell Tower Leases	250,000.00		289,720.55	39,720.55
Utility Operating Surplus of Prior Years - Water Utility	450,000.00		450,000.00	
Rosenet User Fees	6,000.00		6,000.00	
Bond Anticipation Note Premium	50,000.00		50,000.00	
Sewer Connection Fees	46,000.00		74,262.00	28,262.00
Recreation Fees	46,000.00		27,810.00	18,190.00 *
General Capital Fund Balance	1,460,000.00		1,460,000.00	
Reserve for Sale of Municipal Assets	462,000.00		462,000.00	
Total Miscellaneous Revenue	<u>12,043,357.38</u>	<u>125,400.00</u>	<u>12,747,345.69</u>	<u>614,588.31</u>

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Receipts from Delinquent Taxes	\$ 280,000.00		\$ 297,413.38	\$ 17,413.38
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	12,449,461.81		13,876,590.21	1,427,128.40
Minimum Library Tax	1,187,927.19		1,187,927.19	
Budget Totals	<u>29,557,746.38</u>	<u>\$ 125,400.00</u>	<u>31,706,276.47</u>	<u>2,023,130.09</u>
Nonbudget Revenue			462,343.00	462,343.00
	<u>\$ 29,557,746.38</u>	<u>\$ 125,400.00</u>	<u>\$ 32,168,619.47</u>	<u>\$ 2,485,473.09</u>

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Allocation of Current Tax Collections

Revenue from Collections - 2014	\$ 60,422,110.03
2013	358,438.02
State's Share of Senior Citizens' and Veterans' Deductions	91,831.51
	60,872,379.56
Allocated to:	
School, County, and Open Space Taxes	47,407,862.16
	13,464,517.40
Add: Appropriation - Reserve for Uncollected Taxes	1,600,000.00
Amount for Support of Municipal Budget	\$ 15,064,517.40
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 297,413.38
	\$ 297,413.38

Analysis of Interest Earned

Cash Received - Treasurer	\$ 14,600.38
Interest Due from:	
General Capital Fund	1,425.47
Other Trust Fund	708.80
Payroll Agency Account	9.44
	\$ 16,744.09

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

Morris County Municipal Joint Insurance Fund Refunds	\$	130,292.45	
North Jersey Municipal Employee Benefits Fund Refunds		12,865.95	
State of New Jersey - Senior Citizens and Veterans Deductions Administrative Fee		1,836.79	
State of New Jersey - Inspections/Motor Vehicles		22,017.00	
Inter-Municipal Contract for IT Services		85,780.75	
Department Collections:			
Clerk		1,968.87	
Police		491.36	
Health		200.00	
Municipal Court - Public Defender Fees		9,392.00	
Recycling		8,695.63	
Tax Collector		1,021.65	
Land Use Board		37,050.00	
Building Department		8,500.00	
Returned Check Fees		40.00	
Proceeds from Auction		4,208.97	
Insurance Refunds		10,501.34	
Affordable Housing Administrative Fees		29,000.00	
Redeveloper's Agreement		37,500.00	
Medical Flexible Spending Unclaimed Funds		22,812.05	
Other Miscellaneous		19,573.14	
			\$ 443,747.95
Due from Animal Control Fund:			
Statutory Excess in Reserve for Animal Control Fund Expenditures			17,340.18
Due from Other Trust Fund:			
Other Miscellaneous Receipt			1,254.87
			\$ 462,343.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 145,950.00	\$ 145,950.00	\$ 145,325.14	\$ 624.86	
Other Expenses	9,200.00	9,200.00	5,056.43	4,143.57	
Municipal Support:					
Salaries & Wages	76,081.00	76,081.00	74,140.01	1,940.99	
Other Expenses	23,750.00	23,750.00	17,680.37	6,069.63	
Human Resources:					
Salaries & Wages	27,360.00	27,360.00	23,861.60	3,498.40	
Other Expenses	32,700.00	32,700.00	31,199.00	1,501.00	
Mayor and Borough Council:					
Salaries & Wages	39,177.00	39,177.00	39,177.00		
Other Expenses	16,100.00	16,100.00	5,827.02	10,272.98	
Borough Clerk:					
Salaries & Wages	93,249.00	78,249.00	70,665.75	7,583.25	
Other Expenses	32,950.00	32,950.00	24,683.32	8,266.68	
Financial Administration:					
Salaries & Wages	192,710.00	192,710.00	174,745.74	17,964.26	
Other Expenses	26,250.00	26,250.00	23,783.06	2,466.94	
Elections:					
Salaries & Wages	1,500.00	1,500.00	1,500.00		
Other Expenses	10,550.00	10,550.00	8,202.31	2,347.69	
Annual Audit	42,000.00	42,000.00	6,975.00	35,025.00	
Finance Department:					
Revenue Administration (Tax Collector):					
Salaries & Wages	96,460.00	111,460.00	107,694.88	3,765.12	
Other Expenses	14,475.00	14,475.00	13,600.61	874.39	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (continued):					
GENERAL GOVERNMENT (continued):					
Assessment of Taxes:					
Salaries & Wages	\$ 5,439.00	\$ 5,439.00	\$ 5,438.99	\$ 0.01	
Other Expenses	29,350.00	29,350.00	28,468.08	881.92	
Legal Services and Costs:					
Other Expenses	210,000.00	210,000.00	166,057.25	43,942.75	
Engineering Services and Costs:					
Salaries & Wages	167,420.00	167,420.00	167,420.00		
Other Expenses	59,300.00	59,300.00	55,045.19	4,254.81	
Environmental Commission (N.J.S.A.. 40:56A:1et seq.):					
Other Expenses	2,200.00	2,200.00	1,675.00	525.00	
Community Business Development:					
Salaries & Wages	100,321.00	100,321.00	100,320.94	0.06	
Other Expenses	14,580.00	14,580.00	8,028.37	6,551.63	
Museum of Early Trades and Crafts:					
Other Expenses	20,000.00	20,000.00	20,000.00		
Historic Preservation:					
Other Expenses	5,050.00	5,050.00	1,700.00	3,350.00	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries & Wages	53,261.00	53,261.00	53,261.00		
Other Expenses	106,225.00	106,225.00	87,018.48	19,206.52	
Zoning Board of Adjustment:					
Salaries & Wages	29,249.00	29,249.00	29,249.00		
Other Expenses	57,450.00	57,450.00	46,440.00	11,010.00	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (continued):					
PUBLIC SAFETY FUNCTIONS:					
Police and Fire Building:					
Other Expenses	\$ 74,650.00	\$ 74,650.00	\$ 69,614.85	\$ 5,035.15	
Police:					
Salaries & Wages	3,619,568.00	3,619,568.00	3,571,552.95	48,015.05	
Other Expenses	245,150.00	245,150.00	227,351.97	17,798.03	
Project Community Pride:					
Salaries & Wages	63,751.00	63,751.00	32,742.61	31,008.39	
Other Expenses	16,450.00	16,450.00	6,097.96	10,352.04	
Emergency Management Services:					
Other Expenses	12,500.00	12,500.00	4,412.85	8,087.15	
First Aid Organization Contribution	60,000.00	60,000.00	60,000.00		
Fire:					
Salaries & Wages	1,353,765.00	1,380,765.00	1,359,444.28	21,320.72	
Other Expenses:					
Miscellaneous Other Expenses	61,650.00	61,650.00	58,965.33	2,684.67	
Uniform Fire Safety Act:					
Fire Official Safety Code:					
Salaries & Wages	119,394.00	119,394.00	116,693.96	2,700.04	
PUBLIC WORKS FUNCTIONS:					
Public Works:					
Salaries & Wages	1,559,813.00	1,559,813.00	1,434,608.84	125,204.16	
Other Expenses	310,630.00	410,630.00	285,540.54	125,089.46	
Sewer Department:					
Salaries & Wages	293,335.00	293,335.00	269,099.49	24,235.51	
Other Expenses	129,100.00	129,100.00	82,987.11	46,112.89	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (continued):					
PUBLIC WORKS FUNCTIONS (continued):					
Shade Tree:					
Other Expenses	\$ 108,205.00	\$ 108,205.00	\$ 107,780.00	\$ 425.00	
Garbage Removal:					
Other Expenses	1,590,600.00	1,590,600.00	1,360,827.89	229,772.11	
Public Building and Grounds:					
Salaries & Wages	103,590.00	103,590.00	89,111.80	14,478.20	
Other Expenses	105,660.00	105,660.00	83,946.25	21,713.75	
Vehicle Maintenance:					
Salaries & Wages	320,999.00	320,999.00	320,999.00		
Other Expenses	218,000.00	218,000.00	189,894.77	28,105.23	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Board of Health:					
Salaries & Wages	236,917.00	236,917.00	234,142.97	2,774.03	
Other Expenses	83,750.00	83,750.00	75,012.59	8,737.41	
Animal Control Services:					
Salaries & Wages	2,000.00	2,000.00		2,000.00	
Other Expenses	10,000.00	10,000.00	7,600.00	2,400.00	
Civic Center:					
Other Expenses	33,300.00	33,300.00	25,612.77	7,687.23	
PARK AND RECREATION FUNCTIONS:					
Recreation and Playgrounds:					
Salaries & Wages	35,348.00	35,348.00	26,796.00	8,552.00	
Other Expenses	127,250.00	127,250.00	100,203.35	27,046.65	
Senior Citizens' Programs:					
Salaries & Wages	104,350.00	104,350.00	95,702.10	8,647.90	
Other Expenses	17,200.00	17,200.00	11,165.67	6,034.33	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PARK AND RECREATION FUNCTIONS (Continued):					
Teen Center:					
Other Expenses	\$ 20,000.00	\$ 20,000.00		\$ 20,000.00	
Parks Committee:					
Other Expenses	18,460.00	18,460.00	\$ 11,833.46	6,626.54	
OTHER COMMON OPERATING FUNCTIONS:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	15,900.00	15,900.00	10,946.88	4,953.12	
Municipal Court:					
Salaries & Wages	11,974.00	35,974.00	31,365.28	4,608.72	
Other Expenses	19,100.00	25,100.00	12,997.79	12,102.21	
Insurance:					
General Liability	339,000.00	339,000.00	314,995.50	24,004.50	
Workers Compensation	230,000.00	230,000.00	200,000.00	30,000.00	
Employee Group Health	1,843,968.00	1,686,968.00	1,508,258.18	178,709.82	
STATE UNIFORM CONSTRUCTION CODE:					
State Uniform Construction Code:					
Salaries & Wages	371,544.00	371,544.00	343,837.48	27,706.52	
Other Expenses	61,360.00	61,360.00	34,505.26	26,854.74	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	320,000.00	320,000.00	308,865.68	11,134.32	
Telephone	62,000.00	62,000.00	36,661.01	25,338.99	
Gas	90,000.00	90,000.00	76,298.34	13,701.66	
Sewerage Processing and Disposal	15,000.00	15,000.00	11,300.00	3,700.00	
Gasoline	300,000.00	300,000.00	203,925.38	96,074.62	
Contingent	75,000.00	75,000.00	11,062.30	63,937.70	
Subtotal - Operations	16,550,538.00	16,550,538.00	14,968,999.98	1,581,538.02	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Detail:					
Salaries and Wages	\$ 9,224,525.00	\$ 9,275,525.00	\$ 8,918,896.81	\$ 356,628.19	
Other Expenses Including Contingent	7,326,013.00	7,275,013.00	6,050,103.17	1,224,909.83	
STATUTORY EXPENDITURES:					
Public Employees' Retirement System	315,000.00	315,000.00	283,818.83	31,181.17	
Social Security System (O.A.S.I.)	446,000.00	446,000.00	444,706.03	1,293.97	
Police and Fireman's Retirement System of New Jersey	902,000.00	902,000.00	834,864.00	67,136.00	
Unemployment Insurance	50,000.00	50,000.00	50,000.00		
Total Statutory Expenditures - Municipal Within "CAPS"	1,713,000.00	1,713,000.00	1,613,388.86	99,611.14	
Total General Appropriations for Municipal Purposes Within "CAPS"	18,263,538.00	18,263,538.00	16,582,388.84	1,681,149.16	
Operations Excluded from "CAPS":					
Employee Group Health Insurance	45,032.00	45,032.00	45,032.00		
Sanitation:					
Madison-Chatham Joint Meeting	984,602.00	984,602.00	974,689.19	9,912.81	
Maintenance of Free Public Library (c. 82, P.L. 1985):					
Other Expenses	1,297,927.00	1,297,927.00	1,297,927.00		
Other Expenses - Technology	49,875.00	49,875.00	49,875.00		
Inter-Municipal Agreement for "Southeast Morris Project Community Pride":					
Salaries & Wages	40,000.00	40,000.00	40,000.00		

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Excluded from "CAPS" (Continued):					
Inter-Municipal Health Contracts for Local Community					
Health Services:					
Board of Health:					
Salaries & Wages	\$ 260,000.00	\$ 260,000.00	\$ 260,000.00		
Inter-Municipal Contract for Tax Assessor Services:					
Salaries & Wages	92,000.00	92,000.00	92,000.00		
Inter-Municipal Contract for Joint Court:					
Salaries & Wages	400,000.00	400,000.00	400,000.00		
Other Expenses	84,000.00	84,000.00	84,000.00		
Public and Private Programs Offset by Revenues:					
Body Armor Replacement Grant	3,582.46	3,582.46	3,582.46		
Alcohol and Drug Abuse Grant (M.A.A.S.A.):					
State Share - 2013	8,137.00	8,137.00	8,137.00		
State Share - 2014	3,637.00	3,637.00	3,637.00		
Borough Share	2,944.00	2,944.00	2,944.00		
Supplemental - 2014	2,500.00	2,500.00	2,000.00		\$ 500.00
Alcohol Education and Rehabilitation Fund:					
Other Expenses	422.20	422.20	422.20		
Law and Public Safety Grant	6,804.83	6,804.83			6,804.83
State Forestry Services Grant	1,986.20	1,986.20	1,986.20		
Recycling Tonnage Grant	23,513.47	23,513.47	23,513.47		
Clean Communities Program	26,245.22	26,245.22	26,245.22		
Cops in Shops Alcohol Grant	2,000.00	2,000.00	2,000.00		
Madison Main Street Foundation Grant:					
Downtown Development Commission:					
Salaries & Wages	55,000.00	55,000.00	55,000.00		
Other Expenses	55,000.00	55,000.00	55,000.00		

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Excluded from "CAPS" (continued):					
Public and Private Programs Offset by Revenues (continued):					
FY 2013 Assistance to Firefighter Grant (N.J.S.A.40A-87 + \$125,400.00)		\$ 125,400.00	\$ 125,400.00		
Total Operations Excluded From "CAPS"	\$ 3,445,208.38	3,570,608.38	3,553,390.74	\$ 9,912.81	\$ 7,304.83
Detail:					
Salaries & Wages	847,000.00	847,000.00	847,000.00		
Other Expenses	2,598,208.38	2,598,208.38	2,706,390.74	9,912.81	7,304.83
Capital Improvements Excluded From "CAPS"					
Capital Improvement Fund	3,500,000.00	3,500,000.00	3,500,000.00		
Total Capital Improvements Excluded From "CAPS"	3,500,000.00	3,500,000.00	3,500,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	1,160,000.00	1,160,000.00	1,160,000.00		
Interest on Bonds	1,035,900.00	1,035,900.00	1,035,900.00		
Interest on Notes	2,400.00	2,400.00	2,393.33		6.67
N.J. Environmental Infrastructure Trust Loan:					
Interest on Loan	24,500.00	24,500.00	21,344.04		3,155.96
Principal on Loan	46,200.00	46,200.00	44,055.67		2,144.33
Total Municipal Debt Service Excluded from "CAPS"	2,269,000.00	2,269,000.00	2,263,693.04		5,306.96

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges - Municipal - Excluded from "CAPS"					
Emergency Authorizations	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00		
Reserve for Pending Tax Appeals	400,000.00	400,000.00	400,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>480,000.00</u>	<u>480,000.00</u>	<u>480,000.00</u>		
Subtotal General Appropriations	27,957,746.38	28,083,146.38	26,379,472.62	\$ 1,691,061.97	\$ 12,611.79
Reserve for Uncollected Taxes	<u>1,600,000.00</u>	<u>1,600,000.00</u>	<u>1,600,000.00</u>		
Total General Appropriations	<u>\$ 29,557,746.38</u>	<u>\$ 29,683,146.38</u>	<u>\$ 27,979,472.62</u>	<u>\$ 1,691,061.97</u>	<u>\$ 12,611.79</u>

Ref.

A

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 29,557,746.38	
Added by N.J.S.A. 40A:4-87		125,400.00	
		\$ 29,683,146.38	
Cash Disbursed			\$ 24,860,731.32
Encumbrances	A		925,449.63
Due to Federal and State Grant Fund			309,867.55
Reserve for Tax Appeals			400,000.00
Reserve for Uncollected Taxes			1,600,000.00
Deferred Charges			80,000.00
			28,176,048.50
Less: Appropriation Refunds			196,575.88
			\$ 27,979,472.62

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
TRUST FUNDS

BOROUGH OF MADISON
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 54,085.38	\$ 63,401.53
		<u>54,085.38</u>	<u>63,401.53</u>
Open Space Trust Fund:			
Cash and Cash Equivalents	B-4	315,672.09	231,490.52
Due from Current Fund	A	10,179.23	6,364.44
		<u>325,851.32</u>	<u>237,854.96</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,844,627.01	1,473,888.86
Due from General Capital Fund	C		90.25
		<u>1,844,627.01</u>	<u>1,473,979.11</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,224,563.71</u>	<u>\$ 1,775,235.60</u>

BOROUGH OF MADISON
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 478.80	\$ 573.00
Due to Current Fund	A	17,340.18	33,264.93
Prepaid Licenses		5,161.20	4,443.60
Reserve for Animal Control Fund Expenditures	B-7	31,105.20	25,120.00
		<u>54,085.38</u>	<u>63,401.53</u>
Open Space Trust Fund:			
Reserve for Open Space Trust		311,991.35	104,222.41
Due to General Capital Fund	C	13,859.97	133,632.55
		<u>325,851.32</u>	<u>237,854.96</u>
Other Trust Funds:			
Due to Current Fund - Other Trusts	A	3,022.60	22,025.26
Unallocated Receipts		1.00	1.00
Due to State of New Jersey:			
Marriage License Fees		320.00	600.00
Construction Code Surcharge Fees		6,023.00	7,784.00
Reserve for:			
Unemployment Insurance		123,994.94	100,363.08
Special Funds		1,711,265.47	1,343,205.77
		<u>1,844,627.01</u>	<u>1,473,979.11</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,224,563.71</u>	<u>\$ 1,775,235.60</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
GENERAL CAPITAL FUND

BOROUGH OF MADISON
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 3,559,713.35	\$ 3,526,188.79
Deferred Charges to Future Taxation:			
Funded		24,481,561.80	26,381,617.47
Unfunded	C-4	6,922,068.00	2,081,068.00
Due from Current Fund	A	67,501.07	
Due from Open Space Trust Fund	B	13,859.97	133,632.55
Grants Receivable:			
Morris County Community Development Grant			32,475.00
Transportation Enhancement Grant			26,556.00
Hartley Dodge Memorial Trustees			150,045.20
<u>TOTAL ASSETS</u>		<u>\$ 35,044,704.19</u>	<u>\$ 32,331,583.01</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 23,681,000.00	\$ 25,537,000.00
Bond Anticipation Notes Payable	C-7	1,685,000.00	1,900,000.00
NJ Environmental Infrastructure Loans Payable:			
Trust Loan	C-9	417,507.32	436,251.78
Fund Loan	C-9	383,054.48	408,365.69
Improvement Authorizations:			
Funded	C-5	2,063,206.64	1,000,809.35
Unfunded	C-5	5,227,368.00	171,583.67
Due to Current Fund	A		341.45
Due to Other Trust Fund - Fire Department Trust	B		90.25
Reserve for Encumbrances		408,016.10	529,809.52
Reserve for Bond Anticipation Note Premium			184,405.22
Reserve for Receivable			9,000.00
Capital Improvement Fund	C-6	932,957.38	539,175.78
Amount Due to Museum of Early Trades and Crafts		19,086.26	19,086.26
Fund Balance	C-1	227,508.01	1,595,664.04
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 35,044,704.19</u>	<u>\$ 32,331,583.01</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 1,595,664.04
Increased By:		
Premium on Sale of Notes		\$ 7,009.60
Cancellation of Reserve for:		
Bond Anticipation Note Premium		134,405.22
Receivable		9,000.00
Improvement Authorizations Cancelled		460.15
		150,874.97
		1,746,539.01
Decreased By:		
Cancellation of Grants Receivable:		
New Jersey Department of Transportation - Transportation Enhancement Grant		26,556.00
Morris County Community Development		32,475.00
Current Fund Anticipated Revenue		1,460,000.00
		1,519,031.00
Balance December 31, 2014	C	\$ 227,508.01

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
WATER UTILITY FUND

BOROUGH OF MADISON
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 2,122,529.73	\$ 1,940,521.79
Change Fund		25.00	25.00
		<u>2,122,554.73</u>	<u>1,940,546.79</u>
Due From Water Utility Capital Fund	D	99.47	82.65
		<u>2,122,654.20</u>	<u>1,940,629.44</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	163,833.60	193,391.67
		<u>163,833.60</u>	<u>193,391.67</u>
Total Operating Fund		<u>2,286,487.80</u>	<u>2,134,021.11</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	1,171,207.70	965,000.52
Fixed Capital	D-7	13,688,010.71	12,828,042.70
Fixed Capital Authorized and Uncompleted	D-8	360,000.00	1,040,000.00
		<u>15,219,218.41</u>	<u>14,833,043.22</u>
Total Capital Fund		<u>15,219,218.41</u>	<u>14,833,043.22</u>
<u>TOTAL ASSETS</u>		<u>\$ 17,505,706.21</u>	<u>\$ 16,967,064.33</u>

BOROUGH OF MADISON
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 428,822.11	\$ 347,473.74
Encumbered	D-3;D-9	84,169.93	75,235.70
		<u>512,992.04</u>	<u>422,709.44</u>
Reserve for Receivables	D	163,833.60	193,391.67
Reserve for Security Deposits		100.00	100.00
Fund Balance	D-1	<u>1,609,562.16</u>	<u>1,517,820.00</u>
Total Operating Fund		<u>2,286,487.80</u>	<u>2,134,021.11</u>
Capital Fund:			
Improvement Authorizations - Funded	D-10	233,410.44	196,437.62
Encumbrances Payable		6,457.55	57,272.00
Capital Improvement Fund	D-11	131,240.24	111,208.25
Due to Water Utility Operating Fund	D	99.47	82.65
Reserve for:			
Amortization		13,688,010.71	12,828,042.70
Automated Meter Reading		800,000.00	600,000.00
Deferred Reserve for Amortization	D-12	<u>360,000.00</u>	<u>1,040,000.00</u>
Total Capital Fund		<u>15,219,218.41</u>	<u>14,833,043.22</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 17,505,706.21</u>	<u>\$ 16,967,064.33</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Rents		\$ 2,479,644.78	2,480,856.56
Miscellaneous Revenue		50,749.99	88,881.77
Water Line Protection Program		16,370.90	1,798.10
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		375,467.49	286,562.04
Total Income		<u>2,922,233.16</u>	<u>2,858,098.47</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,766,491.00	1,728,451.00
Capital Improvements		400,000.00	400,000.00
Deferred Charges and Statutory Expenditures		214,000.00	203,000.00
Total Expenditures		<u>2,380,491.00</u>	<u>2,331,451.00</u>
Excess in Revenue		541,742.16	526,647.47
<u>Fund Balance</u>			
Balance January 1		1,517,820.00	1,441,172.53
		<u>2,059,562.16</u>	<u>1,967,820.00</u>
Decreased by:			
Anticipated as Current Fund Budget Revenue		450,000.00	450,000.00
Balance December 31	D	<u>\$ 1,609,562.16</u>	<u>\$ 1,517,820.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Water Rents	\$ 2,330,491.00	\$ 2,479,644.78	\$ 149,153.78
Miscellaneous Revenue	50,000.00	50,749.99	749.99
Water Line Protection Program		16,370.90	16,370.90
	<u>\$ 2,380,491.00</u>	<u>\$ 2,546,765.67</u>	<u>\$ 166,274.67</u>

Analysis of Realized Revenue

Miscellaneous Revenue:

Interest on Investments:

Water Utility Operating Fund

\$ 2,924.81

Other Miscellaneous Revenue

42,895.71

Fire Hydrants

4,830.00

\$ 50,650.52

Interest on Investments:

Due from Water Utility Capital Fund

99.47

\$ 50,749.99

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended by</u>	
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 662,791.00	\$ 662,791.00	\$ 585,122.44	\$ 77,668.56
Other Expenses	1,103,700.00	1,103,700.00	786,999.06	316,700.94
Capital Improvements:				
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	
Reserve for Automated Meter Reading	200,000.00	200,000.00	200,000.00	
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	160,000.00	160,000.00	137,000.00	23,000.00
Social Security System (O.A.S.I.)	54,000.00	54,000.00	42,547.39	11,452.61
	<u>\$ 2,380,491.00</u>	<u>\$ 2,380,491.00</u>	<u>\$ 1,951,668.89</u>	<u>\$ 428,822.11</u>

Ref.

D

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
 (Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 2,380,491.00	
		\$ 2,380,491.00	
Cash Disbursed			\$ 1,867,498.96
Encumbrances Payable	D		84,169.93
			\$ 1,951,668.89

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE
 AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
ELECTRIC UTILITY FUND

BOROUGH OF MADISON
ELECTRIC UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 8,190,807.19	\$ 7,734,139.95
Change Fund		25.00	25.00
		<u>8,190,832.19</u>	<u>7,734,164.95</u>
Due from Electric Utility Capital Fund	E	100.28	93.76
		<u>8,190,932.47</u>	<u>7,734,258.71</u>
Receivables and Other Assets With Full Reserves:			
Consumer Accounts Receivable	E-8	1,467,788.45	1,689,222.56
Total Receivables and Other Assets With Full Reserves		<u>1,467,788.45</u>	<u>1,689,222.56</u>
Deferred Charges:			
Emergency Authorization (40A:4-46)			<u>500,000.00</u>
Total Operating Fund		<u>9,658,720.92</u>	<u>9,923,481.27</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	1,179,207.74	1,096,096.22
Fixed Capital	E-9	11,955,894.11	11,880,141.15
Fixed Capital Authorized and Uncompleted	E-10	740,000.00	675,000.00
Total Capital Fund		<u>13,875,101.85</u>	<u>13,651,237.37</u>
<u>TOTAL ASSETS</u>		<u>\$ 23,533,822.77</u>	<u>\$ 23,574,718.64</u>

BOROUGH OF MADISON
ELECTRIC UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-4;E-11	\$ 1,041,168.14	\$ 1,212,077.95
Unencumbered	E-4;E-11	652,454.96	698,931.42
		<u>1,693,623.10</u>	<u>1,911,009.37</u>
Reserve for Receivables	E	1,467,788.45	1,689,222.56
Reserve for Security Deposit		1,260.00	1,260.00
Fund Balance	E-1	<u>6,496,049.37</u>	<u>6,321,989.34</u>
Total Operating Fund		<u>9,658,720.92</u>	<u>9,923,481.27</u>
Capital Fund:			
Encumbrances Payable		203,582.57	8,376.67
Improvement Authorizations:			
Funded	E-12	237,189.93	408,537.87
Due to Electric Utility Operating Fund	E	100.28	93.76
Capital Improvement Fund	E-13	738,334.96	679,087.92
Reserve for:			
Amortization		11,955,894.11	11,880,141.15
Deferred Amortization	E-14	<u>740,000.00</u>	<u>675,000.00</u>
Total Capital Fund		<u>13,875,101.85</u>	<u>13,651,237.37</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 23,533,822.77</u>	<u>\$ 23,574,718.64</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Metered Service		\$ 22,411,710.06	\$ 23,177,164.60
Miscellaneous Revenue		768,188.05	194,586.74
Other Credits to Incomes:			
Unexpended Balance of Appropriation Reserves		668,509.92	505,835.71
Total Income		<u>23,848,408.03</u>	<u>23,877,587.05</u>
<u>Expenditures</u>			
Operating		16,825,848.00	19,263,488.00
Capital Improvements		200,000.00	100,000.00
Deferred Charges and Statutory Expenditures		852,500.00	343,000.00
Total Expenditures		<u>17,878,348.00</u>	<u>19,706,488.00</u>
Excess in Revenue		5,970,060.03	4,171,099.05
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			500,000.00
Statutory Excess to Fund Balance		5,970,060.03	4,671,099.05
<u>Fund Balance</u>			
Balance January 1		6,321,989.34	5,372,890.29
		12,292,049.37	10,043,989.34
Decreased by:			
Anticipated as Current Fund Budget Revenue		5,796,000.00	3,722,000.00
Balance December 31	E	<u>\$ 6,496,049.37</u>	<u>\$ 6,321,989.34</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Anticipated	Realized	Excess or Deficit *
Metered Service	\$ 18,078,348.00	\$ 22,411,710.06	\$ 4,333,362.06
Miscellaneous Revenue	50,000.00	768,188.05	718,188.05
	\$ 18,128,348.00	\$ 23,179,898.11	\$ 5,051,550.11
 <u>Analysis of Realized Revenue</u>			
Miscellaneous Revenue:			
Miscellaneous Receipts	\$ 25,359.24		
FEMA Reimbursements - Superstorm Sandy	733,170.67		
Interest Earned:			
Electric Utility Operating Fund	9,557.86		
		\$ 768,087.77	
Interest Earned:			
Due from Electric Utility Capital Fund		100.28	
		\$ 768,188.05	
 Metered Services:			
Consumer Accounts Receivable		\$ 22,407,097.56	
State Aid - Life Line Credits		4,612.50	
		\$ 22,411,710.06	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 1,636,798.00	\$ 1,636,798.00	\$ 1,500,305.60	\$ 136,492.40	
Other Expenses	15,331,550.00	15,339,050.00	14,716,540.81	372,509.19	\$ 250,000.00
Energy Rebate Program:					
Other Expenses	100,000.00	100,000.00		100,000.00	
Capital Improvements:					
Capital Improvement Fund	200,000.00	200,000.00	200,000.00		
Deferred Charges:					
Emergency Authorizations	500,000.00	500,000.00	500,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	234,000.00	226,500.00	197,000.00	29,500.00	
Social Security System	126,000.00	126,000.00	112,046.63	13,953.37	
	<u>\$ 18,128,348.00</u>	<u>\$ 18,128,348.00</u>	<u>\$ 17,225,893.04</u>	<u>\$ 652,454.96</u>	<u>\$ 250,000.00</u>

Ref.

E

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 18,128,348.00	
		\$ 18,128,348.00	
Cash Disbursed			\$ 15,806,701.12
Reserve for Encumbrances	E		1,041,168.14
Deferred Charges			500,000.00
			17,347,869.26
Less: Refunds			121,976.22
			\$ 17,225,893.04

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF MADISON
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
	2014	2013
<u>ASSETS</u>		
Land	\$ 37,851,600.00	\$ 37,851,600.00
Buildings	25,053,725.73	25,053,725.73
Improvements Other than Buildings	3,999,484.72	3,999,484.72
Machinery and Equipment	10,965,124.94	10,645,663.94
<u>TOTAL ASSETS</u>	\$ 77,869,935.39	\$ 77,550,474.39
 <u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 77,869,935.39	\$ 77,550,474.39

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Madison include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Madison, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Madison do not include the operations of the municipal library, fire company or first aid squad.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of Governmental Accounting Standards Board's Codification section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 respect to public funds. Under this method of accounting, the Borough of Madison 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 capital facilities, other than those acquired in the Current Fund.

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Electric Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Electric Utility.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (cont'd)

General Fixed Assets Account Group - Estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E "General Fixed Assets".

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the Operating Funds when it is budgeted and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled 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.

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; and fixed assets purchased by the Water and Electric Utility Capital Funds would be depreciated.

The cash basis of accounting is followed in the Trust Funds.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

D. Deferred Charges to Future Taxation - The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, or by issuing bonds, loans or capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

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 is recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

General Fixed Assets - In accordance with New Jersey Administrative Code Accounting Requirements, as promulgated by Division of Local Government Services, General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost as estimated by the independent appraisal company which conducted the inventory of the Borough's assets. Infrastructure assets are not included in general fixed assets; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other Significant Accounting Policies (Cont'd)

Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund and Utility Funds. The values recorded in the General Fixed Asset Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing or recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Utility Funds are recorded in the Utility Capital accounts at cost and are not adjusted for dispositions and abandonments. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represent charges to operations for the costs of the acquisition of property, equipment and improvements. The Utility Funds do not record depreciation on fixed assets.

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current Operating, Utility Operating and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2014	2013	2012
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 25,526,000.00	\$ 27,677,000.00	\$ 30,369,000.00
NJ Environmental Infrastructure			
Loans Payable	800,561.80	844,617.47	888,624.00
Total Issued	<u>26,326,561.80</u>	<u>28,521,617.47</u>	<u>31,257,624.00</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	5,237,068.00	181,068.00	181,068.00
Total Authorized but not Issued	<u>5,237,068.00</u>	<u>181,068.00</u>	<u>181,068.00</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 31,563,629.80</u>	<u>\$ 28,702,685.47</u>	<u>\$ 31,438,692.00</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding – Current Year

	<u>Balance</u> <u>12/31/2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2014</u>
Serial Bonds:				
General Capital Fund	\$ 25,537,000.00	\$ 14,610,000.00	\$ 16,466,000.00	\$ 23,681,000.00
Loans Payable:				
General Capital Fund:				
NJ Environmental				
Infrastructure Loans	844,617.47		44,055.67	800,561.80
Bond Anticipation Notes:				
General Capital Fund	1,900,000.00	1,685,000.00	1,900,000.00	1,685,000.00
Special Emergency Notes:				
Current Fund	240,000.00	160,000.00	240,000.00	160,000.00
Total	<u>\$ 28,521,617.47</u>	<u>\$ 16,455,000.00</u>	<u>\$ 18,650,055.67</u>	<u>\$ 26,326,561.80</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	<u>Balance</u> <u>12/31/2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2013</u>
Serial Bonds:				
General Capital Fund	\$ 22,496,000.00	\$ 4,151,000.00	\$ 1,110,000.00	\$ 25,537,000.00
Loans Payable:				
General Capital Fund:				
NJ Environmental				
Infrastructure Loans	888,624.00		44,006.53	844,617.47
Bond Anticipation Notes:				
General Capital Fund	7,873,000.00	9,643,000.00	15,616,000.00	1,900,000.00
Special Emergency Notes:				
Current Fund	320,000.00	240,000.00	320,000.00	240,000.00
Total	<u>\$ 31,577,624.00</u>	<u>\$ 14,034,000.00</u>	<u>\$ 17,090,006.53</u>	<u>\$ 28,521,617.47</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 0.87%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 40,225,000.00	\$ 40,225,000.00	
General Debt	31,563,629.80		\$ 31,563,629.80
	<u>\$ 71,788,629.80</u>	<u>\$ 40,225,000.00</u>	<u>\$ 31,563,629.80</u>

Net Debt \$31,563,629.80 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,635,631,917.00 = 0.87%.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 2: Long-Term Debt (Cont'd)

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

3-1/2% Average Equalized Valuation of Real Property	\$ 127,247,117.10
Net Debt	<u>31,563,629.80</u>
Remaining Borrowing Power	<u>\$ 95,683,487.30</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Analysis of Debt Issued and Outstanding at December 31, 2014

General Capital Serial Bonds Payable

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
General Improvement Bonds of 2008	10/15/18	4.50%-4.625%	\$ 5,150,000.00
General Improvement Bonds of 2013	08/15/33	2.00%-4.00%	3,921,000.00
Refunding Bonds of 2014	10/15/28	2.00%-4.50%	<u>14,610,000.00</u>
			<u>\$ 23,681,000.00</u>

General Capital NJ Environmental Infrastructure Loan Payable (Trust Loan)

<u>Description</u>	<u>Final Maturity</u>	<u>Balance Dec. 31, 2014</u>
Trust Loan 1	08/01/29	\$ 340,000.00
Trust Loan 2	08/01/30	<u>77,507.32</u>
		<u>\$ 417,507.32</u>

General Capital NJ Environmental Infrastructure Loan Payable (Fund Loan)

<u>Description</u>	<u>Final Maturity</u>	<u>Balance Dec. 31, 2014</u>
Fund Loan 1	08/01/29	\$ 311,186.50
Fund Loan 2	08/01/30	<u>71,867.98</u>
		<u>\$ 383,054.48</u>

General Capital Bond Anticipation Notes

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
08/14/15	1.00%	<u>\$ 1,685,000.00</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 2: Long-Term Debt (Cont'd)

Curent Fund Special Emergency Notes

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
01/16/15	1.00%	\$ 160,000.00
Total Debt Issued and Outstanding		<u>\$ 26,326,561.80</u>

N.J. Environmental Infrastructure Loans

The Borough of Madison/Madison-Chatham Joint Meeting entered into four loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust") which are recorded in the General Capital Fund.

The loan agreements were obtained to finance a portion of the cost of improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility. A portion of the Fund loan portion of Fund Loan 1 was funded through the American Recovery and Reinvestment Act. Even though the Borough is responsible for the repayment of the loans, the Borough does not receive or expend any of the loan funds. The Madison-Chatham Joint Meeting is responsible for the draw downs and expenditures of loan funds.

At December 31, 2014, the Madison-Chatham Joint Meeting has borrowed or "drawn down" \$985,166 of the \$985,216 Loan funds necessary to complete the improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility partially funded with the Loan funds. Principal payments to the Fund for the loan will continue on a semiannual basis until August 1, 2030 at zero interest. Principal payments to the Trust for the loan will continue on an annual basis until August 1, 2030.

Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonds and Loans Issued and Outstanding:

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 1,539,120.45	\$ 982,811.53	\$ 2,521,931.98
2016	1,534,195.11	1,019,064.44	2,553,259.55
2017	1,589,282.89	956,926.66	2,546,209.55
2018	1,649,383.37	892,276.18	2,541,659.55
2019	1,659,498.62	823,198.44	2,482,697.06
2020-2024	8,754,684.72	2,920,250.56	11,674,935.28
2025-2029	7,177,641.94	905,508.62	8,083,150.56
2030-2033	577,754.70	55,279.72	633,034.42
	<u>\$ 24,481,561.80</u>	<u>\$ 8,555,316.15</u>	<u>\$ 33,036,877.95</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 3: Fund Balance Appropriated

Fund balances at December 31, 2014, which are appropriated and included in the Current, Water Utility Operating, and Electric Utility Operating Fund adopted budgets for the year ending December 31, 2015, are as follows:

Current Fund	\$ 3,900,000.00
Water Utility Fund	500,000.00
Electric Utility Fund	6,233,000.00

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding year. At December 31, 2014, the following deferred charge is shown on the balance sheet of the Current Fund:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Required</u> <u>2015 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years' Budgets</u>
Current Fund:			
Special Emergency Authorization	<u>\$ 160,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 80,000.00</u>

The appropriation in the 2015 budget is not less than that required by statute.

Note 5: Pension Plans

Borough employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers the PERS and PFRS plans which cover substantially all Borough employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. However, if an employee is ineligible to enroll in the PERS or the PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 5: Pension Plans (Cont'd)

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Borough contributions to PERS amounted to \$701,349.00, \$726,273.00 and \$755,162.00 for 2014, 2013 and 2012, respectively. Borough contributions to PFRS amounted to \$834,864.00, \$914,715.00 and \$1,010,122.00 for 2014, 2013 and 2012, respectively. The employer contributions for the DCRP amounted to \$4,469.83, \$2,797.83 and \$2,371.00 for 2014, 2013 and 2012, respectively.

Note 6: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Madison has elected not to defer school taxes.

Note 7: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$2,464,923.97 at December 31, 2014. This amount is not reported either as an expenditure or a liability. The Borough has a written policy that establishes the maximum amount of sick days pay out at retirement to be 100 days. It is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used.

Note 8: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 8: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013*</u>	<u>2012</u>
<u>Tax Rate</u>	\$ 1.744	\$ 1.754	\$ 2.779
<u>Apportionment of Tax Rate</u>			
Municipal	.381	.420	.665
County - Regular	.259	.255	.388
County Open Space	.011	.012	.026
Local School	1.093	1.067	1.700
<u>Assessed Valuations</u>			
2014	<u>\$ 3,430,124,400.00</u>		
2013		<u>\$ 3,382,032,100.00</u>	
2012			<u>\$ 2,080,611,829.00</u>

* Revaluation

Comparison of Tax Levies and Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	\$ 61,346,258.34	\$ 60,872,379.56	99.22%
2013	59,892,752.01	59,573,074.05	99.46%
2012	57,967,476.96	57,341,113.00	98.91%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 9: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40 *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures* requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 9: Cash and Cash Equivalents and Investments: (Cont'd)

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Borough to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 9: Cash and Cash Equivalents and Investments: (Cont'd)

Investments: (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2014, cash and cash equivalents and investments of the Borough of Madison consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Money Market Accounts</u>	<u>Totals</u>
Current	\$ 450.00	\$ 11,575,695.56		\$ 11,576,145.56
Animal Control		54,085.38		54,085.38
Open Space Trust		315,672.09		315,672.09
Other Trust		1,844,627.01		1,844,627.01
General Capital		2,749,818.88	\$ 809,894.47	3,559,713.35
Water Utility Operating	25.00	2,122,529.73		2,122,554.73
Water Utility Capital		1,171,207.70		1,171,207.70
Electric Utility Operating	25.00	8,190,807.19		8,190,832.19
Electric Utility Capital		1,179,207.74		1,179,207.74
	<u>\$ 500.00</u>	<u>\$ 29,203,651.28</u>	<u>\$ 809,894.47</u>	<u>\$ 30,014,045.75</u>

The Borough did not hold any investments during the year ended December 31, 2014. The carrying amount of the Borough of Madison's cash and cash equivalents at December 31, 2014, was \$30,014,045.75 and the bank balance was \$29,670,778.79.

Note 10: 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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 10: Risk Management (Cont'd)

The Borough of Madison is a member of both the Morris County Municipal Joint Insurance Fund ("MCMJIF") and the North Jersey Municipal Employee Benefits Fund ("NJMEBF"). These funds are both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by the MCMJIF to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Public Officials' Liability/Employment Practices Coverage
- f.) Environmental Coverage

The following health benefit coverages are offered by the NJMEBF to its members:

- a.) Medical
- b.) Prescription
- c.) Dental

As a member of these Funds, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. There is a very narrow possibility that the MCMJIF will impose supplemental assessments. In the twenty-four year history of the MCMJIF, a supplemental assessment has never been declared.

The Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Auditing Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared. The MCMJIF has not declared dividends in the last five years and currently has no intention to reinstate the dividends. The Finance Committee of the MCMJIF has made this recommendation, which is embraced by the full membership.

The December 31, 2014 audit reports for these Funds were not available as of the date of this report. Selected summarized financial information for the Funds as of December 31, 2013, is as follows:

	Morris County Municipal Joint Insurance Fund	North Jersey Municipal Employee Benefits Fund
Total Assets	\$ 25,334,768	\$ 20,624,818
Net Position	\$ 9,645,581	\$ 16,827,528
Total Revenue	\$ 15,621,282	\$ 35,803,194
Total Expenses	\$ 15,549,524	\$ 32,203,413
Change in Net Position	\$ 71,758	\$ 3,599,781
Members Dividends	\$ -0-	\$ (1,517,930)

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 10: Risk Management (Cont'd)

Financial statements for these funds are available at the Office of the Executive Director.

Morris County Municipal Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054
(201) 881-7632

North Jersey Municipal Employee Benefits Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054
(201) 881-7632

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 the interest earned and the ending balance of the Borough's expendable trust fund for the current and prior years:

<u>Fiscal Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 50,000.00	\$ 15,506.43	\$ 107.81	\$ 41,982.38	\$ 123,994.94
2013	50,000.00	14,558.61	420.68	52,165.41	100,363.08
2012	50,000.00	14,063.50	906.10	41,788.77	87,549.20

Note 11: Contingent Liabilities

The Borough is also periodically involved in various other lawsuits arising in the normal course of business, which often include claims for property damage, personal injury, and various contract disputes. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Borough financial position as of December 31, 2014.

Amounts received or receivable from grantors, principally federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
 (Continued)

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 20,362.78	\$ 111,041.98
Federal and State Grant Fund	33,361.68	
Animal Control Fund		17,340.18
Open Space Trust Fund	10,179.23	13,859.97
Other Trust Fund		3,022.60
General Capital Fund	81,361.04	
Water Utility Operating Fund	99.47	
Water Utility Capital Fund		99.47
Electric Utility Operating Fund	100.28	
Electric Utility Capital Fund		100.28
	<u>\$ 145,464.48</u>	<u>\$ 145,464.48</u>

The interfund receivable in the Current Fund is comprised of interest earned in the Other Trust Fund and the General Capital Fund; Current Fund receipts collected in the Other Trust Fund; interfund advanced to the Other Trust Fund; statutory excess in the Reserve for the Animal Control Fund Expenditures due from the Animal Control Fund; and prior year interfund not turned over to the Current Fund as of December 31, 2014; offset by Other Trust Fund receipts collected in the Current Fund. The interfund receivable in the Federal and State Grant Fund from the Current Fund is for the receipt of grant funds directly deposited into the Current Fund. The interfund receivable in the Open Space Trust Fund comprises of a prior year interfund and 2014 added/omitted open space tax levy due from the Current Fund. The interfund payable in the Open Space Trust Fund is bond anticipation notes premiums deposited in the Open Space Trust Fund in prior year due to the General Capital Fund. The interfund receivable in the Water Utility Operating Fund represents interest earned in the Water Utility Capital Fund. The interfund receivable in the Electric Utility Operating Fund represents interest earned in the Electric Utility Capital Fund.

Note 13: Related Party Transactions

The Mayor and Borough Council members also serve as members of the Madison-Chatham Joint Meeting. The Borough of Madison appropriated and paid to the Joint Meeting \$974,689.19 in 2014 for operating expenses.

In addition, the Borough of Madison, together with the Borough of Chatham, has funded the improvement of the Joint Meeting wastewater treatment plant.

Note 14: Deferred Compensation

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by Lincoln Financial, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014
(Continued)

Note 15: Economic Dependency

The Borough of Madison receives nominal amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 16: Open Space Trust Reserve

The Borough adopted an ordinance in 2003 to establish a "Municipal Open Space, Recreation, and Farmland and Historic Preservation Trust Fund," permitting the Borough to collect a tax of two cents (2 cents) per \$100.00 of assessed valuation for the Open Space Trust Fund. The 2014 Open Space tax levy is \$621,237.18 and the 2014 Open Space tax rate is \$0.19. The balance in the Reserve for Open Space at December 31, 2014 is \$311,991.35.

Note 17: Post-Retirement Benefits

The Borough offers life insurance coverage for eligible retired firefighters through Standard Life Insurance. To be eligible for this benefit, the employee must have been employed by the Borough at the time of retirement with at least 25 or more years of good service with the Borough. The annual costs of providing such benefits amount to approximately \$10,000.00 in premiums. The Borough is only responsible for the payment of the annual premiums.

Note 18: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2014 and 2013:

	Unaudited Balance Dec. 31, 2013	Additions	Deletions	Balance Dec. 31, 2014
Land	\$37,851,600.00			\$37,851,600.00
Buildings	25,053,725.73			25,053,725.73
Improvements Other than Buildings	3,999,484.72			3,999,484.72
Machinery and Equipment	10,645,663.94	\$ 393,996.00	\$ 74,535.00	10,965,124.94
	<u>\$77,550,474.39</u>	<u>\$ 393,996.00</u>	<u>\$ 74,535.00</u>	<u>\$77,869,935.39</u>
	Balance Dec. 31, 2012	Additions	Deletions	Balance Dec. 31, 2013
Land	\$37,851,600.00			\$37,851,600.00
Buildings	25,053,725.73			25,053,725.73
Improvements Other than Buildings	3,999,484.72			3,999,484.72
Machinery and Equipment	10,448,596.94	\$ 197,067.00		10,645,663.94
	<u>\$77,353,407.39</u>	<u>\$ 197,067.00</u>	<u>\$ -0-</u>	<u>\$77,550,474.39</u>

BOROUGH OF MADISON

SUPPLEMENTARY DATA

BOROUGH OF MADISON
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2014

Name	Title	Amount of Bond	Name of Corporate Surety
Robert H. Conley	Mayor		
Robert E. Landrigan	Council President		
Astri J. Baillie	Council Member		
Robert G. Catalanello	Council Member		
Patrick W. Rowe	Council Member		
Carmela Vitale	Council Member		
Benjamin Wolkowitz	Council Member		
Raymond M. Cody	Administrator	**	**
Elizabeth Osborne	Clerk	**	**
	Purchasing/Personnel Officer		
Robert F. Kalafut	Director of Finance	**	**
	Chief Financial Officer		
	Acting Tax Collector (07/28/14 to 09/02/14)		
Francine DeAngelis	Chief Accountant (to 07/07/14)		
	Tax Collector (to 07/07/14)	*	*
Kimberly Kientz	Chief Accountant (from 09/02/14)		
	Tax Collector (from 09/02/14)	*	*
Donna Carey	Utility Rent Collector	\$ 200,000	Travelers Insurance Co.
Lisa Baratto	Tax Assessor	**	**
Russell Brown	Building Subcode Construction Official	**	**
Louie DeRosa, III	Fire Chief	**	**
Matthew J. Giacobbe, Esq.	Borough Attorney		
Darren Dachisen	Police Chief	**	**
Lisa Gulla	Health Officer	**	**
Marilyn Edwards	Secretary Board of Health	**	**
	Registrar, Vital Statistics		
Gary F. Troxell	Magistrate	**	**
Frank Ciampi	Court Administrator	**	**
Dawn Allgeier	Deputy Court Administrator	**	**
Angela Esposito	Deputy Court Administrator	**	**

** There is a Public Employee Blanket Bond for \$1,000,000 covering all municipal employees not separately bonded:

Morris County Municipal Joint Insurance Fund	\$ 50,000
Municipal Excess Liability Joint Insurance Fund	950,000
	<u>\$ 1,000,000</u>

* There is a separate Statutory Position Bond for \$1,000,000 covering the Tax Collector:

Morris County Municipal Joint Insurance Fund	\$ 50,000
Municipal Excess Liability Joint Insurance Fund	950,000
	<u>\$ 1,000,000</u>

All bonds were examined and were properly executed.

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
CURRENT FUND

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 10,907,351.38
Increased by Receipts:		
Taxes Receivable		\$ 60,719,523.41
Revenue Accounts Receivable		11,975,888.43
Miscellaneous Revenue Not Anticipated		443,747.95
Prepaid Taxes		389,738.94
Special Emergency Notes Issued		160,000.00
Tax Overpayments		76,203.24
Appropriation Refunds		196,575.88
Due to Federal and State Grant Fund:		
Grants Receivable		202,310.29
Unappropriated Reserves		71,135.17
Due from/to State of New Jersey:		
Veterans' and Senior Citizens' Deductions		89,839.72
Construction Code Fees		52,332.00
Due from General Capital Fund:		
Prior Year Interfund Returned		238.43
Improvement Authoriation Refund		69,029.56
Due from Other Trust Fund:		
Prior Year Interfund Returned		21,504.33
Deposit in Error - Other Trusts Receipts		126.00
Due from Animal Control Fund:		
Prior Year Interfund Returned		33,264.93
Due from Net Payroll:		
Prior Year Interfund Returned		0.98
Due from Payroll Agency Fund:		
Prior Year Interfund Returned		14.56
Due from Imprest Account:		
Prior Year Interfund Returned		0.06
Reserve for Outside Lien Redemption		26,376.34
		74,527,850.22
		85,435,201.60

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

Ref.

Decreased by Disbursements:

2014 Appropriation Expenditures	\$ 24,860,731.32	
2013 Appropriation Reserve Expenditures	746,256.12	
Local School District Taxes	37,483,334.73	
County Taxes	9,337,089.65	
Special Emergency Notes Matured	240,000.00	
Tax Overpayments Refunded	71,216.41	
Due State of New Jersey - Construction Code Fees	48,494.00	
Due from Federal and State Grant Fund:		
Appropriated Reserves	285,999.68	
Accounts Payable	496.10	
Due Open Space Trust Fund:		
Open Space Tax Levy	617,422.39	
Due Other Trusts Fund:		
Interfund Advanced	274.00	
Due Payroll Agency:		
Interfund Advanced	30,882.26	
Reserve for Outside Lien Redemption	26,376.34	
Reserve for Tax Appeals Pending	84,795.62	
Reserve for Revaluation	21,451.20	
Cancel Prior Year Reconciling Items	4,686.22	
	\$ 73,859,506.04	
Balance December 31, 2014	A	\$ 11,575,695.56

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2014 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Trans- ferred to Tax Title Liens	Balance
	Dec. 31, 2013		2013	2014				Dec. 31, 2014
2013	\$ 296,681.05			\$ 297,413.38	\$ (750.00)	\$ 1.88		\$ 15.79
2014		\$ 61,346,258.34	\$ 358,438.02	60,422,110.03	91,831.51	53,884.94	\$ 3,157.73	416,836.11
	<u>\$ 296,681.05</u>	<u>\$ 61,346,258.34</u>	<u>\$ 358,438.02</u>	<u>\$ 60,719,523.41</u>	<u>\$ 91,081.51</u>	<u>\$ 53,886.82</u>	<u>\$ 3,157.73</u>	<u>\$ 416,851.90</u>
Ref.	A							A

Analysis of 2014 Property Tax Levy

General Purpose Tax	\$ 60,987,611.89
Added Taxes (54:4-63.1 et seq.)	358,646.45
	<u>\$ 61,346,258.34</u>
Tax Levy:	
Local School District Taxes	\$ 37,483,335.00
County Taxes:	
County Taxes	9,248,811.95
Due County for Added and Omitted Taxes	54,478.03
	<u>9,303,289.98</u>
Local Tax for Municipal Purposes	12,449,461.81
Municipal Library Taxes	1,187,927.19
Municipal Open Space Taxes	617,422.39
Add: Additional Open Space - Municipal	3,814.79
Add: Additional Tax Levied	301,007.18
	<u>14,559,633.36</u>
	<u>\$ 61,346,258.34</u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 27,035.90
Increased by:		
Transferred From Taxes Receivable		<u>3,157.73</u>
Balance December 31, 2014	A	<u>\$ 30,193.63</u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Accrued</u> <u>in 2014</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Borough Clerk:				
ABC Licenses		\$ 31,814.60	\$ 31,814.60	
Other		29,827.50	29,827.50	
Fees and Permits		315,987.20	315,987.20	
Municipal Court	\$ 15,186.14	195,261.13	200,268.04	\$ 10,179.23
Interest and Costs on Taxes		82,489.71	82,489.71	
Parking Meters		84,618.16	84,618.16	
Interest on Investments and Deposits		14,600.38	14,600.38	
Police Burglar Alarms		19,960.00	19,960.00	
Cablevision Franchise Fee		204,509.60	204,509.60	
Sewer Fees on Tax Exempt Properties		279,617.00	279,617.00	
Consolidated Municipal Property Tax Relief Aid		78,975.00	78,975.00	
Energy Receipts Tax		729,554.00	729,554.00	
Uniform Construction Code Fees		624,523.00	624,523.00	
Intermunicipal Health Contracts for Local Community				
Health Services		285,299.00	285,299.00	
Intermunicipal Agreements for "Southeast Morris Project Community Pride"		26,875.00	26,875.00	
Inter-Municipal Contract for Tax Assessor Services		93,800.00	93,800.00	
Inter-Municipal Contract for Joint Court Agreement		546,596.00	546,596.00	
Utility Operating Surplus of Prior Years - Electric		5,796,000.00	5,796,000.00	
Payment in Lieu of Taxes on Exempt Property - Madison				
Housing Authority		105,210.00	105,210.00	
Life Hazard User Fees		67,961.69	67,961.69	
Madison Cell Tower Lease		289,720.55	289,720.55	
Utility Operating Surplus of Prior Years - Water Utility		450,000.00	450,000.00	
Rosenet User Fees		6,000.00	6,000.00	
Bond Anticipation Note Premium		50,000.00	50,000.00	
Sewer Connection Fees		74,262.00	74,262.00	
Recreation Fees		27,810.00	27,810.00	
General Capital Fund Balance		1,460,000.00	1,460,000.00	
	<u>\$ 15,186.14</u>	<u>\$11,971,271.52</u>	<u>\$11,976,278.43</u>	<u>\$ 10,179.23</u>

Ref.

A

A

Cash Receipt	\$11,975,888.43
Due from Other Trust Funds:	
Parking Meters	390.00
	<u>\$11,976,278.43</u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Balance After Modi- fication	Paid or Charged	Balance Lapsed
General Administration:				
Salaries and Wages	\$ 804.99	\$ 804.99		\$ 804.99
Other Expenses	3,228.84	3,228.84	\$ 115.74	3,113.10
Municipal Support:				
Salaries and Wages	1,274.82	1,274.82		1,274.82
Other Expenses	6,449.78	6,449.78	1,632.57	4,817.21
Human Resources:				
Salaries and Wages	43,929.77	43,929.77		43,929.77
Other Expenses	12,429.34	12,429.34	607.90	11,821.44
Mayor and Council:				
Salaries and Wages	903.77	903.77		903.77
Other Expenses	6,700.01	6,700.01	1,560.00	5,140.01
Borough Clerk:				
Salaries and Wages	281.44	281.44		281.44
Other Expenses	16,972.13	16,972.13	1,107.05	15,865.08
Financial Administration (Treasury):				
Salaries and Wages	7,330.24	7,330.24		7,330.24
Other Expenses	4,323.38	4,323.38	2,174.43	2,148.95
Elections:				
Other Expenses	3,591.42	3,591.42		3,591.42
Audit Services:				
Other Expenses	35,025.00	35,025.00	29,000.00	6,025.00
Revenue Administration (Tax Collection):				
Salaries and Wages	2,033.10	2,033.10		2,033.10
Other Expenses	1,857.50	1,857.50	280.43	1,577.07
Tax Assessment Administration:				
Other Expenses	16,773.13	16,773.13	1,306.66	15,466.47
Legal Services and Costs:				
Other Expenses	60,588.10	60,588.10	19,436.50	41,151.60
Engineering Services:				
Salaries and Wages	16,046.61	16,046.61	2,432.50	13,614.11
Other Expenses	9,740.04	9,740.04	1,487.55	8,252.49
Environmental Commission:				
Other Expenses	175.00	175.00		175.00
Downtown Development Commission:				
Salaries and Wages	0.12	0.12		0.12
Other Expenses	2,823.61	2,823.61	396.77	2,426.84
Historic Preservation:				
Other Expenses	2,635.00	2,635.00	170.00	2,465.00
Planning Board:				
Salaries and Wages	1,508.58	1,508.58		1,508.58
Other Expenses	49,007.48	49,007.48	3,014.03	45,993.45
Zoning Board of Adjustment:				
Salaries and Wages	28.35	28.35		28.35
Other Expenses	26,508.98	26,508.98	5,869.15	20,639.83
Police and Fire Building:				
Other Expenses	12,000.08	12,000.08	9,949.43	2,050.65

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014

(Continued)

	Balance Dec. 31, 2013	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Police:				
Salaries & Wages	\$ 107,528.87	\$ 107,528.87	\$ 1,361.25	\$ 106,167.62
Other Expenses	57,811.16	57,811.16	27,203.81	30,607.35
Project Community Pride:				
Other Expenses	9,830.84	9,830.84	682.40	9,148.44
Emergency Management:				
Other Expenses	8,743.10	8,743.10	581.85	8,161.25
Fire Department:				
Salaries & Wages	32,445.27	32,445.27		32,445.27
Other Expenses	17,159.12	17,159.12	15,898.06	1,261.06
Public Works:				
Salaries and Wages	186,912.60	186,912.60		186,912.60
Other Expenses	103,300.32	103,300.32	55,883.29	47,417.03
Sewer Department:				
Salaries and Wages	4,034.01	4,034.01		4,034.01
Other Expenses	49,945.54	49,945.54	11,053.07	38,892.47
Shade Tree Authority:				
Other Expenses	8,969.37	8,969.37	733.70	8,235.67
Garbage Removal:				
Other Expense	484,564.15	484,564.15	345,161.34	139,402.81
Public Building & Grounds:				
Salaries & Wages	6,400.12	6,400.12		6,400.12
Other Expenses	29,003.12	29,003.12	11,114.36	17,888.76
Vehicle Maintenance:				
Salaries and Wages	2,988.30	2,988.30		2,988.30
Other Expenses	69,462.65	69,462.65	18,892.85	50,569.80
Board of Health:				
Salaries & Wages	1,500.00	1,500.00		1,500.00
Other Expenses	22,221.11	22,221.11	6,794.41	15,426.70
Animal Control Services:				
Salaries and Wages	581.00	581.00		581.00
Other Expenses	7,987.18	7,987.18	296.46	7,690.72
Civic Center:				
Other Expenses	6,710.02	6,710.02	2,606.83	4,103.19
Recreation & Playgrounds:				
Salaries & Wages	25,999.60	25,999.60		25,999.60
Other Expenses	5,475.40	5,475.40	70.00	5,405.40
Senior Citizens Programs:				
Salaries & Wages	2,297.75	2,297.75		2,297.75
Other Expenses	5,028.74	5,028.74	2,115.75	2,912.99
Parks Commission:				
Other Expenses	2,052.06	2,052.06	698.25	1,353.81
Celebration of Public Events, Anniversary or Holiday:				
Other Expenses	8,182.75	8,182.75	3,190.90	4,991.85
Municipal Court:				
Salaries and Wages	14,742.92	14,742.92		14,742.92
Other Expenses	36,364.68	36,364.68	11,375.34	24,989.34

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Insurance:				
General Liability	\$ 57,860.15	\$ 57,860.15	\$ 21,754.10	\$ 36,106.05
Workers Compensation Insurance	44,000.00	44,000.00		44,000.00
Employee Group Health	225,875.15	225,875.15	8,695.16	217,179.99
State Uniform Construction Code:				
Salaries and Wages	37,511.57	37,511.57		37,511.57
Other Expenses	16,246.31	16,246.31	8,577.79	7,668.52
Utility Expenses:				
Electricity	32,771.30	32,771.30	23,168.08	9,603.22
Telephone	29,049.34	29,049.34	5,543.63	23,505.71
Natural Gas	37,394.48	37,394.48	17,838.04	19,556.44
Sewerage Processing and Disposal	2,700.00	2,700.00		2,700.00
Gasoline	112,655.70	112,655.70	24,549.50	88,106.20
Contingent	59,833.94	59,833.94	35,439.49	24,394.45
Public Employees' Retirement System	19,929.17	19,929.17	4,435.70	15,493.47
Social Security	21,953.37	21,953.37		21,953.37
Police and Firemen's Retirement System of New Jersey	10,285.00	10,285.00		10,285.00
	<u>\$ 2,371,277.84</u>	<u>\$ 2,371,277.84</u>	<u>\$ 746,256.12</u>	<u>\$ 1,625,021.72</u>
		<u>Ref.</u>		
Unencumbered		A	\$ 1,447,311.60	
Encumbered		A	923,966.24	
			<u>\$ 2,371,277.84</u>	

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2014

Increased by:

Levy - Calendar Year 2014	\$ 37,483,335.00
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Decreased by:

Payments to Local School District	\$ 37,483,334.73	
Cancellation of Local School District Taxes Payable	<u>0.27</u>	
		<u>\$ 37,483,335.00</u>

BOROUGH OF MADISON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

	Balance Dec. 31, 2013	Budget Revenue Realized	Cash Received	Transferred from Unappropriated Reserves	Balance Dec. 31, 2014
Municipal Alliance Program:					
2009	\$ 570.00				\$ 570.00
2010	2,786.29				2,786.29
2012	358.81				358.81
2013	1,514.00	\$ 8,137.00	\$ 9,651.00		
2014		3,637.00			3,637.00
MAASA Supplemental - County:					
2013	1,254.52		754.50		500.02
2014		2,000.00			2,000.00
Clean Communities Grant - 2013		26,245.22		\$ 26,245.22	
Body Armor Grant - 2013		3,582.46		3,582.46	
Alcohol Education and Rehabilitation Grant - 2013		422.20		422.20	
Recycling Tonnage Grant - 2013		23,513.47		23,513.47	
New Jersey Department of Health and Senior Services Grant - 2006	10,105.00				10,105.00
Community Stewardship Incentive Program Grant - 2008	3,750.00				3,750.00
COPS in Schools (CIS) Alcohol Grant - 2013		2,000.00		2,000.00	
Bulletproof Vest Partnership - 2011	12,090.00		1,163.78		10,926.22
Smart Growth Planning Grant - 2011	6,000.00				6,000.00
Shade Tree Management Grant - 2011	7,000.00				7,000.00
Madison Main Street Foundation Grant	25,000.00	110,000.00	65,341.01		69,658.99
Green Communities Grant		1,986.20		1,986.20	
FY 2013 Assistance to Firefighter Grant		125,400.00	125,400.00		
	<u>\$ 70,428.62</u>	<u>\$ 306,923.55</u>	<u>\$ 202,310.29</u>	<u>\$ 57,749.55</u>	<u>\$ 117,292.33</u>

Ref.

A

A

Federal	\$ 126,563.78
State	74,992.01
Local	754.50
	<u>\$ 202,310.29</u>

BOROUGH OF MADISON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Transferred</u> <u>from</u> <u>2014 Budget</u>	<u>Cash</u> <u>Disbursed</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Clean Communities Program:					
2012	\$ 4,804.94		\$ 4,804.94		
2013		\$ 26,245.22	21,410.65		\$ 4,834.57
Recycling Tonnage Grant - 2013		23,513.47	23,513.47		
Alcoholism Education and Rehabilitation Fund:					
2007	934.20				934.20
2008	2,098.55				2,098.55
2009	872.82				872.82
2012	1,241.15				1,241.15
2013		422.20			422.20
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share - 2013	532.76	8,137.00	8,669.76		
State Share - 2014		3,637.00	3,203.38	\$ 433.62	
Borough Share - 2014		2,944.00	2,944.00		
MAASA Supplemental - County:					
Supplemental - 2014		2,000.00	537.80		1,462.20
COPS in Schools (CIS) Alcohol Grant:					
2012	1,600.00		1,600.00		
2013		2,000.00	400.00		1,600.00
Body Armor Grant:					
2012	113.67		113.67		
2013		3,582.46	2,213.88		1,368.58
Local Public Health Emergency Response H1N1 Grant					
2009	163.63				163.63
2011	124.25				124.25
State Forestry Services Grant	6,620.00				6,620.00
Bulletproof Vest Partnership - 2012	8,265.00		5,334.90		2,930.10
Smart Growth Planning Grant	900.00				900.00
Shade Tree Management Grant	380.00				380.00

BOROUGH OF MADISON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2013	Transferred from 2014 Budget	Cash Disbursed	Accounts Payable	Balance Dec. 31, 2014
Sustainable Jersey Grant - 2012	\$ 2,000.00				\$ 2,000.00
Madison Main Street Foundation Grant:					
2013	25,000.00		\$ 25,000.00		
2014		\$ 110,000.00	60,853.23	\$ 1,758.00	47,388.77
FY 2013 Assistance to Firefighter Grant		125,400.00	125,400.00		
Green Communities Grant		1,986.20			1,986.20
	<u>\$ 55,650.97</u>	<u>\$ 309,867.55</u>	<u>\$ 285,999.68</u>	<u>\$ 2,191.62</u>	<u>\$ 77,327.22</u>
<u>Ref.</u>	A				A
Federal Grants		\$ 2,000.00	\$ 7,334.90		
State Grants		192,923.55	214,329.75	\$ 433.62	
Local Grants		112,000.00	61,391.03	1,758.00	
Local Matching Funds		2,944.00	2,944.00		
		<u>\$ 309,867.55</u>	<u>\$ 285,999.68</u>	<u>\$ 2,191.62</u>	

BOROUGH OF MADISON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>to Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Alcohol Education and Rehabilitation Fund:				
2013	\$ 422.20		\$ 422.20	
2014		\$ 1,181.60		\$ 1,181.60
Clean Communities Grant:				
2013	26,245.22		26,245.22	
2014		24,613.25		24,613.25
Recycling Tonnage Grant:				
2013	23,513.47		23,513.47	
2014		37,247.19		37,247.19
Body Armor Grant:				
2013	3,582.46		3,582.46	
2014		2,693.13		2,693.13
Over the Limit, Under Arrest Grant:				
2014		3,400.00		3,400.00
COPS in Schools (CIS) Alcohol Grant:				
2013	2,000.00		2,000.00	
2014		2,000.00		2,000.00
Green Communities Grant	<u>1,986.20</u>		<u>1,986.20</u>	
	<u>\$ 57,749.55</u>	<u>\$ 71,135.17</u>	<u>\$ 57,749.55</u>	<u>\$ 71,135.17</u>
<u>Ref.</u>	A			A
		Federal	\$ 5,400.00	
		State	<u>65,735.17</u>	
			<u>\$ 71,135.17</u>	

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
TRUST FUNDS

BOROUGH OF MADISON
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	Ref.	<u>Animal Control Fund</u>	<u>Open Space Trust Fund</u>
Balance December 31, 2013	B	\$ 63,401.53	\$ 231,490.52
Increased by Receipts:			
Borough Dog License Fees		\$ 16,966.60	
Prepaid Borough Dog License Fees		5,161.20	
State Dog License Fees		1,753.20	
Other Dog/Cat License Fees		5,138.00	
Open Space Tax Levy			\$ 617,422.39
Open Space Receipts:			
Madison Athletic Donations			150,000.00
Other Open Space Receipts			129,886.46
Investment Interest Earned		76.12	368.83
		<u>29,095.12</u>	<u>897,677.68</u>
		92,496.65	1,129,168.20
Decreased by Disbursements:			
State Board of Health		1,847.40	
Expenditures Under R.S. 4:19-15.11		3,298.94	
Open Space Expenditures			109,893.53
Open Space Debt Service			583,830.00
Due Current Fund:			
Interfund Returned		33,264.93	
Due to General Capital Fund:			
Prior Year Interfund Returned			119,772.58
		<u>38,411.27</u>	<u>813,496.11</u>
Balance December 31, 2014	B	<u>\$ 54,085.38</u>	<u>\$ 315,672.09</u>

BOROUGH OF MADISON
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Other Trust Funds</u>
Balance December 31, 2013	B	\$ 1,473,888.86
Increased by Receipts:		
Due Current Fund		
Interfund Advanced	\$	274.00
Deposit in Error - Parking Meter		390.00
Deposit in Error - Miscellaneous Revenue		1,254.87
Due from General Capital Fund - Fire Department Trust:		
Prior Year Interfund Returned		90.25
Due to State of New Jersey:		
Marriage License Fees		2,125.00
Construction Code Surcharge Fees		48,494.00
Interest Earned in Unemployment Insurance		107.81
Reserve for Unemployment Insurance		65,506.43
Reserve for Special Funds		1,995,622.13
Investment Interest Earned Due Current Fund		708.80
		<u>2,114,573.29</u>
		<u>3,588,462.15</u>
Decreased by Disbursements:		
Due to Current Fund:		
Prior Year Interfund Returned		21,504.33
Due to State of New Jersey:		
Marriage License Fees		2,405.00
Construction Code Surcharge Fees		50,255.00
Reserve for Unemployment Insurance		41,982.38
Reserve for Special Funds		1,627,688.43
		<u>1,743,835.14</u>
Balance December 31, 2014	B	<u><u>\$ 1,844,627.01</u></u>

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2013	B		\$ 25,120.00
Increased by:			
Dog License Fees		\$ 16,966.60	
Other Fees		5,138.00	
Interest Earned		76.12	
Prior Year Prepaid Licenses		<u>4,443.60</u>	
			<u>26,624.32</u>
			51,744.32
Decreased by:			
Statutory Excess - Due Current Fund			17,340.18
Animal Control Fund Expenditures			<u>3,298.94</u>
Balance December 31, 2014	B		<u><u>\$ 31,105.20</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 11,688.60
2013	<u>19,416.60</u>
Maximum Allowable Reserve	<u><u>\$ 31,105.20</u></u>

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
GENERAL CAPITAL FUND

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 3,526,188.79
Increased by Receipts:		
Current Fund Appropriations:		
Capital Improvement Fund	\$ 3,500,000.00	
Due from Open Space Trust Fund:		
Prior Year Interfund Returned	119,772.58	
Serial Bonds Issued	14,610,000.00	
Bond Anticipation Notes Issued	1,685,000.00	
Bond Anticipation Notes Premium	7,009.60	
Grant Funds Received on Fully Funded		
Improvement Authorizations:		
New Jersey Department of Transportation Grants	212,519.90	
Contribution Received on Fully Funded Improvement		
Authorization - Madison YMCA	95,473.60	
Interest on Investments Due to Current Fund	1,425.47	
Improvement Authorization Refunds	36,756.25	
	20,267,957.40	20,267,957.40
		23,794,146.19
Decreased by Disbursements:		
Due to Current Fund:		
Anticipated Revenue:		
General Capital Fund Balance	1,460,000.00	
Bond Anticipation Notes Premium	50,000.00	
Prior Year Interfund Returned	238.43	
Due to Other Trust Funds:		
Fire Department Trust Fund:		
Prior Year Interfund Returned	90.25	
Bond Anticipation Notes Matured	1,685,000.00	
Improvement Authorization Expenditures	16,703,700.35	
Prior Year Encumbrances Liquidated	335,403.81	
	20,234,432.84	20,234,432.84
Balance December 31, 2014	C	\$ 3,559,713.35

BOROUGH OF MADISON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2013	Receipts				Disbursements				Balance (Deficit) Dec. 31, 2014	
		Serial Bonds Payable	Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	Transfers		
									From		To
Fund Balance	\$ 1,595,664.04				\$ 7,009.60		\$ 1,460,000.00	\$ 59,031.00	\$ 143,865.37	\$ 227,508.01	
Capital Improvement Fund	539,175.78			\$ 3,500,000.00	307,993.50			3,468,000.00	53,788.10	932,957.38	
Due Current Fund	341.45				1,425.47			238.43	69,029.56	(67,501.07)	
Due Other Trust Fund - Fire Department Trust	90.25							90.25			
Due Other Trust Fund - Open Space	(133,632.55)				119,772.58					(13,859.97)	
Morris County Community Development	(32,475.00)								32,475.00		
Transportation Enhancement Grant	(26,556.00)								26,556.00		
Hartley Dodge Memorial Trustees	(150,045.20)								150,045.20		
Reserve for Bond Anticipation Note Premium	184,405.22						50,000.00	134,405.22			
Reserve for Encumbrances	529,809.52						335,403.81	142,528.99	356,139.38	408,016.10	
Reserve for Receivable	9,000.00							9,000.00			
Amount Due to Museum of Early Trades and Crafts	19,086.26									19,086.26	

Ord. Number	Improvement Description									
42-05; 58-08	Various Public Improvements and Acquisition of New Fire Engines, Including Original Apparatus and Equipment	159,495.06		19,820.00	\$	80,759.39		154,437.20	84,567.03	28,685.50
26-07; 66-07; 44-10	Assessment of HVAC, Bathroom Repairs, New Book Stack, Interior Signage, Reupholster Chairs, Drainage Ditch Stabilization, Design Work, and Parking Lot at Library	14,625.00				8,715.00				5,910.00
73-08; 49-09	Acquisition of Real Property for Open Space Preservation and Recreation Purposes	1,353.08				1,108.60		244.48		
28-09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	(9,700.00)								(9,700.00)
38-10	Rehabilitation of North Street Pump Station	7,454.33				10,143.88		11,023.65	48,197.72	34,484.52
02-11	Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center	215.67			\$ 1,685,000.00		\$ 1,685,000.00	215.67		
27-11	Abatement Project at the Madison Public Library Technical Services Department	17,851.40				5,520.15			4,370.60	16,701.85
18-12	Improvements to North Street Pump Station	433,785.15				5,938.81				427,846.34
19-12	Improvements to Candle Wood Pump Station	76,266.69				36,170.00			1,061.25	41,157.94
20-12	Improvements to Treadwell Pump Station	31,581.40				28,834.03				2,747.37
39-12	HVAC Units at the Madison Public Library	46,000.00				46,000.00				
06-13	Study the Madison Public Library HVAC System	12,500.00				13,577.39		3,255.00	4,332.39	
14-13	Purchase of a Police Vehicle and Accessories	309.64						309.64		
18-13	Reconstruction of Green Avenue (Woodland to Shunpike)	14,741.00		16,936.25		29,906.40		1,770.85		
19-13	Replacement of Breathing Air Compressor and Cascade Cylinders	5,176.00						5,176.00		
20-13	Purchase of Four New Sets of Firefighter Turnout Gear	50.60						50.60		
21-13	Radio Consultant									
26-13; 31-13	Remediation and Safety Improvements to the Bayley Ellard Fields	54,550.00				20,164.50		2,190.00		32,195.50
34-13;										
32-14	Repair of the East Street Parking Lot	100,000.00				119,799.44		200.56	20,000.00	
38-13	Improvements to the Police Department Impound Garage	70.00						70.00		
44-13	Repairs to the Public Library Roof	25,000.00								25,000.00

BOROUGH OF MADISON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. Number	Improvement Description	Balance (Deficit) Dec. 31, 2013	Receipts				Disbursements				Balance (Deficit) Dec. 31, 2014	
			Serial Bonds Payable	Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	Transfers		
										From		To
02-14	2014 Roadway Reconstructon Program					\$ 1,122,166.31			\$ 221,145.93	\$1,660,000.00	\$ 316,687.76	
05-14	Replacement of the Department of Public Works Boiler					15,550.34			449.66	16,000.00		
08-14	Purchase of Pickup Truck					56,214.62				57,000.00	785.38	
09-14	Purchase of Four Sets of Turnout Gear					1,280.00			9,674.40	11,000.00	45.60	
19-14	Purchase of a Lift Replacement for the Dept of Public Works					5,886.52			81,113.48	160,000.00	73,000.00	
20-14	Purchase of a Pole Barn for Storage					29,637.74			362.26	30,000.00		
21-14	Purchase of a Loader for the Department of Public Works					135,524.57			24,475.43	160,000.00		
22-14	Replacement of the Civic Center Floor					6,028.50			1,971.50	8,000.00		
23-14	Replacement of the HVAC System and Miscellaneous Repairs and Improvements at the Madison Public Library									450,000.00	450,000.00	
25-14	Purchasae of a Records Management System (RMS) and Computer Assisted Dispatch (CAD) System									33,000.00	33,000.00	
26-14	Purchase of a Police Vehicle and Related Equipment					29,370.10			629.90	30,000.00		
27-14	Purchase of Police Video Surveillance Equipment									6,000.00	6,000.00	
28-14	Purchase of Portable Surveillance Equipment					1,751.74			248.26	2,000.00		
29-14	Purchase of New Sump Pumps for the Sewer Department									60,000.00	60,000.00	
30-14	Sewer Pump Station Upgrades									40,000.00	40,000.00	
33-14	Sewer Lining Improvements						310.83			150,000.00	149,689.17	
34-14	Emergent Storm Sewer Construction on Madison Avenue Between Loantaka Terrace and Vinal Place						57,500.00		17,500.00	75,000.00		
35-14	Signalization Improvements						26,206.00		3,794.00	30,000.00		
36-14	Milling and Overlay of Various Streets						175,211.49		11,788.51	200,000.00	13,000.00	
40-14	Purchase of 24 New Self Contained Breathing Apparatus						24,424.00		576.00	25,000.00		
47-14	Refunding Bond Ordinance		\$ 14,610,000.00				14,610,000.00			69,029.56	69,029.56	
51-14	Accessible Ramp Improvements at the Hartley Dodge Memorial								7,759.85	45,000.00	37,240.15	
52-14	Waverly Green Parking Lot Improvements Project									200,000.00	200,000.00	
		<u>\$ 3,526,188.79</u>	<u>\$ 14,610,000.00</u>	<u>\$ 1,685,000.00</u>	<u>\$ 3,500,000.00</u>	<u>\$ 472,957.40</u>	<u>\$ 16,703,700.35</u>	<u>\$ 1,685,000.00</u>	<u>\$ 1,845,732.49</u>	<u>\$ 4,442,427.60</u>	<u>\$ 4,442,427.60</u>	<u>\$ 3,559,713.35</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Serial Bonds Issued	Notes Paid by Reserve for Open Space	Balance Dec. 31, 2014	Analysis of Balance Dec. 31, 2014		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
28-09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	\$ 181,068.00				\$ 181,068.00		\$ 9,700.00	\$ 171,368.00
02-11	Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center	1,900,000.00			\$ 215,000.00	1,685,000.00	\$ 1,685,000.00		
47-14	Refunding Bond Ordinance		\$ 17,500,000.00	\$ 14,610,000.00		2,890,000.00			2,890,000.00
53-14	Rehabilitation of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility		2,166,000.00			2,166,000.00			2,166,000.00
		<u>\$ 2,081,068.00</u>	<u>\$ 19,666,000.00</u>	<u>\$ 14,610,000.00</u>	<u>\$ 215,000.00</u>	<u>\$ 6,922,068.00</u>	<u>\$ 1,685,000.00</u>	<u>\$ 9,700.00</u>	<u>\$ 5,227,368.00</u>
	<u>Ref.</u>	C				C			

Analysis of Unexpended Improvement Authorizations:
Improvement Authorizations - Unfunded

\$ 5,227,368.00
\$ 5,227,368.00

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations		Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2014	
	Number	Amount	Funded	Unfunded	Capital	Deferred Charges				Funded	Unfunded
					Improvement Fund	To Future Tax-ation Unfunded					
Various Public Improvements and Acquisition of New Fire Engines, Including Original Apparatus and Equipment	42-05; 58-08	\$ 23,367,000.00	\$ 159,495.06				\$ 84,567.03	\$ 65,331.39	\$ 150,045.20	\$ 28,685.50	
Assessment of HVAC, Bathroom Repairs, New Book Stack, Interior Signage, Reupholster Chairs, Drainage Ditch Stabilization, Design Work, and Parking Lot and Sidewalk Improvements at Library	26-07; 66-07; 44-10	142,000.00	14,625.00					8,715.00			5,910.00
Acquisition of Real Property for Open Space Preservation and Recreation Purposes	73-08; 49-09	12,800,000.00	1,353.08					1,108.60	244.48		
Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	28-09	2,161,500.00		\$ 171,368.00							\$ 171,368.00
Rehabilitation of North Street Pump Station	38-10	500,000.00	7,454.33				48,197.72	21,167.53			34,484.52
Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center	02-11	3,500,000.00		215.67					215.67		
Abatement Project at the Madison Public Library Technical Services Department	27-11	30,000.00	17,851.40				4,370.60	5,520.15			16,701.85
Improvements to North Street Pump Station	18-12	485,000.00	433,785.15					5,938.81			427,846.34
Improvements to Candle Wood Pump Station	19-12	150,000.00	76,266.69				1,061.25	36,170.00			41,157.94
Improvements to Treadwell Pump Station	20-12	100,000.00	31,581.40					28,834.03			2,747.37
HVAC Units at the Madison Public Library	39-12	46,000.00	46,000.00					46,000.00			
Study the Madison Public Library HVAC System	06-13	35,000.00	12,500.00				4,332.39	16,832.39			
Purchase of a Police Vehicle and Accessories	14-13	50,000.00	309.64						309.64		
Reconstruction of Green Avenue (Woodland to Shunpike)	18-13	630,000.00	14,741.00					12,970.15	1,770.85		
Replacement of Breathing Air Compressor and Cascade Cylinders	19-13	40,000.00	5,176.00						5,176.00		
Purchase of Four New Sets of Firefighter Turnout Gear	20-13	11,000.00	50.60						50.60		
Remediation and Safety Improvements to the Bayley Ellard Fields	26-13; 31-13	350,000.00	54,550.00					22,354.50			32,195.50
Repair of the East Street Parking Lot	34-13; 32-14	120,000.00	100,000.00			\$ 20,000.00		119,802.00	198.00		
Improvements to the Police Department Impound Garage	38-13	25,000.00	70.00						70.00		
Repairs to the Public Library Roof	44-13	29,000.00	25,000.00								25,000.00
2014 Roadway Reconstruction Program	02-14	1,660,000.00				1,660,000.00		1,343,312.24			316,687.76
Replacement of the Department of Public Works Boiler	05-14	16,000.00				16,000.00		15,550.34	449.66		
Purchase of Pickup Truck	08-14	57,000.00				57,000.00		56,214.62			785.38
Purchase of Four Sets of Turnout Gear	09-14	11,000.00				11,000.00		10,954.40			45.60
Purchase of a Lift Replacement for the Dept. of Public Works	19-14	160,000.00				160,000.00		87,000.00			73,000.00
Purchase of a Pole Barn for Storage	20-14	30,000.00				30,000.00		29,637.74	362.26		
Purchase of a Loader for the Department of Public Works	21-14	160,000.00				160,000.00		135,524.57	24,475.43		
Replacement of the Civic Center Floor	22-14	8,000.00				8,000.00		6,028.50	1,971.50		
Replacement of the HVAC System and Miscellaneous Repairs and Improvements at the Madison Public Library	23-14	450,000.00				450,000.00					450,000.00
Purchase of a Records Management System (RMS) and Computer Assisted Dispatch (CAD) System	25-14	33,000.00				33,000.00					33,000.00

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations		Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2014	
	Number	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges To Future Taxation Unfunded				Funded	Unfunded
Purchase of a Police Vehicle and Related Equipment	26-14	\$ 30,000.00			\$ 30,000.00			\$ 29,370.10	\$ 629.90		
Purchase of Police Video Surveillance Equipment	27-14	6,000.00			6,000.00					\$ 6,000.00	
Purchase of Portable Surveillance Equipment	28-14	2,000.00			2,000.00			1,751.74	248.26		
Purchase of New Sump Pumps for the Sewer Department	29-14	60,000.00			60,000.00					60,000.00	
Sewer Pump Station Upgrades	30-14	40,000.00			40,000.00					40,000.00	
Sewer Lining Improvements	33-14	150,000.00			150,000.00			310.83		149,689.17	
Emergent Storm Sewer Construction on Madison Avenue Between Loantaka Terrace and Vinal Place	34-14	75,000.00			75,000.00			57,500.00	17,500.00		
Signalization Improvements	35-14	30,000.00			30,000.00			30,000.00			
Milling and Overlay of Various Streets	36-14	200,000.00			200,000.00			187,000.00		13,000.00	
Purchase of 24 New Self Contained Breathing Apparatus	40-14	25,000.00			25,000.00			24,424.00	576.00		
Refunding Bond Ordinance	47-14	17,500,000.00				\$ 17,500,000.00		14,540,970.44		69,029.56	\$ 2,890,000.00
Accessible Ramp Improvements at the Hartley Dodge Memorial	51-14	45,000.00			45,000.00			7,759.85		37,240.15	
Waverly Green Parking Lot Improvements Project	52-14	200,000.00			200,000.00					200,000.00	
Rehabilitation of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	53-14	2,166,000.00				2,166,000.00					2,166,000.00
			<u>\$ 1,000,809.35</u>	<u>\$ 171,583.67</u>	<u>\$ 3,468,000.00</u>	<u>\$ 19,666,000.00</u>	<u>\$ 142,528.99</u>	<u>\$ 16,954,053.92</u>	<u>\$ 204,293.45</u>	<u>\$ 2,063,206.64</u>	<u>\$ 5,227,368.00</u>

Ref. C C C C

Capital Improvement Fund \$ 53,788.10
 Capital Fund Balance 460.15
 Hartley Dodge Memorial Trustees Receivable 150,045.20
204,293.45

Cash Disbursed \$ 16,703,700.35
 Current Year Encumbrances 356,139.38
 Less: Improvement Authorization Refunds:
 Cash Received (36,756.25)
 Due from Current Fund (69,029.56)
\$ 16,954,053.92

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 539,175.78
Increased By:		
Improvement Authorizations Cancelled		\$ 53,788.10
Current Fund Budget Appropriation		3,500,000.00
Grant Funds Received on Fully Funded Improvement Authorizations		212,519.90
Contributions Received on Fully Funded Improvement Authorizations		95,473.60
		3,861,781.60
		4,400,957.38
Decreased By:		
Appropriation to Finance Improvement Authorizations		3,468,000.00
		3,468,000.00
Balance December 31, 2014	C	\$ 932,957.38

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Balance Dec. 31, 2014
		Original Issue	Issue	Maturity					
02-11	Installation of Synthetic Turf Athletic Fields	06/20/11	08/15/13	08/15/14	1.00%	\$ 1,900,000.00		\$ 1,900,000.00	
		06/20/11	08/15/14	08/14/15	1.00%		\$ 1,685,000.00		\$ 1,685,000.00
						<u>\$ 1,900,000.00</u>	<u>\$ 1,685,000.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 1,685,000.00</u>
					<u>Ref.</u>	C			C
					Renewals		\$ 1,685,000.00	\$ 1,685,000.00	
					Funded by Open Space Trust Fund:				
					Paid by Cash			215,000.00	
							<u>\$ 1,685,000.00</u>	<u>\$ 1,900,000.00</u>	

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Issue	Maturities of Bonds Outstanding Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Issued	Matured	Balance Dec. 31, 2014
			Date	Amount					
General Improvement	10/15/08	\$ 26,321,000.00	10/15/15	\$ 1,210,000.00	4.50%	\$ 21,386,000.00		\$ 16,236,000.00	\$ 5,150,000.00
			10/15/16	1,260,000.00	4.50%				
			10/15/17	1,310,000.00	4.50%				
			10/15/18	1,370,000.00	4.625%				
General Improvement	08/15/13	4,151,000.00	08/15/15-18	230,000.00	2.00%	4,151,000.00		230,000.00	3,921,000.00
			08/15/19-26	230,000.00	3.00%				
			08/15/27	230,000.00	3.25%				
			08/15/28	218,000.00	3.25%				
			08/15/29	145,000.00	3.50%				
			08/15/30-31	145,000.00	3.75%				
			08/15/32	145,000.00	4.00%				
			08/15/33	133,000.00	4.00%				
Refunding Bonds	12/04/14	14,610,000.00	10/15/15	55,000.00	2.00%				
			10/15/19	1,380,000.00	5.00%				
			10/15/20	1,450,000.00	5.00%				
			10/15/21-22	1,475,000.00	5.00%				
			10/15/23-24	1,470,000.00	5.00%				
			10/15/25-26	1,465,000.00	5.00%				
			10/15/27	1,460,000.00	4.50%				
			10/15/28	1,445,000.00	4.50%				
							<u>\$ 14,610,000.00</u>		<u>14,610,000.00</u>
						<u>\$ 25,537,000.00</u>	<u>\$ 14,610,000.00</u>	<u>\$ 16,466,000.00</u>	<u>\$ 23,681,000.00</u>
		<u>Ref.</u>				C			C
							Matured	\$ 1,390,000.00	
							Defeased	<u>15,076,000.00</u>	
								<u>\$ 16,466,000.00</u>	

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

	<u>Ref.</u>	<u>Trust Loan</u>	<u>Fund Loan</u>
Balance December 31, 2013	C	\$ 436,251.78	\$ 408,365.69
Decreased by:			
Loans Paid by Operating Budget		<u>18,744.46</u>	<u>25,311.21</u>
Balance December 31, 2014	C	<u>\$ 417,507.32</u>	<u>\$ 383,054.48</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2010A LOAN #S340715-04B
TRUST LOAN OUTSTANDING DECEMBER 31, 2014

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 340,000.00
10	2/1/15	\$ 7,087.50		340,000.00
11	8/1/15	7,087.50	\$ 15,000.00	325,000.00
12	2/1/16	6,712.50		325,000.00
13	8/1/16	6,712.50	15,000.00	310,000.00
14	2/1/17	6,337.50		310,000.00
15	8/1/17	6,337.50	20,000.00	290,000.00
16	2/1/18	5,837.50		290,000.00
17	8/1/18	5,837.50	20,000.00	270,000.00
18	2/1/19	5,337.50		270,000.00
19	8/1/19	5,337.50	20,000.00	250,000.00
20	2/1/20	4,937.50		250,000.00
21	8/1/20	4,937.50	20,000.00	230,000.00
22	2/1/21	4,437.50		230,000.00
23	8/1/21	4,437.50	20,000.00	210,000.00
24	2/1/22	4,137.50		210,000.00
25	8/1/22	4,137.50	25,000.00	185,000.00
26	2/1/23	3,637.50		185,000.00
27	8/1/23	3,637.50	25,000.00	160,000.00
28	2/1/24	3,137.50		160,000.00
29	8/1/24	3,137.50	25,000.00	135,000.00
30	2/1/25	2,637.50		135,000.00
31	8/1/25	2,637.50	25,000.00	110,000.00
32	2/1/26	2,137.50		110,000.00
33	8/1/26	2,137.50	25,000.00	85,000.00
34	2/1/27	1,700.00		85,000.00
35	8/1/27	1,700.00	25,000.00	60,000.00
36	2/1/28	1,200.00		60,000.00
37	8/1/28	1,200.00	30,000.00	30,000.00
38	2/1/29	600.00		30,000.00
39	8/1/29	600.00	30,000.00	-0-
		<u>\$ 119,750.00</u>	<u>\$ 340,000.00</u>	

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - 2011 DIRECT LOAN #S340715-04B-1
TRUST LOAN OUTSTANDING DECEMBER 31, 2014

Payment Number	Maturity Date	Interest	Principal	Balance of Loan
				\$ 77,507.32
8	2/1/15	\$ 1,423.30		77,507.32
9	8/1/15	1,423.30	\$ 3,809.24	73,698.08
10	2/1/16	1,385.97		73,698.08
11	8/1/16	1,385.97	3,883.90	69,814.18
12	2/1/17	1,342.08		69,814.18
13	8/1/17	1,342.08	3,971.68	65,842.50
14	2/1/18	1,291.84		65,842.50
15	8/1/18	1,291.84	4,072.16	61,770.34
16	2/1/19	1,234.22		61,770.34
17	8/1/19	1,234.22	4,187.41	57,582.93
18	2/1/20	1,170.57		57,582.93
19	8/1/20	1,170.57	4,314.70	53,268.23
20	2/1/21	1,099.81		53,268.23
21	8/1/21	1,099.81	4,456.22	48,812.01
22	2/1/22	1,021.61		48,812.01
23	8/1/22	1,021.61	4,612.64	44,199.37
24	2/1/23	937.42		44,199.37
25	8/1/23	937.42	4,781.00	39,418.37
26	2/1/24	845.87		39,418.37
27	8/1/24	845.87	4,964.11	34,454.26
28	2/1/25	746.59		34,454.26
29	8/1/25	746.59	5,162.68	29,291.58
30	2/1/26	639.98		29,291.58
31	8/1/26	639.98	5,375.89	23,915.69
32	2/1/27	525.74		23,915.69
33	8/1/27	525.74	5,604.37	18,311.32
34	2/1/28	405.81		18,311.32
35	8/1/28	405.81	5,844.24	12,467.08
36	2/1/29	278.69		12,467.08
37	8/1/29	278.69	6,098.46	6,368.62
38	2/1/30	143.61		6,368.62
39	8/1/30	143.61	6,368.62	-0-
		<u>\$ 28,986.22</u>	<u>\$ 77,507.32</u>	

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

SCHEDULE OF PRINCIPAL PAYMENTS - SERIES 2010 LOAN #S340715-04B
FUND LOAN OUTSTANDING DECEMBER 31, 2014

Payment Number	Maturity Date	Principal	Balance of Loan
			\$ 311,186.50
10	2/1/15	\$ 6,915.25	304,271.25
11	8/1/15	13,830.50	290,440.75
12	2/1/16	6,915.25	283,525.50
13	8/1/16	13,830.50	269,695.00
14	2/1/17	6,915.25	262,779.75
15	8/1/17	13,830.50	248,949.25
16	2/1/18	6,915.25	242,034.00
17	8/1/18	13,830.50	228,203.50
18	2/1/19	6,915.25	221,288.25
19	8/1/19	13,830.50	207,457.75
20	2/1/20	6,915.25	200,542.50
21	8/1/20	13,830.50	186,712.00
22	2/1/21	6,915.25	179,796.75
23	8/1/21	13,830.50	165,966.25
24	2/1/22	6,915.25	159,051.00
25	8/1/22	13,830.50	145,220.50
26	2/1/23	6,915.25	138,305.25
27	8/1/23	13,830.50	124,474.75
28	2/1/24	6,915.25	117,559.50
29	8/1/24	13,830.50	103,729.00
30	2/1/25	6,915.25	96,813.75
31	8/1/25	13,830.50	82,983.25
32	2/1/26	6,915.25	76,068.00
33	8/1/26	13,830.50	62,237.50
34	2/1/27	6,915.25	55,322.25
35	8/1/27	13,830.50	41,491.75
36	2/1/28	6,915.25	34,576.50
37	8/1/28	13,830.50	20,746.00
38	2/1/29	6,915.25	13,830.75
39	8/1/29	13,830.75	-0-
		<u>\$ 311,186.50</u>	

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

SCHEDULE OF PRINCIPAL PAYMENTS - 2011 DIRECT LOAN #S340715-04B-1
FUND LOAN OUTSTANDING DECEMBER 31, 2014

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 71,867.98
8	2/1/15	\$ 1,521.82	70,346.16
9	8/1/15	3,043.64	67,302.52
10	2/1/16	1,521.82	65,780.70
11	8/1/16	3,043.64	62,737.06
12	2/1/17	1,521.82	61,215.24
13	8/1/17	3,043.64	58,171.60
14	2/1/18	1,521.82	56,649.78
15	8/1/18	3,043.64	53,606.14
16	2/1/19	1,521.82	52,084.32
17	8/1/19	3,043.64	49,040.68
18	2/1/20	1,521.82	47,518.86
19	8/1/20	3,043.64	44,475.22
20	2/1/21	1,521.82	42,953.40
21	8/1/21	3,043.64	39,909.76
22	2/1/22	1,521.82	38,387.94
23	8/1/22	3,043.64	35,344.30
24	2/1/23	1,521.82	33,822.48
25	8/1/23	3,043.64	30,778.84
26	2/1/24	1,521.82	29,257.02
27	8/1/24	3,043.64	26,213.38
28	2/1/25	1,521.82	24,691.56
29	8/1/25	3,043.64	21,647.92
30	2/1/26	1,521.82	20,126.10
31	8/1/26	3,043.64	17,082.46
32	2/1/27	1,521.82	15,560.64
33	8/1/27	3,043.64	12,517.00
34	2/1/28	1,521.82	10,995.18
35	8/1/28	3,043.64	7,951.54
36	2/1/29	1,521.82	6,429.72
37	8/1/29	3,043.64	3,386.08
38	2/1/30	1,521.82	1,864.26
39	8/1/30	1,864.26	-0-
		<u>\$ 71,867.98</u>	

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance</u>		<u>Improvement Description</u>	<u>Balance</u>	<u>2014</u>	<u>Bond</u>	<u>Bond</u>	<u>Serial</u>	<u>Notes Paid by</u>	<u>Balance</u>
<u>No.</u>	<u>Date</u>		<u>Dec. 31, 2013</u>	<u>Authorizations</u>	<u>Anticipation</u>	<u>Anticipation</u>	<u>Bonds</u>	<u>Reserve for</u>	<u>Dec. 31, 2014</u>
					<u>Notes Issued</u>	<u>Notes Matured</u>	<u>Issued</u>	<u>Open Space</u>	
28-09	07/16/09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	\$ 181,068.00						\$ 181,068.00
02-11	01/24/11	Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center			\$ 1,685,000.00	\$ 1,900,000.00		\$ 215,000.00	
47-14	09/08/14	Refunding Bond Ordinance		\$ 17,500,000.00			\$ 14,610,000.00		2,890,000.00
53-14	11/24/14	Rehabilitation of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility		2,166,000.00					2,166,000.00
			<u>\$ 181,068.00</u>	<u>\$ 19,666,000.00</u>	<u>\$ 1,685,000.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 14,610,000.00</u>	<u>\$ 215,000.00</u>	<u>\$ 5,237,068.00</u>

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
WATER UTILITY FUND

BOROUGH OF MADISON
WATER UTILITY FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	D	\$ 1,940,521.79	\$ 965,000.52
Increased by Receipts:			
Consumer Accounts Receivable		\$ 2,479,644.78	
Water Rent Overpayments		3,720.80	
Miscellaneous Revenue		50,650.52	
Water Line Protection Program		16,370.90	
Due from Water Utility Capital Fund:			
Prior Year Interfund Returned		82.65	
Appropriation Reserve Refunds		30,000.00	
Due to Water Utility Operating Fund:			
Interest on Investments			\$ 99.47
Water Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			200,000.00
Reserve for Automated Meter Reading			200,000.00
		2,580,469.65	400,099.47
		4,520,991.44	1,365,099.99
Decreased by Disbursements:			
2014 Appropriation Expenditures		1,867,498.96	
2013 Appropriation Reserves		77,241.95	
Refund of Water Rent Overpayments		3,720.80	
Due to Current Fund:			
Anticipated Revenue		450,000.00	
Due to Water Utility Operating Fund:			
Prior Year Interfund Returned			82.65
Improvement Authorization Expenditures			141,202.63
Prior Year Encumbrances Payable Liquidated			52,607.01
		2,398,461.71	193,892.29
Balance December 31, 2014	D	\$ 2,122,529.73	\$ 1,171,207.70

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER CAPITAL CASH

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014	
		2014 Budget Appropriation	Miscel- laneous	Improvement Authori- zations	Miscel- laneous	From	To		
Encumbrances Payable	\$ 57,272.00				\$ 52,607.01		\$ 1,792.56	\$ 6,457.55	
Due to Water Utility Operating Fund	82.65		\$ 99.47		82.65			99.47	
Capital Improvement Fund	111,208.25	\$ 200,000.00				\$ 280,000.00	100,031.99	131,240.24	
Reserve for Automated Meter Reading	600,000.00	200,000.00						800,000.00	
<u>Ord.</u>									
<u>No.</u>	<u>General Improvements</u>								
07-10	2010 Water Well Pump Station Control Repairs	39,900.00						39,900.00	
26-12	Water System Components	43,510.44						43,510.44	
05-13	Water Main Replacement of Municipal Roads	88,285.87		\$ 40,180.46		48,105.41			
13-13	Purchase of Utility Truck and Accessories	9,718.31		390.89		9,327.42			
39-13	Resurfacing a Section of State Highway 124	15,023.00				15,023.00			
16-14	Well Upgrades						10,000.00	10,000.00	
17-14;									
56-14	Purchase of New Generator at Well E						140,000.00	140,000.00	
18-14	Purchase of Back Hoe for DPW			100,631.28		29,368.72	130,000.00		
		<u>\$ 965,000.52</u>	<u>\$ 400,000.00</u>	<u>99.47</u>	<u>\$ 141,202.63</u>	<u>\$ 52,689.66</u>	<u>\$ 381,824.55</u>	<u>\$ 381,824.55</u>	<u>\$ 1,171,207.70</u>

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 193,391.67
Increased by:		
Water Rents Levied		<u>2,450,086.71</u>
		2,643,478.38
Decreased by:		
Water Collections		<u>2,479,644.78</u>
Balance December 31, 2014	D	<u><u>\$ 163,833.60</u></u>

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2013	Additions by Ordinance	Balance Dec. 31, 2014
Land Reservations	\$ 10,957.98		\$ 10,957.98
Land Pump Station	10,020.00		10,020.00
Land Storage Reservoir	3,515.80		3,515.80
Springs and Wells	249,427.04		249,427.04
Supply Mains	3,727.00		3,727.00
Pump Station Structure	103,777.04		103,777.04
Electric Pumping Equipment	173,571.25		173,571.25
Other Pumping Equipment	13,282.28		13,282.28
Standpipe Tanks	267,878.60		267,878.60
Distribution Mains	2,289,647.42		2,289,647.42
Service Pipes and Stops	209,906.91		209,906.91
Meters	199,478.71		199,478.71
Fire Hydrants	100,316.90		100,316.90
Foundations	328.40		328.40
General Structure	27,605.56		27,605.56
General Equipment	31,112.46		31,112.46
Engineering and Superintendence	1,570.18		1,570.18
Office Equipment	6,651.24		6,651.24
Ford Pickup	611.00		611.00
Buildings and Renovations	75,712.19		75,712.19
New Services	35.00		35.00
Bursting Machine	1,423.25		1,423.25
Utility Truck and Mailing Equipment	21,925.72		21,925.72
Improvement to Well "B"	3,932.08		3,932.08
Utility Trucks	37,042.00		37,042.00
Removal of Underground Storage Tanks	27,810.40		27,810.40
Engineering	130,000.00		130,000.00
Utility Truck	23,052.00		23,052.00
Pipe and Road Repair	150,000.00		150,000.00
Water Mains	14,015.69		14,015.69
Madison Avenue Water Tank	113,012.50		113,012.50
Green Village Road Water Main	191,014.67		191,014.67
Midwood Terrace Water Tank	159,671.00		159,671.00
Improvements on Morris Place	50,000.00		50,000.00
Backhoe	35,000.00		35,000.00
Repair of Well Leaks	6,827.57		6,827.57
Construction of Air Stripping Facility	1,255,712.10		1,255,712.10
Water Utility Truck	30,552.07		30,552.07
Water Main Replacement - Greenwood Avenue	299,805.22		299,805.22
Water Main Improvements on Edgewood Road, Greenhill Road and Highway Terrace	173,974.59		173,974.59

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
(Continued)

	Balance Dec. 31, 2013	Additions by Ordinance	Balance Dec. 31, 2014
Utility Billing System	\$ 39,698.50		\$ 39,698.50
Water System - Improvement - Kings Road	41,566.80		41,566.80
Replace Generator Engine and Drive - Well C	18,000.00		18,000.00
Improvements on Elm Street and West End Avenue	8,977.96		8,977.96
Tower Aeration System	87,146.56		87,146.56
Improvement on Elmer, West and Elm Streets	3,277.98		3,277.98
VOC Contamination - Well D	7,500.00		7,500.00
One Ton Truck with Tailgate Lift	32,065.00		32,065.00
Water Main - Dehart Place and Cedar Street	71,892.90		71,892.90
Waterline Replacement - Walnut Street	81,049.15		81,049.15
Professional Engineering Services for Modifications and Update of Contract Plans and Specifications for the Borough's Well D VOC Treatment Facility	124,500.00		124,500.00
2003 Water Utility Program Improvements	318,238.37		318,238.37
Upgrades to Kings Road - Water Main	167,967.78		167,967.78
2004 Water Utility Program	390,000.00		390,000.00
Arbitration Award to Van Wingerden General Contracting Co.	69,000.00		69,000.00
2004 Water Main Replacement	10,567.00		10,567.00
Purchase of Utility Truck	34,800.08		34,800.08
Purchase Portable Lighting	7,295.00		7,295.00
Award of the Project Title "Water System Improvements - Well D VOC Removal Facility"	1,374,178.67		1,374,178.67
2005 Water Main Replacement Program	524,741.05		524,741.05
Purchase of Water Meters and Transmitters	74,943.00		74,943.00
Update Well E	20,502.00		20,502.00
New Chlorine Vacuum for the Water Wells	10,920.00		10,920.00
Purchase of a Car for the Water Meter Reader	10,546.00		10,546.00
Asbestos Abatement for the Water & Light Plant	19,725.00		19,725.00
Purchase of 20 Cubic Yard Locking Dumpster for the Water Department	4,953.85		4,953.85
Paint Madison Avenue Water Tank	233,429.68		233,429.68
Various Repairs at Five Water Wells	14,795.00		14,795.00
Water Main Replacements on Municipal Roads	699,490.05		699,490.05
Computer Upgrades and Replacements in the Water System Water Wells	20,990.41		20,990.41
Purchase of a Water Leak Detector for the Water Department	13,494.65		13,494.65
Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	10,299.00		10,299.00

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
(Continued)

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u> <u>by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Water Main Replacement Projects Covering the Fletcher and a Portion of Niles Avenue	\$ 865,444.34		\$ 865,444.34
Water Main Replacement on Green Avenue (Shunpike Rd to Midwood Terr)	233,821.71		233,821.71
Improvements to Lincoln Place	125,000.00		125,000.00
Upgrades to Water System Water Wells	10,000.00		10,000.00
Construction of Water Main Replacement on Vinton Road and Belmont Avenue	232,858.71		232,858.71
Installation of Fire Alarm System at Water and Light Plant	4,950.00		4,950.00
Construction of Water Main Replacement on Academy Road and Division Avenue	305,512.68		305,512.68
Water Main Replacement of Municipal Roads		\$ 671,894.59	671,894.59
Purchase of Utility Truck and Accessories		62,465.14	62,465.14
Resurfacing a Section of State Highway 124		24,977.00	24,977.00
Purchase of Back Hoe for DPW		100,631.28	100,631.28
	<u>\$ 12,828,042.70</u>	<u>\$ 859,968.01</u>	<u>\$ 13,688,010.71</u>
	D		D

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ord. No.	Balance Dec. 31, 2013	2014 Authorizations	Transferred to Fixed Capital	Authorizations Cancelled	Balance Dec. 31, 2014
2010 Water Well Pump Station Control Repairs	07-10	\$ 60,000.00				\$ 60,000.00
Water System Components	26-12	150,000.00				150,000.00
Water Main Replacement of Municipal Roads	05-13	720,000.00		\$ 671,894.59	\$ 48,105.41	
Purchase of Utility Truck and Accessories	13-13	70,000.00		62,465.14	7,534.86	
Resurfacing a Section of State Highway 124	39-13	40,000.00		24,977.00	15,023.00	
Well Upgrades	16-14		\$ 10,000.00			10,000.00
Purchase of New Generator at Well E	17-14; 56-14		140,000.00			140,000.00
Purchase of Back Hoe for DPW	18-14		130,000.00	100,631.28	29,368.72	
		<u>\$ 1,040,000.00</u>	<u>\$ 280,000.00</u>	<u>\$ 859,968.01</u>	<u>\$ 100,031.99</u>	<u>\$ 360,000.00</u>
<u>Ref.</u>		D				D

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 59,082.80	\$ 59,082.80		\$ 59,082.80
Other Expenses	349,508.85	349,508.85	\$ 47,241.95	302,266.90
Statutory Expenditures:				
Contribution to:				
Public Employees Retirement System	7,000.00	7,000.00		7,000.00
Social Security System	7,117.79	7,117.79		7,117.79
	<u>\$ 422,709.44</u>	<u>\$ 422,709.44</u>	<u>\$ 47,241.95</u>	<u>\$ 375,467.49</u>

Analysis of Balance December 31, 2013

	<u>Ref.</u>	
Encumbered	D	\$ 75,235.70
Unencumbered	D	<u>347,473.74</u>
		<u>\$ 422,709.44</u>

Cash Disbursed	\$ 77,241.95
Less: Refunds	<u>(30,000.00)</u>
	<u>\$ 47,241.95</u>

BOROUGH OF MADISON
 WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance		Balance Dec. 31, 2013 Funded	2014 Authorizations		Paid or Charged	Author- izations Canceled	Balance Dec. 31, 2014 Funded
			Date	Amount		Capital Improvement Fund				
07-10	2010 Water Well Pump Station Control Repairs	02/22/10	\$ 60,000.00		\$ 39,900.00					\$ 39,900.00
26-12	Water System Components	09/27/12	150,000.00		43,510.44					43,510.44
05-13	Water Main Replacement of Municipal Roads	04/01/13	720,000.00		88,285.87		\$ 40,180.46	\$ 48,105.41		
13-13	Purchase of Utility Truck and Accessories	05/13/13	70,000.00		9,718.31		2,183.45	7,534.86		
39-13	Resurfacing a Section of State Highway 124	09/23/13	40,000.00		15,023.00			15,023.00		
16-14	Well Upgrades	05/12/14	10,000.00			\$ 10,000.00				10,000.00
17-14; 56-14	Purchase of New Generator at Well E	05/12/14; 11/10/14	140,000.00			140,000.00				140,000.00
18-14	Purchase of Back Hoe for DPW	05/12/14	130,000.00			130,000.00	100,631.28	29,368.72		
					<u>\$ 196,437.62</u>	<u>\$ 280,000.00</u>	<u>\$ 142,995.19</u>	<u>\$ 100,031.99</u>		<u>\$ 233,410.44</u>
<u>Ref.</u>					D					D
							Cash Disbursed	\$ 141,202.63		
							Current Year Encumbrances	<u>1,792.56</u>		
								<u>\$ 142,995.19</u>		

BOROUGH OF MADISON
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 111,208.25
Increased by:		
Improvement Authorizations Cancelled		\$ 100,031.99
Water Operating Fund Budget Appropriation		<u>200,000.00</u>
		<u>300,031.99</u>
		411,240.24
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>280,000.00</u>
Balance December 31, 2014	D	<u><u>\$ 131,240.24</u></u>

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	2014 Authorizations	Transferred to Reserve for Amortization	Authorizations Cancelled	Balance Dec. 31, 2014
07-10	2010 Water Well Pump Station Control Repairs	02/22/10	\$ 60,000.00				\$ 60,000.00
26-12	Water System Components	09/27/12	150,000.00				150,000.00
05-13	Water Main Replacement of Municipal Roads	04/01/13	720,000.00		\$ 671,894.59	\$ 48,105.41	
13-13	Purchase of Utility Truck and Accessories	05/13/13	70,000.00		62,465.14	7,534.86	
39-13	Resurfacing a Section of State Highway 124	09/23/13	40,000.00		24,977.00	15,023.00	
16-14	Well Upgrades	05/12/14		\$ 10,000.00			10,000.00
17-14;		05/12/14;					
56-14	Purchase of New Generator at Well E	11/10/14		140,000.00			140,000.00
18-14	Purchase of Back Hoe for DPW	05/12/14		130,000.00	100,631.28	29,368.72	
			<u>\$ 1,040,000.00</u>	<u>\$ 280,000.00</u>	<u>\$ 859,968.01</u>	<u>\$ 100,031.99</u>	<u>\$ 360,000.00</u>

Ref.

D

D

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON
COUNTY OF MORRIS
2014
ELECTRIC UTILITY FUND

BOROUGH OF MADISON
ELECTRIC UTILITY FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	E	\$ 7,734,139.95	\$ 1,096,096.22
Increased by Receipts:			
Electric Utility Charges Receivable		\$ 22,407,097.56	
Miscellaneous Revenue		768,087.77	
State Aid - "Lifeline"		4,612.50	
Appropriation Refunds		121,976.22	
Appropriation Reserves Refunds		88,973.75	
Overpayments of Electric Charges		2,935.39	
Due to Electric Utility Operating Fund:			
Interest Earned on Investments			\$ 100.28
Due from Electric Utility Capital Fund:			
Budget Appropriation - Capital Improvement Fund			200,000.00
Prior Year Interfund Returned		93.76	
		<u>23,393,776.95</u>	<u>200,100.28</u>
		31,127,916.90	1,296,196.50
Decreased by Disbursements:			
2014 Appropriation Expenditures		15,806,701.12	
2013 Appropriation Reserves		1,331,473.20	
Due to Current Fund:			
Anticipated Revenue		5,796,000.00	
Due to Electric Utility Operating Fund:			
Prior Year Interfund Returned			93.76
Electric Overpayments Refunded		2,935.39	
Improvement Authorization Expenditures			108,559.72
Prior Year Encumbrance Liquidated			8,335.28
		<u>22,937,109.71</u>	<u>116,988.76</u>
Balance December 31, 2014	E	<u>\$ 8,190,807.19</u>	<u>\$ 1,179,207.74</u>

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
ANALYSIS OF ELECTRIC CAPITAL CASH

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscel- laneous	Improvement Authorizations	Miscel- laneous	From	To		
Encumbrances Payable	\$ 8,376.67			\$ 8,335.28	\$ 41.39	\$ 203,582.57		\$ 203,582.57
Capital Improvement Fund	679,087.92	\$ 200,000.00			150,000.00	9,247.04		738,334.96
Due to Electric Utility Operating Fund	93.76	100.28		93.76				100.28
Improvement Authorizations:								
Ord.								
No.	General Improvements							
25-11	Purchase of Materials for Improvements to Underground Electric Distribution System	35,570.00	\$ 10,370.73					25,199.27
02-13; 42-13	Purchase of Digger/Derrick Truck	225,000.00			186,117.00			38,883.00
10-13	Purchase and Installation of Desiccant Breather Systems and Oil Filtration Systems	29,547.86	3,453.87		574.49	41.39		25,560.89
11-13	Purchase of 4-wheel Drive Utility Vehicle	2,344.01	271.97		2,072.04			
43-13	Repairs to Water and Light Building	116,076.00	31,911.15		16,891.08			67,273.77
12-14	Purchase of Two Pad Mount Transformers		14,727.00			65,000.00		50,273.00
13-14	Purchase of Three-Quarter Ton Pick-Up Truck		30,000.00			30,000.00		
14-14	Purchase of New Battery Banks at Kings Road and James Park Substations		17,825.00		7,175.00	25,000.00		
15-14	Purchase of Fiber Optic Pilot Wire Relay System Between Kings Road and James Park Substations					30,000.00		30,000.00
		<u>\$ 1,096,096.22</u>	<u>\$ 200,100.28</u>	<u>\$ 108,559.72</u>	<u>\$ 8,429.04</u>	<u>\$ 362,871.00</u>	<u>\$ 362,871.00</u>	<u>\$ 1,179,207.74</u>

BOROUGH OF MADISON
ELECTRIC UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2013	<u>Ref.</u> E	\$ 1,689,222.56
Increased by:		
2014 Charges		<u>22,185,663.45</u>
		23,874,886.01
Decreased by:		
2014 Revenue:		
Cash Received		<u>22,407,097.56</u>
Balance December 31, 2014	E	<u><u>\$ 1,467,788.45</u></u>

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2013	Additions by Ordinance	Balance Dec. 31, 2014
Land and Land Rights	\$ 48,113.12		\$ 48,113.12
Station Structure and Improvements	2,183,502.21		2,183,502.21
Station Equipment	196,242.41		196,242.41
Poles, Towers and Fixtures	48,489.60		48,489.60
Overhead Conductors and Devices	247,446.57		247,446.57
Underground Conduits	129,411.16		129,411.16
Underground Conductors and Devices	91,422.26		91,422.26
Electric Cable and Equipment	261,785.71		261,785.71
Line Transformers	576,344.16		576,344.16
Services	70,578.16		70,578.16
Meters	256,744.65		256,744.65
Street Lighting and Signal System	272,923.39		272,923.39
Office Furniture and Equipment	41,719.56		41,719.56
Plant Structure and Improvements	11,654.57		11,654.57
1961 Chevrolet Ladder Truck	3,729.50		3,729.50
Ford Pick-up	1,260.36		1,260.36
G.M.C. Truck with Pettman Body	24,218.02		24,218.02
G.M.C. Dump Truck	5,048.60		5,048.60
G.M.C. Bucket Truck	28,080.29		28,080.29
Cable Trailer	786.03		786.03
Line Truck	24,459.65		24,459.65
Pole Trailer	918.64		918.64
Transformer Trailer	1,114.26		1,114.26
Portable Lift Truck	402.00		402.00
Transportation Equipment	713.16		713.16
Shop Equipment	3,646.32		3,646.32
Laboratory Equipment	417.73		417.73
Tools and Work Equipment	6,127.07		6,127.07
Communication Equipment	3,577.41		3,577.41
General Equipment	391.00		391.00
Power Operated Lift Mechanism	13,537.51		13,537.51
General Equipment	1,459.82		1,459.82
Miscellaneous Equipment	4,750.73		4,750.73
Bucket Truck, Mailing Equipment and Hole Digger	92,191.00		92,191.00
Kings Road Substation Conversion	43,000.00		43,000.00
Utility Building Repairs	115,000.00		115,000.00
Removal and Disposal of Underground Storage Tanks	13,949.72		13,949.72
James Park Circuit Breakers	62,400.00		62,400.00
Computerized Utility Billing Equipment	13,567.20		13,567.20
Distribution Lines	425,001.50		425,001.50
Meters and Fixtures	54,729.74		54,729.74
Transformers	50,795.25		50,795.25
Transformer - James Park	404,530.31		404,530.31
Transformer Equipment	4,028.51		4,028.51
Line Truck	119,742.53		119,742.53
Circuits - Loantaka and Samson	114,515.48		114,515.48
Underground Line Conduit	126,660.09		126,660.09
Utility Truck	99,634.00		99,634.00

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
(Continued)

	Balance Dec. 31, 2013	Additions by Ordinance	Balance Dec. 31, 2014
James Park Substation	\$ 85,000.00		\$ 85,000.00
Transmission Line Duct Bank	83,189.00		83,189.00
Power Cables	4,957.62		4,957.62
Diesel Electric Utility Bucket Truck	109,750.22		109,750.22
Upgrade Kings Road Substation	1,798,767.02		1,798,767.02
Pickup Truck	24,953.00		24,953.00
Reconditioning Circuit Breakers	60,000.00		60,000.00
Rebuilding Distribution System - Noroling Lane	73,863.00		73,863.00
Twenty Electronic Sectionalizers	8,975.00		8,975.00
Four Wheel Drive Vehicle	22,075.00		22,075.00
Purchase of New Switchgear for Kings Road	234,900.00		234,900.00
Purchase of Single Bucket Truck/Pole Trailer	107,760.00		107,760.00
Purchase of Conduit and Cable	64,152.26		64,152.26
Purchase of Pickup Truck	24,490.00		24,490.00
Purchase of Hazmat Storage Locker	10,891.00		10,891.00
Medium Voltage Feeder Cable	199,497.50		199,497.50
Purchase Parts/Labor for Repair of Transformer - James Park	42,820.21		42,820.21
Electric Utility Billing System	98,421.00		98,421.00
Installation of Fiber	249,266.66		249,266.66
Repair and Replacement of Transformer Vaults and Covers	117,450.00		117,450.00
Emergency Repairs to James Park Substation	24,802.44		24,802.44
Construction of New Vehicle Storage Building at Water & Light Plant	405,752.92		405,752.92
Relocation of Underground Vault, Conduits & Cable at Prospect St. in Preparation for the Construction of the New Fire & Police Building	270,914.71		270,914.71
Purchase Pickup Truck with a Lift Tail Gate	130.00		130.00
Purchase A New Vehicle for the Electric Meter Reader	12,346.00		12,346.00
Asbestos Abatement from Water and Light Plant	19,725.00		19,725.00
Purchase of a New Cable Trailer	18,086.00		18,086.00
Purchase Two 20 Yard Lockable Dumpsters	9,905.70		9,905.70
Purchase Two Bucket Trucks	326,445.94		326,445.94
Purchase of Pad-Mount Transformer and Metering/ Switch Cabinet for the HDM Building Reconstruction	42,469.75		42,469.75
Preparation and Painting of the Kings Road and James Park Substations	134,400.00		134,400.00
Purchase of New Style Pennnglobe Victorian Fixtures for the Commerical District	59,400.00		59,400.00
Reconstruction of the Underground Electric Distribution System at the Madison Commons	157,664.97		157,664.97
Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	10,299.00		10,299.00
Excavation and Installation of Underground Conduit for the New Feeder Circuit to the Reckson Building at Giralda Farms	43,027.50		43,027.50
Purchase of a Covered Trailer and Accessories to be used for All Underground Distribution Equipment	8,079.89		8,079.89

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
(Continued)

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Purchase and Installation of Two New Tap Changers and Two Nitrogen Systems on Transformers Banks 1 & 2 at Kings Road Substation	\$ 74,896.04		\$ 74,896.04
Purchase of Two Hydraulic Lift Tailgates for Pick-up Trucks 136 & 137	4,990.00		4,990.00
Purchase of New Replacement Single Bucket Truck	133,317.00		133,317.00
Improvements to Lincoln Place	216,600.26		216,600.26
Purchase of New Style Pennglobe Victorian Fixtures	64,285.00		64,285.00
Installation of Fire Alarm System at Water & Light Plant	4,950.00		4,950.00
Emergency Purchase of Materials, Equipment and Services	22,694.58		22,694.58
Energy Conservation Installations in Borough Buildings	40,675.00		40,675.00
Purchase of LED Light Fixtures for the Cook Avenue Parking Lot	17,344.00		17,344.00
Signal Improvements	35,000.00		35,000.00
Purchase of 4-wheel Drive Utility Vehicle		\$ 27,927.96	27,927.96
Purchase of Three-Quarter Ton Pick-Up Truck		30,000.00	30,000.00
Purchase of New Battery Banks at Kings Road and James Park Substations		17,825.00	17,825.00
	<u>\$ 11,880,141.15</u>	<u>\$ 75,752.96</u>	<u>\$ 11,955,894.11</u>
<u>Ref.</u>	E		E

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Transferred to Fixed Capital</u>	<u>Authorizations Cancelled</u>	<u>Balance Dec. 31, 2014</u>
Purchase of Materials for Improvements to Underground Electric Distribution System	25-11	\$ 250,000.00				\$ 250,000.00
Purchase of Digger/Derrick Truck	02-13; 42-13	225,000.00				225,000.00
Purchase and Installation of Desiccant Breather Systems and Oil Filtration Systems	10-13	45,000.00				45,000.00
Purchase of 4-wheel Drive Utility Vehicle	11-13	30,000.00		\$ 27,927.96	\$ 2,072.04	
Repairs to Water and Light Building	43-13	125,000.00				125,000.00
Purchase of Two Pad Mount Transformers	12-14		\$ 65,000.00			65,000.00
Purchase of Three-Quarter Ton Pick-Up Truck	13-14		30,000.00	30,000.00		
Purchase of New Battery Banks at Kings Road and James Park Substations	14-14		25,000.00	17,825.00	7,175.00	
Purchase of Fiber Optic Pilot Wire Relay System Between Kings Road and James Park Substations	15-14		30,000.00			30,000.00
		<u>\$ 675,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 75,752.96</u>	<u>\$ 9,247.04</u>	<u>\$ 740,000.00</u>
	<u>Ref.</u>	E				E

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 15,931.96	\$ 15,931.96		\$ 15,931.96
Other Expenses	1,853,750.89	1,853,750.89	\$ 1,235,859.14	617,891.75
Rosenet Web Site:				
Other Expenses	26,520.42	26,520.42	6,640.31	19,880.11
Contribution to:				
Public Employees Retirement System	9,000.00	9,000.00		9,000.00
Social Security System	5,806.10	5,806.10		5,806.10
	<u>\$ 1,911,009.37</u>	<u>\$ 1,911,009.37</u>	<u>\$ 1,242,499.45</u>	<u>\$ 668,509.92</u>

Analysis of Balance December 31, 2013

	<u>Ref.</u>	
Encumbered	E	\$ 1,212,077.95
Unencumbered	E	<u>698,931.42</u>
		<u>\$ 1,911,009.37</u>

Cash Disbursed	\$ 1,331,473.20
Less: Refunds	<u>(88,973.75)</u>
	<u>\$ 1,242,499.45</u>

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013 Funded	2014 Authorizations	Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2014 Funded
		Date	Amount		Capital Improve- ment Fund				
25-11	Purchase of Materials for Improvements to Underground Electric Distribution System	08/22/11	\$ 250,000.00	\$ 35,570.00			\$ 10,370.73		\$ 25,199.27
02-13; 42-13	Purchase of Digger/Derrick Truck	02/25/13; 09/09/13	225,000.00	225,000.00			186,117.00		38,883.00
10-13	Purchase and Installation of Desiccant Breather Systems and Oil Filtration Systems	04/22/13	45,000.00	29,547.86		\$ 41.39	4,028.36		25,560.89
11-13	Purchase of 4-wheel Drive Utility Vehicle	04/22/13	30,000.00	2,344.01			271.97	\$ 2,072.04	
43-13	Repairs to Water and Light Building	09/23/13	125,000.00	116,076.00			48,802.23		67,273.77
12-14	Purchase of Two Pad Mount Transformers	05/12/14	65,000.00		\$ 65,000.00		14,727.00		50,273.00
13-14	Purchase of Three-Quarter Ton Pick-Up Truck	05/12/14	30,000.00		30,000.00		30,000.00		
14-14	Purchase of New Battery Banks at Kings Road and James Park Substations	05/12/14	25,000.00		25,000.00		17,825.00	7,175.00	
15-14	Purchase of Fiber Optic Pilot Wire Relay System Between Kings Road and James Park Substations	05/12/14	30,000.00		30,000.00				30,000.00
				<u>\$ 408,537.87</u>	<u>\$ 150,000.00</u>	<u>\$ 41.39</u>	<u>\$ 312,142.29</u>	<u>\$ 9,247.04</u>	<u>\$ 237,189.93</u>
<u>Ref.</u>				E				E	
						Cash Disbursed		\$ 108,559.72	
						Current Year Encumbrances		203,582.57	
								<u>\$ 312,142.29</u>	

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 679,087.92
Increased by:		
Electric Utility Operating Fund Budget Appropriation		\$ 200,000.00
Improvement Authorizations Cancelled		<u>9,247.04</u>
		<u>209,247.04</u>
		<u>888,334.96</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>150,000.00</u>
Balance December 31, 2014	E	<u><u>\$ 738,334.96</u></u>

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2013	2014 Authorizations	Transferred to Reserve for Amortization	Authorizations Cancelled	Balance Dec. 31, 2014
25-11	Purchase of Materials for Improvements to Underground Electric Distribution System	08/22/11	\$ 250,000.00				\$ 250,000.00
02-13; 42-13	Purchase of Digger/Derrick Truck	2/25/13;9/9/13	225,000.00				225,000.00
10-13	Purchase and Installation of Desiccant Breather Systems and Oil Filtration Systems	04/22/13	45,000.00				45,000.00
11-13	Purchase of 4-wheel Drive Utility Vehicle	04/22/13	30,000.00		\$ 27,927.96	\$ 2,072.04	
43-13	Repairs to Water and Light Building	09/23/13	125,000.00				125,000.00
12-14	Purchase of Two Pad Mount Transformers	05/12/14		\$ 65,000.00			65,000.00
13-14	Purchase of Three-Quarter Ton Pick-Up Truck	05/12/14		30,000.00	30,000.00		
14-14	Purchase of New Battery Banks at Kings Road and James Park Substations	05/12/14		25,000.00	17,825.00	7,175.00	
15-14	Purchase of Fiber Optic Pilot Wire Relay System Between Kings Road and James Park Substations	05/12/14		30,000.00			30,000.00
			<u>\$ 675,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 75,752.96</u>	<u>\$ 9,247.04</u>	<u>\$ 740,000.00</u>
	<u>Ref.</u>		E				E

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FARMERS HOME ADMINISTRATION LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF MADISON

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Name of Federal Agency or Department	Name of Program/ State Account #	Pass Through Entity ID	C.F.D.A. Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
				From	To				
<u>U.S. Department of Transportation</u>									
(Passed through New Jersey Department of Transportation)	Transportation Trust Fund Authority Act: Municipal State Aid:		20.205						
	Rosedale Ave Resurfacing	078-6320-480-		01/01/12	12/31/13	\$ 140,000.00	\$ 35,000.00		\$ 140,000.00
	Green Ave Reconstruction	ALx-60916x		01/01/13	12/31/13	230,000.00	57,500.00		230,000.00
	Safe Routes to School Program: Samson Avenue Improvement	078-6300-480- FDT-371200	20.205	09/15/12	09/15/14	120,019.90	120,019.90	\$ 120,019.90	120,019.90
							212,519.90	120,019.90	490,019.90
(Passed through New Jersey Department of Law and Public Safety)	Over the Limit, Under Arrest - Impaired Driving Countermeasure	066-1160-100- 157-031020	20.616	01/01/14	12/31/15	3,400.00	3,400.00		
Total U.S. Department of Transportation							215,919.90	120,019.90	499,219.90
<u>U.S. Department of Justice:</u>									
(Passed through New Jersey Dept of Law and Public Safety)	COPS in Schools (CIS) Alcohol Grant	066-1400-100- 023-210110	20.616	01/01/12	12/31/14	1,600.00		1,600.00	1,600.00
				01/01/13	12/31/15	2,000.00		400.00	400.00
				01/01/14	12/31/15	2,000.00	2,000.00		2,000.00
							2,000.00	2,000.00	2,000.00
	Office of Justice Program: Bulletproof Vest Partnership Grant	N/A	16.607	01/01/11	12/31/14	12,090.00	1,163.78		12,090.00
				01/01/12	12/31/15	8,265.00		5,334.90	5,334.90
							1,163.78	5,334.90	17,424.90
Total U.S. Department of Justice							3,163.78	7,334.90	19,424.90
<u>U.S. Department of Homeland Security</u>									
(Passed through N.J. Department of Law and Public Safety)	Disaster Grants - Public Assistance - FEMA: Super Storm Sandy	N/A	97.036	01/01/12	12/31/13	1,121,007.40	733,170.67		1,121,007.40
	Assistance to Firefighters Grant - FEMA	N/A	97.044	05/03/14	05/02/15	125,400.00	125,400.00	125,400.00	125,400.00
Total U.S. Department of Homeland Security							858,570.67	125,400.00	1,246,407.40
Total Federal Awards							\$ 1,077,654.35	\$ 252,754.80	\$ 1,765,052.20

N/A - Not Available/Applicable

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2014

Name of State Agency or Department	State Account Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
		From	To				
<u>Department of Environmental Protection:</u>							
Clean Communities Act:							
2012	042-4900-765-	01/01/12	12/31/14	\$ 22,353.85		\$ 4,804.94	\$ 22,353.85
2013	004-178910	01/01/13	12/31/15	26,245.22		21,410.65	21,410.65
2014		01/01/14	12/31/15	24,613.25	\$ 24,613.25		
					<u>24,613.25</u>	<u>26,215.59</u>	<u>43,764.50</u>
Recycling Tonnage Grant:							
2013	042-4910-100-	01/01/13	12/31/14	23,513.47		23,513.47	23,513.47
2014	224-238490	01/01/14	12/31/15	37,247.19	37,247.19		
					<u>37,247.19</u>	<u>23,513.47</u>	<u>23,513.47</u>
Total Department of Environmental Protection					<u>61,860.44</u>	<u>49,729.06</u>	<u>2,441,774.32</u>
<u>Department of Law and Public Safety:</u>							
Body Armor Grant:							
2012	1020-718-066-1020	01/01/12	12/31/14	2,864.27		113.67	2,864.27
2013	-001-YCJF-6120	01/01/13	12/31/15	3,582.46		2,213.88	2,213.88
2013		01/01/14	12/31/15	2,693.13	2,693.13		
Total Department of Law and Public Safety					<u>2,693.13</u>	<u>2,327.55</u>	<u>5,078.15</u>
<u>Department of the Treasury:</u>							
(Passed through County of Morris)							
Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program (M.A.A.S.A.):							
2013	100-082-C001-	01/01/13	12/31/14	19,911.00	9,651.00	8,669.76	19,911.00
2014	044-6010	01/01/14	12/31/14	3,637.00		3,637.00	3,637.00
Total Department of the Treasury					<u>9,651.00</u>	<u>12,306.76</u>	<u>23,548.00</u>
<u>Department of Health and Senior Services:</u>							
Alcohol Education and Rehabilitation Fund:							
2014	098-9735-760- 001-060000	01/01/14	12/31/15	1,181.60	1,181.60		
Total Department of Health and Senior Services					<u>1,181.60</u>		
Total					<u>\$ 75,386.17</u>	<u>\$ 64,363.37</u>	<u>\$ 3,131,119.47</u>

BOROUGH OF MADISON
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2014

Note 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Borough of Madison under programs of the federal and state governments for the year ended December 31, 2014. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 4. N.J. ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE

At December 31, 2014, the Borough has \$417,507.32 and \$383,054.48 of N.J. Environmental Infrastructure Trust and Fund Loans Payable outstanding which are recorded in the General Capital Fund.

The loan agreements were obtained to finance a portion of the cost of improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility. Even though the Borough is responsible for the repayment of the loans, the Borough does not receive or expend any of the loan funds. The Madison-Chatham Joint Meeting is responsible for the draw downs and expenditures of loan funds. At December 31, 2014, the Madison-Chatham Joint Meeting has completed the portion of the improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility partially funded with the Loan funds.



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Report on Internal Control Over Financial Reporting and on
 Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Mayor and Members
 of the Borough Council
 Borough of Madison
 Madison, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, 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, the financial statements - *regulatory basis* - of the various funds of the Borough of Madison, in the County of Morris (the "Borough") as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated May 15, 2015. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal 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 Borough'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2014-01, that we consider to be a significant deficiency.

The Honorable Mayor and Members
of the Borough Council
Borough of Madison
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of 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*.

The Borough's Response to the *Finding*

The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the Borough'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 Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 15, 2015
Mount Arlington, New Jersey


NISIVOCIA LLP


David H. Evans
Certified Public Accountant
Registered Municipal Accountant No. 98

BOROUGH OF MADISON
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2014

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- A significant deficiency was disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Borough was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04 for the year ended December 31, 2014 as both state and federal grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2014-01

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permits and license fees; and recording of collections. The reconciliation of bank accounts and the preparation of the general ledger for the various funds are performed by one individual. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

The Borough is aware that there is a lack of adequate segregation of duties. The Borough will review duties to determine whether a more adequate segregation of duties can be provided.

Findings and Questioned Costs for Federal Awards:

- Not Applicable – Federal grant expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not Applicable – State grant expenditures were below the single audit threshold.

BOROUGH OF MADISON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014

Status of Prior Year Findings:

The prior year finding regarding the segregation of duties was not resolved and is included as a current year finding.

BOROUGH OF MADISON

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS

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

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 the bid threshold in accordance with N.J.S.A 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold 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 that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing 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. None were noted.

Collection of Interest on Delinquent Taxes, Assessments and Utility Charges

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent. On January 1, 2014, the governing body adopted a resolution authorizing interest to be charged at the rate of 8% per annum on the first \$1,500 of delinquent taxes and 18% per annum for delinquent taxes in excess of \$1,500, and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year.

On December 10, 2007, the governing body adopted an ordinance authorizing interest to be charged at the rate of 8% per annum on the first \$1,500 of delinquent utility charges and 18% per annum for delinquent utility charges in excess of \$1,500. It allows for a grace period of 30 days for payment of the utilities bills.

It appears from an examination of the Tax Collector's and Utility Collector's records that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 11, 2014, and included all eligible properties.

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

<u>Year</u>	<u>Number of Liens</u>
2014	3
2013	3
2012	3

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2014 Taxes	20
Payments of 2015 Taxes	20
Delinquent Taxes	15
Payments of Water Utility Charges	15
Delinquent Water Utility Charges	15
Payments of Electric Utility Charges	15
Delinquent Electric Utility Charges	15

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

The Madison Municipal Joint Court includes the Borough of Madison, the Borough of Chatham, the Township of Chatham and the Township of Harding. The transactions for the year 2014 for the Madison Municipal Joint Court were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Receipts	Dis- bursements	Balance Dec. 31, 2014
Municipal Treasurer:				
Fines and Fees	\$ 40,942.97	\$ 664,011.29	\$ 659,312.37	\$ 45,641.89
Restitution	250.00	2,347.34	2,480.84	116.50
POAA FTA	200.00	3,444.00	3,410.00	234.00
Public Defender	580.00	9,587.50	9,767.50	400.00
County:				
Fines	16,439.50	245,109.03	245,209.03	16,339.50
State:				
Fines and Costs	27,037.03	514,402.79	504,747.71	36,692.11
Conditional Discharge	150.00	5,730.00	5,510.00	370.00
SPCA		250.00	250.00	
Weights and Measures	6,350.00	94,800.00	88,400.00	12,750.00
Fish and Game	150.00	100.00	250.00	
Interest	7.89	135.97	134.10	9.76
Bail	2,450.33	118,750.49	117,381.22	3,819.60
	<u>\$ 94,557.72</u>	<u>\$1,658,668.41</u>	<u>\$1,636,852.77</u>	<u>\$ 116,373.36</u>

General Capital Fund

One ordinance, which is more than five years old, has a deficit cash balance at December 31, 2014. This situation arises when expenditures are made from an ordinance without the respective debt being issued. Management is aware of this situation. This ordinance is expected to be funded by bonds or raised in a succeeding year's budget. No formal recommendation is judged to be necessary.

Federal and State Grant Balances

There are various appropriated reserves and receivable balances in the Federal and State Grant Fund which have been on the Borough's records for several years. It is recommended that older grant receivables and appropriated reserves are reviewed for possible cancellation.

Management's Response

Older grant balances will be investigated and will be collected or cancelled.

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS
(Continued)

Financial Reporting

During our review of the Borough financial records, we noted the following:

- 1.) The Borough received a private donation for police department expenditures. The donation and corresponding expenditures were posted to the contingent budget line item in the Current Fund. A more appropriate method to account for the receipt and expenditure of this donation would have been through either an insertion of an item of revenue in the budget or to record a refund receivable.
- 2.) Legal expenses, which were reimbursed by a third party, were charged to the health benefits budget line item in the Electric Utility Operating Fund. A more appropriate budget line item would have been other professional expenses or legal expense.
- 3.) Employer contribution for the Defined Contribution Retirement Program (DCRP) was charged to the Public Employees' Retirement System (PERS) budget line item because there was no existing budget line item for DCRP. The appropriation should have been transferred to the appropriate budget line item for DCRP through a resolution approved by the governing body for a change in text or title.

It is recommended that extra care be taken to ensure that expenditures are charged to the proper budget line item.

Management's Response

Expenditures will be carefully reviewed to ensure that they are charged to the appropriate budget line item.

Health Department

During our review of the Borough's animal licensing records, we noted that there were discrepancies between the monthly collection reports submitted to the Treasurer and the monthly state dog license reports submitted to the State. Upon further review, we noted that receipts collected through the health department are not posted to the cash ledger until the date of deposit. This resulted in timing differences between each month. It is recommended that all health department receipts be recorded in the cash ledger as of the date of collection.

Management's Response

Receipts will be posted to the cash ledger as of the date of collection.

Management Suggestion - Surety Bond Coverage

During our review of the Borough's surety bond coverage, we noted that the calculated recommended coverage for the Utility Collector is \$250,000 and the actual coverage for Utility Collector is \$200,000, which was the maximum the Borough was able to obtain. Even though the actual coverage satisfies the required coverage of \$142,000, it is suggested that the Borough consider increasing the coverage for the Utility Collector to the recommended amount.

Status of Prior Year Recommendations

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2013 Audit Report. The recommendation regarding the cancellation of older capital grant receivables was resolved during 2014. The recommendation regarding segregation of duties has not been resolved.

BOROUGH OF MADISON
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. Older grant receivables and appropriated reserves are reviewed for possible cancellation.
3. Extra care be taken to ensure that expenditures are charged to the proper budget line item.
4. All health department receipts be recorded in the cash ledger as of the date of collection.

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