

BOROUGH OF MADISON

COUNTY OF MORRIS

REPORT OF AUDIT

2011

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF MADISON

COUNTY OF MORRIS

REPORT OF AUDIT

2011

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, 2011



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Independent Auditors' Report

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

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, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Borough's management. 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 of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive 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 statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because the Borough prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements – regulatory basis referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2011 and 2010, and the results of its operations for the years then ended.

However, in our opinion, the financial statements – regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Borough of Madison at December 31, 2011 and 2010, and the results of operations and changes in fund balance, where applicable, of such funds, for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

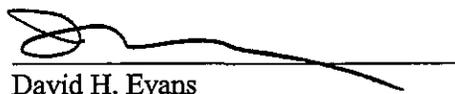
The Honorable Mayor and Members
of the Borough Council
Borough of Madison
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In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2012 on our consideration of the Borough of Madison's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's financial statements as a whole. The information included in the supplementary data schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* and are not a required part of the basic financial statements. The supplementary data schedules listed in the table of contents 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1 to the financial statements and Note B to the schedules of expenditures of federal and state awards.

May 10, 2012
Mount Arlington, New Jersey


NISIVOCCIA LLP


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

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
CURRENT FUND

BOROUGH OF MADISON
CURRENT FUND
COMPARATIVE BALANCE SHEET

		December 31,	
		2011	2010
<u>ASSETS</u>	<u>Ref.</u>		
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 7,924,567.42	\$ 8,004,939.32
Change Fund		450.00	450.00
		<u>7,925,017.42</u>	<u>8,005,389.32</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	806,442.32	529,655.07
Tax Title Liens Receivable	A-7	21,908.80	19,947.48
Property Acquired for Taxes at Assessed Valuation		295,800.00	295,800.00
Revenue Accounts Receivable	A-8	13,374.17	20,891.94
Interfund Accounts Receivable:			
General Capital Fund	C	7,937.14	
Assessment Fund	B		0.18
Other Trust Fund	B	359.90	286.56
Public Assistance Trust Fund	F		9.82
Net Payroll		22.73	48.56
Payroll Agency Fund		1,939.29	2,780.40
Imprest Account		0.71	0.89
Total Receivables and Other Assets With Full Reserves		<u>1,147,785.06</u>	<u>869,420.90</u>
Deferred Charges:			
Special Emergency Authorization		600,000.00	
		<u>600,000.00</u>	
Total Regular Fund		<u>9,672,802.48</u>	<u>8,874,810.22</u>
Federal and State Grant Fund:			
State and Federal Grants Receivable	A-11	51,375.29	26,199.00
Due from Current Fund	A	158,657.07	223,834.48
Total Federal and State Grant Fund		<u>210,032.36</u>	<u>250,033.48</u>
<u>TOTAL ASSETS</u>		<u>\$ 9,882,834.84</u>	<u>\$ 9,124,843.70</u>

BOROUGH OF MADISON
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-9	\$ 1,860,422.53	\$ 1,233,071.70
Encumbered	A-3;A-9	739,988.35	550,281.06
Total Appropriation Reserves		2,600,410.88	1,783,352.76
Special Emergency Notes		400,000.00	
Prepaid Taxes		462,847.24	1,502,244.43
Tax Overpayments		100.23	
County Taxes Payable		13,999.69	16,386.93
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		11,958.20	11,573.94
Construction Code Fees		5,196.00	2,370.00
Interfund Accounts Payable:			
Federal and State Grant Fund	A	158,657.07	223,834.48
Animal Control Fund	B	2,666.70	
Open Space Trust Fund	B		266.48
General Capital Fund	C		32,333.17
Electric Utility Operating Fund	E		384.01
Water Utility Operating Fund	D		263.34
Reserve for Tax Appeals Pending		250,000.00	10,091.53
Reserve for Tax Sale Premiums		3,500.00	3,800.00
Reserve for Sale of Municipal Assets		250,000.00	
Reserve for Tax Title Lien Redemption			8,668.93
		4,159,336.01	3,595,570.00
Reserve for Receivables and Other			
Assets		1,147,785.06	869,420.90
Fund Balance	A-1	4,365,681.41	4,409,819.32
Total Regular Fund		9,672,802.48	8,874,810.22
Federal and State Grant Fund:			
Accounts Payable		14,947.29	4,119.10
Appropriated Reserves	A-12	108,262.50	133,609.80
Unappropriated Reserves	A-13	86,822.57	112,304.58
Total Federal and State Grant Fund		210,032.36	250,033.48
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 9,882,834.84</u>	<u>\$ 9,124,843.70</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

	Ref.	Year Ended December 31,	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 3,635,000.00	\$ 5,235,101.00
Miscellaneous Revenue Anticipated		8,808,123.40	7,172,759.40
Receipts from:			
Delinquent Taxes		506,319.37	222,254.18
Current Taxes		55,934,111.90	54,859,132.55
Nonbudget Revenue		320,383.34	280,602.89
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,245,850.59	1,387,983.83
Cancellation of Appropriated Grant Reserves		11,830.00	125,914.45
Cancellation of Federal & State Grant Fund Accounts Payable			1,375.00
Cancellation of Local School District Taxes Payable		0.50	
Interfunds and Other Receivables Returned		3,126.41	35,574.36
Cancellation of Prior Year Reconciling Items		6,178.32	961.65
Reserve for Tax Appeals Pending			267,565.47
Total Income		<u>70,470,923.83</u>	<u>69,589,224.78</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		23,551,898.98	23,255,587.38
County Taxes		8,497,952.00	8,312,502.34
Amount Due County for Added and Omitted Taxes		13,999.68	16,386.92
Local School District Taxes		34,733,011.00	33,941,993.00
Municipal Open Space Taxes		420,301.31	420,792.86
Interfunds Advanced		10,259.77	3,126.41
Overpayment of 2010 Taxes Due to Appeals		2,639.00	
Reserve for Tax Appeals Pending		250,000.00	
Total Expenditures		<u>67,480,061.74</u>	<u>65,950,388.91</u>
Excess in Revenue		2,990,862.09	3,638,835.87
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		600,000.00	
Statutory Excess to Fund Balance		3,590,862.09	3,638,835.87
<u>Fund Balance</u>			
Balance January 1		4,409,819.32	6,006,084.45
		<u>8,000,681.41</u>	<u>9,644,920.32</u>
Decreased by:			
Utilized as Anticipated Revenue		3,635,000.00	5,235,101.00
Balance December 31	A	<u>\$ 4,365,681.41</u>	<u>\$ 4,409,819.32</u>

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

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 3,635,000.00	\$ 3,635,000.00	
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	25,000.00	31,805.80	\$ 6,805.80
Other Licenses	15,000.00	24,767.00	9,767.00
Fees and Permits	230,000.00	299,077.61	69,077.61
Fines and Costs:			
Municipal Court	258,000.00	245,060.24	12,939.76 *
Interest and Costs on Taxes	50,000.00	121,686.85	71,686.85
Parking Meters	35,000.00	41,127.70	6,127.70
Interest on Investments and Deposits	75,000.00	195,910.95	120,910.95
Police Burglar Alarm	10,000.00	26,520.00	16,520.00
Cablevision Franchise Fees	170,000.00	182,965.62	12,965.62
Sewer Fees on Tax Exempt Property	260,000.00	307,491.50	47,491.50
Consolidated Municipal Property Tax Relief Aid	128,405.00	128,405.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	680,124.00	680,124.00	
Uniform Construction Code Fees	230,000.00	1,072,744.00	842,744.00
Inter-Municipal Health Contracts for Local Community			
Health Services	300,000.00	304,993.00	4,993.00
Inter-Municipal Agreements for "Southeast Morris Project			
Community Pride" (S.L.E.P.A.)	55,000.00	55,300.00	300.00
Inter-Municipal Contract for Tax Assessor Services	88,000.00	88,658.00	658.00
Inter-Municipal Contract for Construction Code Services	60,000.00	68,200.00	8,200.00
Inter-Municipal Contract for Joint Court Agreement	291,000.00	294,430.00	3,430.00
Recycling Tonnage Grant	34,607.72	34,607.72	
Drunk Driving Enforcement Fund	6,665.23	6,665.23	
Clean Communities Program	23,786.64	23,786.64	
Alcohol Education and Rehabilitation Fund	2,463.38	2,463.38	
Public Health Priority Funding Act of 1977 - Contracted			
Municipalities' Share	5,556.00	5,556.00	
Alcohol and Drug Abuse Grant (M.A.A.S.A.)	11,774.00	11,774.00	
Alcohol and Drug Abuse Grant (M.A.A.S.A.) - Supplemental	2,500.00	2,500.00	
Public Health Emergency Response Grant	10,000.00	10,000.00	
Body Armor Replacement	2,865.41	2,865.41	
Bulletproof Vest Partnership	12,090.00	12,090.00	
Smart Growth Planning Grant	6,000.00	6,000.00	
Shade Tree Management Grant	7,000.00	7,000.00	
COPS in Schools (CIS) Alcohol Grant	3,200.00	3,200.00	
Over the Limit Grant	4,400.00	4,400.00	
Local Public Health Emergency Response H1N1 Grant	28,760.20	28,760.20	
Other Special Items:			
Utility Operating Surplus of Prior Years - Electric Utility	3,356,250.00	3,356,250.00	
Payment in Lieu of Taxes on Exempt Property - Madison			
Housing Authority	40,000.00	51,681.00	11,681.00

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Budget	Realized	Excess or Deficit *
Miscellaneous Revenue (Continued):			
Other Special Items (Continued):			
Life Hazard Use Fees	\$ 35,000.00	\$ 48,340.77	\$ 13,340.77
Madison Cell Tower Leases	230,000.00	316,417.78	86,417.78
Utility Operating Surplus of Prior Years - Water Utility	350,000.00	350,000.00	
Rosenet User Fees	25,000.00	24,750.00	250.00 *
Bond Anticipation Note Premium	20,000.00	20,000.00	
Sewer Connection Fees	30,000.00	101,834.00	71,834.00
Recreation Fees	68,000.00	41,264.00	26,736.00 *
General Capital Fund Balance	166,650.00	166,650.00	
Total Miscellaneous Revenue	7,443,097.58	8,808,123.40	1,365,025.82
Receipts from Delinquent Taxes	200,000.00	506,319.37	306,319.37
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	11,976,513.00	12,571,556.91	595,043.91
Minimum Library Tax	1,197,291.00	1,197,291.00	
Budget Totals	24,451,901.58	26,718,290.68	2,266,389.10
Nonbudget Revenue		320,383.34	320,383.34
	\$ 24,451,901.58	\$ 27,038,674.02	\$ 2,586,772.44

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

Allocation of Current Tax Collections

Revenue from Collections - 2011	\$ 54,314,944.19
2010	1,502,244.43
State's Share of Senior Citizens' and Veterans' Deductions	116,923.28
	55,934,111.90
Allocated to:	
School, County, and Open Space Taxes	43,665,263.99
	12,268,847.91
Add: Appropriation - Reserve for Uncollected Taxes	1,500,000.00
Amount for Support of Municipal Budget	\$ 13,768,847.91
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 506,319.37
	\$ 506,319.37

Analysis of Interest Earned

Cash Received - Treasurer	\$ 187,500.38
Interest Due from:	
General Capital Fund	7,937.14
Other Trust Fund	359.90
Net Payroll	22.73
Payroll Agency Fund	90.09
Imprest Account	0.71
	\$ 195,910.95

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011
(Continued)

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

Morris County Municipal Joint Insurance Fund Refunds	\$	31,905.09	
NJMEBF Refunds		4,224.00	
State of New Jersey - Senior Citizens and Veterans			
Deductions Administrative Fee		2,346.15	
State of New Jersey - Inspections/Motor Vehicles		10,317.40	
State of New Jersey - Snow Storm Damages		24,944.75	
Department Collections:			
Clerk		1,457.67	
Health		35,456.24	
Municipal Court - Public Defender Fees		8,876.50	
Recycling		75,030.20	
Tax Collector		593.00	
Land Use Board		30,000.00	
Building Department		3,342.00	
Returned Check Fees		480.00	
FEMA Reimbursements		19,027.84	
Miscellaneous Refunds		172.11	
Transfer of Surplus from Public Assistance Trust Funds		10,461.47	
Other Miscellaneous		39,815.62	
			\$ 298,450.04

Tax Sale Premium Escheated 200.00

Due from Animal Control Fund:

Statutory Excess in Reserve for Animal Control Fund Expenditures		21,733.30	
			\$ 320,383.34

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

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 136,050.00	\$ 136,050.00	\$ 135,393.43	656.57	
Other Expenses	10,900.00	10,900.00	7,601.35	\$ 3,298.65	
Municipal Support:					
Salaries & Wages	64,568.00	64,568.00	62,343.08	2,224.92	
Other Expenses	28,350.00	28,350.00	21,358.10	6,991.90	
Human Resources:					
Salaries & Wages	44,377.00	44,377.00	43,468.81	908.19	
Other Expenses	30,420.00	30,420.00	28,437.66	1,982.34	
Mayor and Borough Council:					
Salaries & Wages	41,952.00	41,952.00	39,479.58	2,472.42	
Other Expenses	17,310.00	17,310.00	8,338.08	8,971.92	
Borough Clerk:					
Salaries & Wages	89,478.00	89,478.00	79,325.79	10,152.21	
Other Expenses	34,510.00	34,510.00	22,537.39	11,972.61	
Financial Administration:					
Salaries & Wages	186,059.00	186,059.00	185,272.82	786.18	
Other Expenses	26,250.00	26,250.00	23,029.65	3,220.35	
Elections:					
Salaries & Wages	1,500.00	1,500.00	1,500.00		
Other Expenses	10,650.00	10,650.00	6,107.67	4,542.33	
Annual Audit	39,000.00	39,000.00	31,500.00	7,500.00	
Finance Department:					
Revenue Administration (Tax Collector):					
Salaries & Wages	92,718.00	92,718.00	90,026.98	2,691.02	
Other Expenses	14,600.00	14,600.00	14,245.76	354.24	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(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	\$ 3,271.00	\$ 3,271.00	\$ 3,271.00		
Other Expenses	29,230.00	34,230.00	27,700.08	\$ 6,529.92	
Other Expenses - Revaluation (N.J.S.A. 40A: 4-53 + \$600,000.00)		600,000.00	4,964.20	595,035.80	
Legal Services and Costs:					
Other Expenses	154,000.00	214,000.00	168,366.99	45,633.01	
Engineering Services and Costs:					
Salaries & Wages	183,138.00	183,138.00	153,914.38	29,223.62	
Other Expenses	31,500.00	31,500.00	18,329.09	13,170.91	
Environmental Commission (N.J.S.A.. 40:56A:1et seq.):					
Other Expenses	2,250.00	2,250.00	391.00	1,859.00	
Community Business Development:					
Salaries & Wages	95,000.00	95,000.00	94,999.92	0.08	
Other Expenses	5,480.00	5,480.00	2,758.38	2,721.62	
Museum of Early Trades and Crafts:					
Other Expenses	19,000.00	19,000.00	19,000.00		
Historic Preservation:					
Other Expenses	4,300.00	4,300.00	1,300.00	3,000.00	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries & Wages	45,386.00	45,386.00	45,264.49	121.51	
Other Expenses	90,080.00	90,080.00	64,307.49	25,772.51	
Zoning Board of Adjustment:					
Salaries & Wages	24,090.00	24,090.00	24,025.55	64.45	
Other Expenses	55,520.00	55,520.00	48,139.79	7,380.21	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (continued):					
PUBLIC SAFETY FUNCTIONS:					
Police and Fire Building:					
Other Expenses	\$ 78,500.00	\$ 78,500.00	\$ 73,785.19	\$ 4,714.81	
Police:					
Salaries & Wages	3,739,511.00	3,739,511.00	3,574,274.85	165,236.15	
Other Expenses	257,300.00	257,300.00	208,211.95	49,088.05	
Project Community Pride:					
Salaries & Wages	39,191.00	39,191.00	39,191.00		
Other Expenses	14,500.00	14,500.00	8,922.45	5,577.55	
Emergency Management Services:					
Other Expenses	4,750.00	4,750.00	3,997.39	752.61	
First Aid Organization Contribution	40,000.00	40,000.00	40,000.00		
Fire:					
Salaries & Wages	1,288,041.00	1,303,041.00	1,257,424.96	45,616.04	
Other Expenses:					
Miscellaneous Other Expenses	55,900.00	55,900.00	53,871.00	2,029.00	
Uniform Fire Safety Act:					
Fire Official Safety Code:					
Salaries & Wages	110,145.00	110,145.00	110,145.00		
Municipal Prosecutor:					
Other Expenses	30,000.00	30,000.00	30,000.00		
PUBLIC WORKS FUNCTIONS:					
Public Works:					
Salaries & Wages	1,368,359.00	1,368,359.00	1,328,710.54	39,648.46	
Other Expenses	266,230.00	266,230.00	239,762.97	26,467.03	
Sewer Department:					
Salaries & Wages	254,783.00	254,783.00	251,797.69	2,985.31	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(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 WORKS FUNCTIONS (continued):					
Sewer Department (continued):					
Other Expenses	\$ 65,150.00	\$ 65,150.00	\$ 46,970.17	\$ 18,179.83	
Shade Tree:					
Other Expenses	107,250.00	107,250.00	104,338.20	2,911.80	
Garbage Removal:					
Other Expenses	1,472,340.00	1,487,340.00	1,375,017.02	112,322.98	
Public Building and Grounds:					
Salaries & Wages	128,784.00	128,784.00	120,922.92	7,861.08	
Other Expenses	35,760.00	35,760.00	32,016.78	3,743.22	
Vehicle Maintenance:					
Salaries & Wages	254,793.00	254,793.00	254,793.00		
Other Expenses	163,450.00	167,450.00	158,069.89	9,380.11	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Board of Health:					
Salaries & Wages	191,878.00	177,878.00	137,499.93	40,378.07	
Other Expenses	84,391.00	98,391.00	93,270.05	5,120.95	
Animal Control Services:					
Salaries & Wages	2,000.00	2,000.00	1,679.91	320.09	
Other Expenses	49,400.00	49,400.00	49,400.00		
Civic Center:					
Other Expenses	21,600.00	21,600.00	16,490.26	5,109.74	
PARK AND RECREATION FUNCTIONS:					
Recreation and Playgrounds:					
Salaries & Wages	52,000.00	52,000.00	33,799.89	18,200.11	
Other Expenses	90,350.00	90,350.00	77,475.96	12,874.04	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(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):					
PARK AND RECREATION FUNCTIONS (Continued):					
Senior Citizens' Programs:					
Salaries & Wages	\$ 90,824.00	\$ 90,824.00	\$ 85,145.37	\$ 5,678.63	
Other Expenses	16,180.00	16,180.00	12,324.83	3,855.17	
Teen Center:					
Other Expenses	20,000.00	20,000.00	20,000.00		
Parks Committee:					
Other Expenses	18,821.00	18,821.00	10,412.88	8,408.12	
OTHER COMMON OPERATING FUNCTIONS:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	24,600.00	24,600.00	12,352.11	12,247.89	
Municipal Court:					
Salaries & Wages	23,000.00	23,000.00	22,363.20	636.80	
Other Expenses	17,425.00	1,000.00	526.27	473.73	
Public Defender (P.L. 1997,C.256):					
Other Expenses	10,000.00	10,000.00	10,000.00		
Insurance:					
General Liability	277,000.00	277,000.00	230,297.66	46,702.34	
Workers Compensation	217,000.00	217,000.00	200,000.00	17,000.00	
Employee Group Health	2,077,990.00	1,907,990.00	1,693,843.10	214,146.90	
STATE UNIFORM CONSTRUCTION CODE:					
State Uniform Construction Code:					
Salaries & Wages	225,525.00	225,525.00	218,457.62	7,067.38	
Other Expenses	47,460.00	47,460.00	39,697.83	7,762.17	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
UTILITY EXPENSES AND BULK PURCHASES:					
Telephone	\$ 61,600.00	\$ 61,600.00	\$ 49,117.65	\$ 12,482.35	
Gas	90,000.00	90,000.00	76,807.28	13,192.72	
Sewerage Processing and Disposal	15,000.00	15,000.00	11,300.00	3,700.00	
Gasoline	190,000.00	261,000.00	243,002.60	17,997.40	
Contingency	60,000.00	60,000.00	45,456.81	14,543.19	
Subtotal - Operations	15,359,718.00	15,943,293.00	14,179,642.69	1,763,650.31	
Detail:					
Salaries and Wages	8,776,421.00	8,777,421.00	8,394,491.71	382,929.29	
Other Expenses Including Contingency	6,583,297.00	7,165,872.00	5,785,150.98	1,380,721.02	
STATUTORY EXPENDITURES:					
Public Employees' Retirement System	302,000.00	302,000.00	295,281.66	6,718.34	
Social Security System (O.A.S.I.)	442,000.00	442,000.00	410,629.05	31,370.95	
Consolidated Police and Firemen's Retirement Pension Fund	20,000.00	20,000.00	8,629.49	11,370.51	
Police and Fireman's Retirement System of New Jersey	1,241,000.00	1,241,000.00	1,240,207.14	792.86	
Unemployment Insurance	50,000.00	50,000.00	50,000.00		
Total Statutory Expenditures - Municipal Within "CAPS"	2,055,000.00	2,055,000.00	2,004,747.34	50,252.66	
Total General Appropriations for Municipal Purposes Within "CAPS"	17,414,718.00	17,998,293.00	16,184,390.03	1,813,902.97	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(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):					
Employee Group Health Insurance	\$ 60,010.00	\$ 60,010.00	\$ 60,010.00		
Sanitation:					
Madison-Chatham Joint Meeting	1,010,339.00	1,010,339.00	1,010,339.00		
Maintenance of Free Public Library (c. 82, P.L. 1985):					
Other Expenses	1,196,095.00	1,196,095.00	1,196,095.00		
Other Expenses - Technology	49,875.00	49,875.00	49,875.00		
Inter-Municipal Agreement for "Southeast Morris Project Community Pride":					
Salaries & Wages	55,000.00	55,000.00	55,000.00		
Inter-Municipal Health Contracts for Local Community Health Services:					
Board of Health:					
Salaries & Wages	300,000.00	300,000.00	300,000.00		
Inter-Municipal Contract for Tax Assessor Services:					
Salaries & Wages	88,000.00	88,000.00	88,000.00		
Inter-Municipal Contract for Construction Code Services:					
Salaries & Wages	60,000.00	60,000.00	60,000.00		
Inter-Municipal Contract for Joint Court:					
Salaries & Wages	281,325.00	281,325.00	243,922.02	\$ 37,402.98	
Other Expenses	9,675.00	26,100.00	16,983.42	9,116.58	
Public and Private Programs Offset by Revenues:					
Public Health Priority Funding Act of 1977:					
Chronic Illness Services:					
Salaries & Wages	5,556.00	5,556.00	5,556.00		
Body Armor Replacement Grant	2,865.41	2,865.41	2,865.41		

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (continued):					
Public and Private Programs Offset by Revenues (continued):					
Drunk Driving Enforcement Fund:					
Police:					
Salaries & Wages	\$ 6,665.23	\$ 6,665.23	\$ 6,665.23		
Alcohol and Drug Abuse Grant (M.A.A.S.A.):					
State Share	11,774.00	11,774.00	11,774.00		
Borough Share	2,944.00	2,944.00	2,944.00		
Supplemental	2,500.00	2,500.00	2,500.00		
Alcohol Education and Rehabilitation Fund:					
Other Expenses	2,463.38	2,463.38	2,463.38		
Shade Tree Management Grant	7,000.00	7,000.00	7,000.00		
Over the Limit Grant	4,400.00	4,400.00	4,400.00		
Recycling Tonnage Grant	34,607.72	34,607.72	34,607.72		
Clean Communities Program	23,786.64	23,786.64	23,786.64		
Bulletproof Vest Partnership	12,090.00	12,090.00	12,090.00		
Smart Growth Planning Grant	6,000.00	6,000.00	6,000.00		
Public Health Emergency Response Grant	10,000.00	10,000.00	10,000.00		
Local Public Health Emergency Response H1N1 Grant	28,760.20	28,760.20	28,760.20		
CIS AL Grant	3,200.00	3,200.00	3,200.00		
Total Operations Excluded From "CAPS"	3,274,931.58	3,291,356.58	3,244,837.02	\$ 46,519.56	
Detail:					
Salaries & Wages	796,546.23	515,221.23	515,221.23		
Other Expenses	2,478,385.35	2,478,385.35	2,729,615.79	46,519.56	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(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>	
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	\$ 1,020,000.00	\$ 1,020,000.00	\$ 1,020,000.00		
Interest on Bonds	1,179,675.00	1,179,675.00	1,179,675.00		
N.J. Environmental Infrastructure Trust Loan:					
Interest on Loan	25,357.00	25,357.00	25,354.40		\$ 2.60
Principal on Loan	37,220.00	37,220.00	37,220.00		
Total Municipal Debt Service Excluded from "CAPS"	<u>2,262,252.00</u>	<u>2,262,252.00</u>	<u>2,262,249.40</u>		<u>2.60</u>
Subtotal General Appropriations	22,951,901.58	23,551,901.58	21,691,476.45	\$ 1,860,422.53	2.60
Reserve for Uncollected Taxes	<u>1,500,000.00</u>	<u>1,500,000.00</u>	<u>1,500,000.00</u>		
Total General Appropriations	<u>\$ 24,451,901.58</u>	<u>\$ 25,051,901.58</u>	<u>\$ 23,191,476.45</u>	<u>\$ 1,860,422.53</u>	<u>\$ 2.60</u>

Ref.

A

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 24,451,901.58	
Special Emergency Authorization N.J.S.A. 40A: 4-53		600,000.00	
		\$ 25,051,901.58	
Cash Disbursed			\$ 21,049,210.88
Encumbrances	A		739,988.35
Due to Federal and State Grant Fund			164,612.58
Due to Animal Control Fund			24,400.00
Reserve for Uncollected Taxes			1,500,000.00
			23,478,211.81
Less: Appropriation Refunds			286,735.36
			\$ 23,191,476.45

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
TRUST FUNDS

BOROUGH OF MADISON
TRUST FUNDS
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 33,860.50	\$ 37,385.97
Due from Current Fund	A	2,666.70	
		<u>36,527.20</u>	<u>37,385.97</u>
Open Space Trust Fund:			
Cash and Cash Equivalents	B-4	323,349.46	169,806.74
Due from Current Fund	A		266.48
		<u>323,349.46</u>	<u>170,073.22</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,590,934.57	954,360.65
		<u>1,590,934.57</u>	<u>954,360.65</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	B-4		0.18
			<u>0.18</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,950,811.23</u>	<u>\$ 1,161,820.02</u>

BOROUGH OF MADISON
TRUST FUNDS
COMPARATIVE BALANCE SHEET

		December 31,	
	Ref.	2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 144.00	\$ 76.20
Prepaid Licenses		1,504.20	759.00
Reserve for Animal Control Fund Expenditures	B-7	34,879.00	36,550.77
		36,527.20	37,385.97
Open Space Trust Fund:			
Reserve for Open Space Trust		323,349.46	170,073.22
		323,349.46	170,073.22
Other Trust Funds:			
Due to Current Fund - Other Trusts	A	359.90	286.56
Unallocated Receipts		1.00	1.00
Due to State of New Jersey:			
Marriage License Fees		85.00	55.00
Burial Permits		215.00	200.00
Construction Code Surcharge Fees		4,681.00	4,897.00
Reserve for:			
Unemployment Insurance		64,368.37	50,329.91
Special Funds		1,521,224.30	898,591.18
		1,590,934.57	954,360.65
Assessment Trust Fund:			
Due to Current Fund	A		0.18
			0.18
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 1,950,811.23	\$ 1,161,820.02

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

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
GENERAL CAPITAL FUND

BOROUGH OF MADISON
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 7,341,743.09	\$ 7,503,971.13
Deferred Charges to Future Taxation:			
Funded		24,493,596.11	25,375,169.50
Unfunded	C-4	8,214,068.00	5,235,500.00
Due from Current Fund	A		32,333.17
Grants Receivable:			
Morris County Community Development Grant		32,475.00	32,475.00
Transportation Enhancement Grant		26,556.00	40,741.97
New Jersey Department of Transportation Grants:			
ISTEA - Madison Bike Path		5,000.00	5,000.00
New Jersey Historic Trust		12,925.36	216,351.65
Hartley Dodge Memorial Trustees		195,000.00	220,000.00
NJ Department of Environmental Protection:			
ARRA Clean Water State Revolving Fund Grant Receivable			40,298.00
Wastewater Treatment Grant Receivable		151,831.00	
NJ Environmental Infrastructure Loans Receivable		151,832.00	816,981.04
<u>TOTAL ASSETS</u>		<u>\$ 40,625,026.56</u>	<u>\$ 39,518,821.46</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 23,561,000.00	\$ 24,581,000.00
Bond Anticipation Notes Payable	C-7	8,033,000.00	4,700,000.00
NJ Environmental Infrastructure Loans Payable:			
Trust Loan	C-9	473,608.00	400,000.00
Fund Loan	C-9	458,988.11	394,169.50
Improvement Authorizations:			
Funded	C-5	2,958,886.38	3,043,795.03
Unfunded	C-5	203,563.78	549,152.34
Due to Current Fund	A	7,937.14	
Reserve for Encumbrances		1,489,631.48	1,170,746.70
Reserve for Bond Anticipation Note Premium		7,539.67	555.00
Reserve for Receivable		9,000.00	8,981.04
Capital Improvement Fund	C-6	1,115,063.50	2,011,999.78
Amount Due to Museum of Early Trades and Crafts		19,086.26	19,080.83
Fund Balance	C-1	2,287,722.24	2,639,341.24
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 40,625,026.56</u>	<u>\$ 39,518,821.46</u>

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

BOROUGH OF MADISON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 2,639,341.24
Increased By:		
Grant Funds Received on Fully Funded Improvement Authorizations		265,031.00
		2,904,372.24
Decreased By:		
Appropriation to Finance Improvement Authorizations	\$ 450,000.00	
Current Fund Anticipated Revenue	166,650.00	
		616,650.00
Balance December 31, 2011	C	\$ 2,287,722.24

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
WATER UTILITY FUND

BOROUGH OF MADISON
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 1,485,082.34	\$ 1,299,288.70
Change Fund		25.00	25.00
		<u>1,485,107.34</u>	<u>1,299,313.70</u>
Due From Current Fund	A		263.34
Due From Water Utility Capital Fund	D	1,354.66	215.68
		<u>1,486,462.00</u>	<u>1,299,792.72</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	250,293.58	191,487.62
Revenue Accounts Receivable		1,658.60	1,658.60
		<u>251,952.18</u>	<u>193,146.22</u>
Total Operating Fund		<u>1,738,414.18</u>	<u>1,492,938.94</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	1,255,625.59	899,269.96
Fixed Capital	D-7	12,284,721.31	12,151,399.30
Fixed Capital Authorized and Uncompleted	D-8	592,000.00	477,000.00
Total Capital Fund		<u>14,132,346.90</u>	<u>13,527,669.26</u>
<u>TOTAL ASSETS</u>		<u>\$ 15,870,761.08</u>	<u>\$ 15,020,608.20</u>

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

	Ref.	December 31,	
		2011	2010
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 254,847.84	\$ 226,201.15
Encumbered	D-3;D-9	91,605.02	46,714.95
		<u>346,452.86</u>	<u>272,916.10</u>
Reserve for Receivables	D	251,952.18	193,146.22
Reserve for Security Deposits		100.00	100.00
Fund Balance	D-1	<u>1,139,909.14</u>	<u>1,026,776.62</u>
Total Operating Fund		<u>1,738,414.18</u>	<u>1,492,938.94</u>
Capital Fund:			
Improvement Authorizations - Funded	D-10	314,549.50	87,157.50
Encumbrances Payable		37,191.79	26,811.48
Capital Improvement Fund	D-11	651,760.74	701,760.74
Due to Water Utility Operating Fund	D	1,354.66	215.68
Reserve for:			
Filtration System		50,768.90	50,768.90
Amortization		12,284,721.31	12,151,399.30
Automated Meter Reading		200,000.00	
Deferred Reserve for Amortization	D-12	592,000.00	477,000.00
Fund Balance	D-1a		<u>32,555.66</u>
Total Capital Fund		<u>14,132,346.90</u>	<u>13,527,669.26</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 15,870,761.08</u>	<u>\$ 15,020,608.20</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

	Ref.	<u>Year Ended December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized			\$ 100,000.00
Rents		\$ 2,281,260.55	2,138,651.40
Miscellaneous Revenue		114,876.47	60,653.53
Water Capital Fund Balance		32,555.66	57,526.75
Other Credits to Income:			
Cancellation of Prior Year Reconciling Items		82.61	
Unexpended Balance of Appropriation Reserves		225,590.23	231,481.68
Total Income		<u>2,654,365.52</u>	<u>2,588,313.36</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,600,233.00	1,607,849.00
Capital Improvements		400,000.00	100,000.00
Deferred Charges and Statutory Expenditures		191,000.00	172,000.00
Total Expenditures		<u>2,191,233.00</u>	<u>1,879,849.00</u>
Excess in Revenue		463,132.52	708,464.36
<u>Fund Balance</u>			
Balance January 1		1,026,776.62	775,839.01
		<u>1,489,909.14</u>	<u>1,484,303.37</u>
Decreased by:			
Utilized as Anticipated Revenue			100,000.00
Anticipated as Current Fund Budget Revenue		350,000.00	357,526.75
Balance December 31	D	<u>\$ 1,139,909.14</u>	<u>\$ 1,026,776.62</u>

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

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE

Balance December 31, 2010	<u>Ref.</u> D	\$ 32,555.66
Decreased by:		
Water Utility Operating Fund Anticipated Revenue		<u>32,555.66</u>
Balance December 31, 2011	D	<u>\$ -0-</u>

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Water Rents	\$ 2,098,677.34	\$ 2,281,260.55	\$ 182,583.21
Miscellaneous Revenue	60,000.00	114,876.47	54,876.47
Water Capital Fund Balance	<u>32,555.66</u>	<u>32,555.66</u>	
	<u>\$ 2,191,233.00</u>	<u>\$ 2,428,692.68</u>	<u>\$ 237,459.68</u>

Analysis of Realized Revenue

Miscellaneous Revenue:

Interest on Investments:

Water Utility Operating Fund

Other Miscellaneous Revenue

\$ 31,763.49

81,758.32

\$ 113,521.81

Interest on Investments:

Due from Water Utility Capital Fund

1,354.66

\$ 114,876.47

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	<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	\$ 597,133.00	\$ 597,133.00	\$ 544,519.08	\$ 52,613.92
Other Expenses	1,003,100.00	1,003,100.00	807,210.39	195,889.61
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	143,000.00	143,000.00	143,000.00	
Social Security System (O.A.S.I.)	48,000.00	48,000.00	41,655.69	6,344.31
	<u>\$ 2,191,233.00</u>	<u>\$ 2,191,233.00</u>	<u>\$ 1,936,385.16</u>	<u>\$ 254,847.84</u>

Ref.

D

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 2,191,233.00	
		\$ 2,191,233.00	
Cash Disbursed			\$ 1,844,780.14
Encumbrances Payable	D		91,605.02
			\$ 1,936,385.16

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
ELECTRIC UTILITY FUND

BOROUGH OF MADISON
ELECTRIC UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2011	2010
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 6,912,597.90	\$ 6,324,439.29
Change Fund		25.00	25.00
		<u>6,912,622.90</u>	<u>6,324,464.29</u>
Due from Current Fund	A		384.01
Due from Electric Utility Capital Fund	E	1,180.50	285.75
		<u>6,913,803.40</u>	<u>6,325,134.05</u>
Receivables and Other Assets With Full Reserves:			
Consumer Accounts Receivable	E-8	1,875,475.22	1,608,408.07
Lifeline Credit Receivable		1,125.00	
Total Receivables and Other Assets With Full Reserves		<u>1,876,600.22</u>	<u>1,608,408.07</u>
Deferred Charges:			
Emergency Authorization (40A:4-46)			900,000.00
Total Deferred Charges			<u>900,000.00</u>
Total Operating Fund		<u>8,790,403.62</u>	<u>8,833,542.12</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	1,212,562.42	1,271,015.71
Fixed Capital	E-9	11,822,847.15	11,348,631.30
Fixed Capital Authorized and Uncompleted	E-10	255,000.00	457,000.00
Total Capital Fund		<u>13,290,409.57</u>	<u>13,076,647.01</u>
<u>TOTAL ASSETS</u>		<u>\$ 22,080,813.19</u>	<u>\$ 21,910,189.13</u>

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-4;E-11	\$ 1,902,523.22	\$ 1,505,206.66
Unencumbered	E-4;E-11	327,171.61	897,125.16
		<u>2,229,694.83</u>	<u>2,402,331.82</u>
Reserve for Receivables	E	1,876,600.22	1,608,408.07
Reserve for Security Deposit		460.00	460.00
Fund Balance	E-1	<u>4,683,648.57</u>	<u>4,822,342.23</u>
Total Operating Fund		<u>8,790,403.62</u>	<u>8,833,542.12</u>
Capital Fund:			
Encumbrances Payable		4,950.00	119,862.68
Improvement Authorizations:			
Funded	E-12	250,050.00	18,913.52
Due to Electric Utility Operating Fund	E	1,180.50	285.75
Capital Improvement Fund	E-13	956,381.92	1,131,953.76
Reserve for:			
Amortization		11,822,847.15	11,348,631.30
Deferred Amortization	E-14	<u>255,000.00</u>	<u>457,000.00</u>
Total Capital Fund		<u>13,290,409.57</u>	<u>13,076,647.01</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 22,080,813.19</u>	<u>\$ 21,910,189.13</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

	Ref.	Year Ended December 31	
		2011	2010
<u>Revenue and Other Income Realized</u>			
Metered Service		\$ 22,351,283.99	\$ 23,183,654.33
Miscellaneous Revenue		188,717.89	100,227.04
Electric Utility Capital Fund Balance			306,251.60
Other Credits to Incomes:			
Unexpended Balance of Appropriation Reserves		926,708.46	993,185.89
Total Income		<u>23,466,710.34</u>	<u>24,583,318.86</u>
<u>Expenditures</u>			
Operating		18,922,154.00	19,412,617.00
Capital Improvements		100,000.00	100,000.00
Deferred Charges and Statutory Expenditures		1,227,000.00	1,210,000.00
Total Expenditures		<u>20,249,154.00</u>	<u>20,722,617.00</u>
Excess in Revenue		3,217,556.34	3,860,701.86
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			900,000.00
Statutory Excess to Fund Balance		3,217,556.34	4,760,701.86
<u>Fund Balance</u>			
Balance January 1		4,822,342.23	2,717,891.97
		8,039,898.57	7,478,593.83
Decreased by:			
Anticipated as Current Fund Budget Revenue		3,356,250.00	2,656,251.60
Balance December 31	E	<u>\$ 4,683,648.57</u>	<u>\$ 4,822,342.23</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
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2011

	Anticipated	Realized	Excess or Deficit *
Metered Service	\$ 20,969,154.00	\$ 22,351,283.99	\$ 1,382,129.99
Miscellaneous Revenue	80,000.00	188,717.89	108,717.89
	\$ 21,049,154.00	\$ 22,540,001.88	\$ 1,490,847.88
 <u>Analysis of Realized Revenue</u>			
Miscellaneous Revenue:			
Miscellaneous Receipts		\$ 66,377.36	
Interest Earned:			
Electric Utility Operating Fund		121,160.03	
Due from Electric Utility Capital Fund		1,180.50	
		\$ 188,717.89	
 Metered Services:			
Consumer Accounts Receivable		\$ 22,337,333.99	
Life Line Credits		13,950.00	
		\$ 22,351,283.99	

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

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

	Appropriations		Expended by		Unexpended Balances Cancelled
	Budget	Budget After Modi- fication	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 1,372,679.00	\$ 1,402,679.00	\$ 1,370,452.31	\$ 32,226.69	
Other Expenses	18,074,650.00	18,044,650.00	16,965,175.67	279,474.33	\$ 800,000.00
Rosenet Web Site:					
Other Expenses	274,825.00	274,825.00	268,565.10	6,259.90	
Capital Improvements:					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
Deferred Charges:					
Emergency Authorizations	900,000.00	900,000.00	900,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	207,000.00	207,000.00	207,000.00		
Social Security System	120,000.00	120,000.00	110,789.31	9,210.69	
	<u>\$ 21,049,154.00</u>	<u>\$ 21,049,154.00</u>	<u>\$ 19,921,982.39</u>	<u>\$ 327,171.61</u>	<u>\$ 800,000.00</u>

Ref.

E

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2011
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 21,049,154.00	
		\$ 21,049,154.00	
Cash Disbursed			\$ 17,169,600.74
Reserve for Encumbrances	E		1,902,523.22
Deferred Charges			900,000.00
			19,972,123.96
Less: Refunds			50,141.57
			\$ 19,921,982.39

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
PUBLIC ASSISTANCE FUND

BOROUGH OF MADISON
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	December 31,	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ -0-	\$ 10,463.77
<u>TOTAL ASSETS</u>		<u>\$ -0-</u>	<u>\$ 10,463.77</u>
<u>RESERVES</u>			
Due to Current Fund	A		\$ 9.82
Reserve for Public Assistance Trust Fund I			1,490.22
Reserve for Public Assistance Trust Fund II			8,963.73
<u>TOTAL RESERVES</u>		<u>\$ -0-</u>	<u>\$ 10,463.77</u>

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF MADISON
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	December 31,	
	2011	2010
Land	\$ 37,924,400.00	\$ 37,924,400.00
Buildings	25,177,445.73	25,177,445.73
Improvements Other than Buildings	3,985,300.72	566,079.33
Machinery and Equipment	10,331,450.94	10,267,093.70
<u>TOTAL ASSETS</u>	<u>\$ 77,418,597.39</u>	<u>\$ 73,935,018.76</u>
<u>RESERVES</u>		
Investment in General Fixed Assets	\$ 77,418,597.39	\$ 73,935,018.76

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

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 ("GASB") Codification 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, 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 financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB 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 of Madison conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with 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.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes. This fund was closed out during 2011 and the operations were transferred to the County of Morris in 2010.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
 (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 accounting policies of the Borough of Madison conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant policies.

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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

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

C. Basis of Accounting (Cont'd)

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.

- 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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

(Continued)

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

E. Other Significant Accounting Policies (Cont'd)

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 Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by Division of Local Government Services, the Borough has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost. 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. 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. Capital 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 acquisitions 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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

(Continued)

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

Summary of Municipal Debt

	December 31,		
	2011	2010	2009
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 31,994,000.00	\$ 29,281,000.00	\$ 30,261,000.00
NJ Environmental Infrastructure Loans Payable	932,596.11	794,169.50	
Total Issued	<u>32,926,596.11</u>	<u>30,075,169.50</u>	<u>30,261,000.00</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	181,068.00	535,500.00	2,161,500.00
Total Authorized but not Issued	<u>181,068.00</u>	<u>535,500.00</u>	<u>2,161,500.00</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 33,107,664.11</u>	<u>\$ 30,610,669.50</u>	<u>\$ 32,422,500.00</u>

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/2010	Additions	Retirements	Balance 12/31/2011
Serial Bonds:				
General Capital Fund	\$ 24,581,000.00		\$ 1,020,000.00	\$ 23,561,000.00
Loans Payable:				
General Capital Fund:				
NJ Environmental Infrastructure Loans	794,169.50	\$ 177,216.00	38,789.39	932,596.11
Bond Anticipation Notes:				
General Capital Fund	4,700,000.00	8,033,000.00	4,700,000.00	8,033,000.00
Special Emergency Notes:				
Current Fund		400,000.00		400,000.00
Total	<u>\$ 30,075,169.50</u>	<u>\$ 8,610,216.00</u>	<u>\$ 5,758,789.39</u>	<u>\$ 32,926,596.11</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/2009	Additions	Retirements	Balance 12/31/2010
Serial Bonds:				
General Capital Fund	\$ 25,561,000.00		\$ 980,000.00	\$ 24,581,000.00
Loans Payable:				
General Capital Fund:				
NJ Environmental Infrastructure Loans		\$ 808,000.00	13,830.50	794,169.50
Bond Anticipation Notes:				
General Capital Fund	4,700,000.00	4,700,000.00	4,700,000.00	4,700,000.00
Total	<u>\$ 30,261,000.00</u>	<u>\$ 5,508,000.00</u>	<u>\$ 5,693,830.50</u>	<u>\$ 30,075,169.50</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

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

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 0.92%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 41,660,000.00	\$ 41,660,000.00	
General Debt	33,107,664.11		\$ 33,107,664.11
	<u>\$ 74,767,664.11</u>	<u>\$ 41,660,000.00</u>	<u>\$ 33,107,664.11</u>

Net Debt \$32,707,664.11 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,581,221,794.00 = 0.92%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 125,342,762.79
Net Debt	<u>33,107,664.11</u>
Remaining Borrowing Power	<u>\$ 92,235,098.68</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, 2011

General Capital Serial Bonds Payable

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
General Improvement Bonds of 2008	10/15/28	4.50%-5.00%	<u>\$ 23,561,000.00</u>

General Capital NJ Environmental Infrastructure Loan Payable (Trust Loan)

<u>Description</u>	<u>Final Maturity</u>	<u>Balance Dec. 31, 2011</u>
Trust Loan 1	08/01/29	\$ 385,000.00
Trust Loan 2	08/01/30	<u>88,608.00</u>
		<u>\$ 473,608.00</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

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

General Capital NJ Environmental Infrastructure Loan Payable (Fund Loan)

<u>Description</u>	<u>Final Maturity</u>	<u>Balance Dec. 31, 2011</u>
Fund Loan 1	08/01/29	\$ 373,423.75
Fund Loan 2	08/01/30	85,564.36
		<u>\$ 458,988.11</u>

General Capital Bond Anticipation Notes

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
01/21/11	1.00%	<u>\$ 8,033,000.00</u>

Curent Fund Special Emergency Notes

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
01/20/12	1.30%	<u>\$ 400,000.00</u>

Total Debt Issued and Outstanding	<u>\$ 32,926,596.11</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. The Fund loan portion of Fund Loan 1 is 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, 2011, the Madison-Chatham Joint Meeting has borrowed or "drawn down" \$833,384 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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

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

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>	
2012	\$ 1,108,972.11	\$ 1,153,194.94	\$ 2,262,167.05
2013	1,154,006.53	1,104,485.54	2,258,492.07
2014	1,204,055.67	1,053,736.38	2,257,792.05
2015	1,254,120.45	1,000,721.60	2,254,842.05
2016	1,304,195.11	945,446.94	2,249,642.05
2017-2021	7,367,558.22	3,792,789.54	11,160,347.76
2022-2026	7,876,452.37	1,938,757.94	9,815,210.31
2027-2030	3,224,235.65	237,307.70	3,461,543.35
	<u>\$ 24,493,596.11</u>	<u>\$ 11,226,440.58</u>	<u>\$ 35,720,036.69</u>

Note 3: Fund Balance Appropriated

Fund balances at December 31, 2011, which are appropriated and included in the Current, Water Utility Operating, and Electric Utility Operating Fund introduced budgets for the year ending December 31, 2012, are as follows:

Current Fund	\$ 2,800,000.00
Water Utility Fund	350,000.00
Electric Utility Fund	3,516,000.00

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, 2011, the following deferred charges is shown on the balance sheet of the Electric Utility Operating Fund:

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012 Budget</u> <u>Appropriation</u>
Current Fund:		
Special Emergency Authorization	<u>\$ 600,000.00</u>	<u>\$ 80,000.00</u>

Of the \$600,000 special emergency authorization balance, \$200,000 was cancelled in March of 2012. The appropriation in the 2012 budget will not be less than that required by statute.

Note 5: Pension Plans

Borough employees are enrolled in one of three cost-sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS), the Police and Fireman's Retirement System (PFRS) of New Jersey or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers these two plans which cover substantially all Borough employees. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 5: Pension Plans (Cont'd)

Several retired Borough police and firemen are enrolled in the Consolidated Police and Firemen's Pension (CPFPPF) of New Jersey. However, if an employee is ineligible to enroll in the PERS or 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.

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective with the first payroll to be paid on or after October 1, 2011, the employee contributions for PERS went from 5.5% to 6.5% while the employee contributions for PFRS increased to 10.0% from 8.5% of employees' annual compensation, as defined. Employee contributions for DCRP is 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in the PERS and PFRS Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits for PERS and PFRS. In the PERS, the employer contribution includes funding for post-retirement medical premiums. 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 \$753,867.00, \$613,130.00 and \$529,609.97 for 2011, 2010 and 2009, respectively. Borough contributions to PFRS amounted to \$1,240,980.00, \$1,088,919.00 and \$915,984.11 for 2011, 2010 and 2009, respectively.

The employer contributions for the DCRP amounted to \$1,338.07, \$204.00 and \$112.20 for 2011, 2010 and 2009, respectively. The employee contributions for the DCRP amounted to \$2,453.13, \$374.00 and \$205.70 for 2011, 2010 and 2009, 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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

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 \$2,300,421.42 at December 31, 2011. This amount is not reported either as an expenditure or a liability. 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.

Comparative Schedule of Tax Rate Information

	2011	2010	2009
<u>Tax Rate</u>	\$ 2.709	\$ 2.639	\$ 2.533
<u>Apportionment of Tax Rate</u>			
Municipal	.647	.626	.594
County - Regular	.375	.357	.347
County Open Space	.031	.040	.059
Local School	1.656	1.616	1.533
<u>Assessed Valuations</u>			
2011	<u>\$ 2,098,080,953.00</u>		
2010		<u>\$ 2,099,842,025.00</u>	
2009			<u>\$ 2,106,509,966.00</u>

Comparison of Tax Levies and Collection Currently

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

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collection
2011	\$ 56,927,990.24	\$ 55,934,111.90	98.25%
2010	55,516,856.74	54,859,132.55	98.81%
2009	53,534,391.57	53,163,238.79	99.30%

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 8: Selected Tax Information (Cont'd)

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.

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 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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

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

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;
- (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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

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

As of December 31, 2011, cash and cash equivalents and investments of the Borough of Madison consisted of the following:

<u>Fund</u>	<u>Cash on</u> <u>Hand</u>	<u>Checking</u> <u>Accounts</u>	<u>Money</u> <u>Market</u> <u>Accounts</u>	<u>Totals</u>
Current	\$ 450.00	\$ 7,924,567.42		\$ 7,925,017.42
Animal Control		33,860.50		33,860.50
Open Space Trust		323,349.46		323,349.46
Other Trust		1,590,934.57		1,590,934.57
General Capital		6,534,213.78	\$ 807,529.31	7,341,743.09
Water Utility Operating	25.00	1,485,082.34		1,485,107.34
Water Utility Capital		1,255,625.59		1,255,625.59
Electric Utility Operating	25.00	6,912,597.90		6,912,622.90
Electric Utility Capital		1,212,562.42		1,212,562.42
	<u>\$ 500.00</u>	<u>\$ 27,272,793.98</u>	<u>\$ 807,529.31</u>	<u>\$ 28,080,823.29</u>

The Borough did not hold any investments during the year ended December 31, 2011. The carrying amount of the Borough of Madison's cash and cash equivalents at December 31, 2011, was \$28,080,823.29 and the bank balance was \$27,837,807.21.

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.

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 10: Risk Management (Cont'd)

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. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution. 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, 2011 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, 2010, are as follows:

	Morris County Municipal Joint Insurance Fund	North Jersey Municipal Employee Benefits Fund
Total Assets	\$ 24,002,469	\$ 15,475,831
Net Assets	\$ 11,288,204	\$ 12,088,382
Total Revenue	\$ 16,068,417	\$ 37,699,620
Total Expenses	\$ 16,968,393	\$ 36,331,615
Change in Net Assets for the Year Ended December 31	\$ (899,976)	\$ 1,368,005
Net Assets Distribution to Participating Members	\$ -0-	\$ -0-

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

Morris County Municipal Joint Insurance Fund

Perma Risk Management Services
Park 80 West, Plaza One
Saddle Brook, New Jersey 07663
(201) 587-0555

North Jersey Municipal Employee Benefits Fund

Perma Risk Management Services
250 Pehle Avenue, Suite 701
Saddle Brook, New Jersey 07663
(201) 587-0555

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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 10: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of the interest earned and the ending balance of the Borough's expendable trust fund for the current year:

<u>Fiscal Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Refunds from State of NJ</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 50,000.00	\$ 16,396.90	\$ -0-	\$ 798.31	\$ 53,156.75	\$ 64,368.37
2010	60,000.00	4,845.02	-0-	467.01	63,642.19	50,329.91
2009	-0-	-0-	34,448.57	845.84	74,496.33	48,660.07

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 8,297.04	\$ 161,323.77
Federal and State Grant Fund	158,657.07	
Animal Control Fund	2,666.70	
Other Trust Fund		359.90
General Capital Fund		7,937.14
Water Utility Operating Fund	1,354.66	
Water Utility Capital Fund		1,354.66
Electric Utility Operating Fund	1,180.50	
Electric Utility Capital Fund		1,180.50
	<u>\$ 172,155.97</u>	<u>\$ 172,155.97</u>

The interfund receivable in the Current Fund comprises of interest earned in the Other Trust Fund and the General Capital Fund. The interfund receivable in the Federal and State Grant Fund from the Current Fund is for the receipt of funds for the grants funds directly deposited into the Current Fund. The interfund receivable in the Animal Control Fund represents budget appropriation due from the Current Fund, net of statutory excess in the Reserve for the Animal Control Fund due to the Current 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 12: 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 \$1,010,339.00 in 2011 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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 13: Contingent Liabilities

As of December 31, 2011, the Borough reserved a total \$250,000.00 in the Reserve for Pending Tax Appeals for several material pending tax appeals in 2011.

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, 2011.

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.

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 plans are not available to employees until termination, retirement, death or unforeseeable emergency.

Note 15: Accounts Payable

Payables as of December 31, 2011 were as follows:

	2011
Federal and State Grant Fund:	
Various Vendors	\$ 14,947.29

Note 16: 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 17: 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 assessed valuation for the Open Space Trust Fund. The 2011 Open Space tax levy is \$420,301.31. The balance in the Reserve for Open Space at December 31, 2011 is \$323,349.46.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(Continued)

Note 18: 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 19: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2011 and 2010:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Land	\$37,924,400.00			\$37,924,400.00
Buildings	25,177,445.73			25,177,445.73
Improvements Other than Buildings	566,079.33	\$3,500,000.00	\$ 80,778.61	3,985,300.72
Machinery and Equipment	10,267,093.70	137,599.00	73,241.76	10,331,450.94
	<u>\$73,935,018.76</u>	<u>\$3,637,599.00</u>	<u>\$ 154,020.37</u>	<u>\$77,418,597.39</u>
	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Land	\$37,924,400.00			\$37,924,400.00
Buildings	25,087,745.73	\$ 89,700.00		25,177,445.73
Improvements Other than Buildings	575,626.61		\$ 9,547.28	566,079.33
Machinery and Equipment	10,488,196.49	96,109.00	317,211.79	10,267,093.70
	<u>\$74,075,968.83</u>	<u>\$ 185,809.00</u>	<u>\$ 326,759.07</u>	<u>\$73,935,018.76</u>

BOROUGH OF MADISON

SUPPLEMENTARY DATA

BOROUGH OF MADISON
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2011

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Mary-Anna Holden	Mayor		
Robert H. Conley	Council President		
Robert G. Catalaneilo	Council Member		
Sebastian Cerciello	Council Member		
Vincent Esposito	Council Member		
Donald Links	Council Member		
Jeannie Tsukamoto	Council Member		
Raymond M. Cody	Administrator		
Elizabeth Osborne	Clerk		
Elizabeth Crescibene	Purchasing/Personnel Officer		
Robert F. Kalafut	Director of Finance		
	Chief Financial Officer		
Francine DeAngelis	Chief Accountant		
	Tax Collector	*	*
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		
Joseph Mezzacca, Jr., Esq.	Borough Attorney		
John Treyena	Police Chief		
James Norgalis	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
2011
CURRENT FUND

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

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 8,004,939.32
Increased by Receipts:		
Taxes Receivable		\$ 54,821,263.56
Revenue Accounts Receivable		8,638,044.25
Miscellaneous Revenue Not Anticipated		298,450.04
Prepaid Taxes		462,847.24
Special Emergency Notes Issued		400,000.00
Tax Overpayments		168,535.65
Appropriation Refunds		286,735.36
Due to Federal and State Grant Fund:		
Grants Receivable		24,187.71
Unappropriated Reserves		86,822.57
Due from/to State of New Jersey:		
Veterans' and Senior Citizens' Deductions		117,307.54
Construction Code Fees		93,323.00
Due from Assessment Trust Fund:		
Prior Year Interfund Returned		0.18
Due from Other Trust Fund:		
Prior Year Interfund Returned		286.56
Due from Public Assistance Trust Fund:		
Prior Year Interfund Returned		9.82
Due from Net Payroll:		
Prior Year Interfund Returned		48.56
Due from Payroll Agency Fund:		
Prior Year Interfund Returned		931.20
Due from Imprest Account:		
Prior Year Interfund Returned		0.89
Reserve for Sale of Municipal Assets		250,000.00
Cancel Prior Year Reconciling Items		6,178.32
		65,654,972.45
		73,659,911.77

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

	<u>Ref.</u>	
Decreased by Disbursements:		
2011 Appropriation Expenditures	\$	21,049,210.88
2010 Appropriation Reserve Expenditures		537,502.17
Local School District Taxes		34,733,010.50
County Taxes		8,514,338.92
Tax Overpayments Refunded		171,074.42
Due State of New Jersey - Construction Code Fees		90,497.00
Due from Federal and State Grant Fund:		
Appropriated Reserves		164,019.61
Accounts Payable		3,282.08
Due from General Capital Fund:		
Prior Year Interfund Returned		32,333.17
Due Open Space Trust Fund:		
Open Space Tax Levy		420,301.31
Prior Year Interfund Returned		266.48
Due Water Utility Operating Fund:		
Prior Year Interfund Returned		263.34
Due Electric Utility Operating Fund:		
Prior Year Interfund Returned		384.01
Reserve for Outside Lien Redemption		8,668.93
Refund of Tax Sale Premiums		100.00
Reserve for Tax Appeals Pending		10,091.53
		\$ 65,735,344.35
Balance December 31, 2011	A	\$ 7,924,567.42

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

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

Year	Balance	2011 Levy	Added Taxes	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2010			2010	2011				Dec. 31, 2011
2009	\$ 14,539.42								\$ 14,539.42
2010	515,115.65		\$ 2,426.78		\$ 506,319.37		\$ 11.40		11,211.66
	<u>529,655.07</u>		<u>2,426.78</u>		<u>506,319.37</u>		<u>11.40</u>		<u>25,751.08</u>
2011		\$ 56,927,990.24		\$ 1,502,244.43	54,314,944.19	\$ 116,923.28	211,225.78	\$ 1,961.32	780,691.24
	<u>\$ 529,655.07</u>	<u>\$ 56,927,990.24</u>	<u>\$ 2,426.78</u>	<u>\$ 1,502,244.43</u>	<u>\$ 54,821,263.56</u>	<u>\$ 116,923.28</u>	<u>\$ 211,237.18</u>	<u>\$ 1,961.32</u>	<u>\$ 806,442.32</u>
Ref.	A								A

Analysis of 2011 Property Tax Levy

General Purpose Tax	\$ 56,837,015.26
Added Taxes (54:4-63.1 et seq.)	<u>90,974.98</u>
	<u>\$ 56,927,990.24</u>
Tax Levy:	
Local School District Taxes	\$ 34,733,011.00
County Taxes:	
County Taxes	8,497,952.00
Due County for Added and Omitted Taxes	<u>13,999.68</u>
	8,511,951.68
Local Tax for Municipal Purposes	11,976,513.00
Municipal Library Taxes	1,197,291.00
Municipal Open Space Taxes	419,616.19
Add: Additional Open Space - Municipal	685.12
Add: Additional Tax Levied	<u>88,922.25</u>
	13,683,027.56
	<u>\$ 56,927,990.24</u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2010	A	\$ 19,947.48
Increased by:		
Transferred From Taxes Receivable		<u>1,961.32</u>
Balance December 31, 2011	A	<u>\$ 21,908.80</u>



BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2010	Accrued in 2011	Collected by Treasurer	Balance Dec. 31, 2011
Borough Clerk:				
ABC Licenses		\$ 31,805.80	\$ 31,805.80	
Other		24,767.00	24,767.00	
Fees and Permits		299,077.61	299,077.61	
Municipal Court	\$ 20,891.94	237,542.47	245,060.24	\$ 13,374.17
Interest and Costs on Taxes		121,686.85	121,686.85	
Parking Meters		41,127.70	41,127.70	
Interest on Investments and Deposits		187,500.38	187,500.38	
Police Burglar Alarms		26,520.00	26,520.00	
Cablevision Franchise Fee		182,965.62	182,965.62	
Sewer Fees on Tax Exempt Properties		307,491.50	307,491.50	
Consolidated Municipal Property Tax Relief Aid		128,405.00	128,405.00	
Energy Receipts Tax		680,124.00	680,124.00	
Uniform Construction Code Fees		1,072,744.00	1,072,744.00	
Intermunicipal Health Contracts for Local Community				
Health Services		304,993.00	304,993.00	
Intermunicipal Agreements for "Southeast Morris				
Project Community Pride"		55,300.00	55,300.00	
Inter-Municipal Contract for Tax Assessor Services		88,658.00	88,658.00	
Inter-Municipal Contract for Construction Code Services		68,200.00	68,200.00	
Inter-Municipal Contract for Joint Court Agreement		294,430.00	294,430.00	
Utility Operating Surplus of Prior Years - Electric		3,356,250.00	3,356,250.00	
Payment in Lieu of Taxes on Exempt Property - Madison				
Housing Authority		51,681.00	51,681.00	
Life Hazard User Fees		48,340.77	48,340.77	
Madison Cell Tower Lease		316,417.78	316,417.78	
Utility Operating Surplus of Prior Years - Water Utility		350,000.00	350,000.00	
Rosenet User Fees		24,750.00	24,750.00	
Bond Anticipation Note Premium		20,000.00	20,000.00	
Sewer Connection Fees		101,834.00	101,834.00	
Recreation Fees		41,264.00	41,264.00	
General Capital Fund Balance		166,650.00	166,650.00	
	<u>\$ 20,891.94</u>	<u>\$ 8,630,526.48</u>	<u>\$ 8,638,044.25</u>	<u>\$ 13,374.17</u>

Ref.

A

A

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	Balance Dec. 31, 2010	Balance After Modi- fication	Paid or Charged	Balance Lapsed
General Administration:				
Other Expenses	\$ 7,733.53	\$ 7,733.53	\$ 323.73	\$ 7,409.80
Municipal Support:				
Other Expenses	29,106.83	29,106.83	18,007.48	11,099.35
Human Resources:				
Other Expenses	15,165.46	15,165.46	240.00	14,925.46
Mayor and Council:				
Other Expenses	12,603.11	12,603.11	406.99	12,196.12
Borough Clerk:				
Other Expenses	17,739.73	17,739.73	2,694.16	15,045.57
Financial Administration (Treasury):				
Salaries and Wages	1,784.01	1,784.01		1,784.01
Other Expenses	7,474.63	7,474.63	2,719.32	4,755.31
Elections:				
Other Expenses	3,646.31	3,646.31		3,646.31
Audit Services:				
Other Expenses	39,000.00	39,000.00	29,000.00	10,000.00
Revenue Administration (Tax Collection):				
Salaries and Wages	1,983.55	1,983.55		1,983.55
Other Expenses	3,976.64	3,976.64	234.26	3,742.38
Tax Assessment Administration:				
Other Expenses	5,108.47	5,108.47	2,250.72	2,857.75
Legal Services and Costs:				
Other Expenses	10,043.55	10,043.55	10,000.00	43.55
Engineering Services:				
Salaries and Wages	31,038.09	31,038.09		31,038.09
Other Expenses	29,418.77	29,418.77	10,008.00	19,410.77
Environmental Commission:				
Other Expenses	356.90	356.90		356.90
Downtown Development Commission:				
Other Expenses	3,005.84	3,005.84	155.49	2,850.35
Historic Preservation:				
Other Expenses	4,240.00	4,240.00	170.00	4,070.00
Planning Board:				
Salaries and Wages	2,204.17	2,204.17		2,204.17
Other Expenses	46,115.35	46,115.35	10,891.15	35,224.20
Zoning Board of Adjustment:				
Salaries and Wages	839.86	839.86		839.86
Other Expenses	25,496.08	25,496.08	4,547.30	20,948.78
Police and Fire Building:				
Other Expenses	11,148.52	11,148.52	8,621.51	2,527.01
Police:				
Salaries & Wages	151,128.60	151,128.60	9,197.00	141,931.60

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Police:				
Other Expenses	\$ 91,969.63	\$ 91,969.63	\$ 45,579.40	\$ 46,390.23
Project Community Pride:				
Salaries & Wages	1,325.73	1,325.73		1,325.73
Other Expenses	9,254.31	9,254.31	2,084.10	7,170.21
Emergency Management:				
Other Expenses	2,923.76	2,923.76	184.99	2,738.77
Fire Department:				
Salaries & Wages	16,710.65	16,710.65		16,710.65
Other Expenses	11,412.54	11,412.54	9,045.88	2,366.66
Municipal Prosecutor's Office:				
Other Expenses	6,280.00	6,280.00	4,630.00	1,650.00
Public Works:				
Salaries and Wages	79,365.52	79,365.52		79,365.52
Other Expenses	87,266.04	87,266.04	1,992.03	85,274.01
Sewer Department:				
Salaries and Wages	24,276.17	24,276.17	1,638.19	22,637.98
Other Expenses	12,393.72	12,393.72	5,629.04	6,764.68
Shade Tree Authority:				
Other Expenses	9,447.01	9,447.01	1,092.50	8,354.51
Garbage Removal:				
Salaries & Wages	29,527.44	29,527.44		29,527.44
Other Expense	353,763.96	353,763.96	239,052.15	114,711.81
Public Building & Grounds:				
Salaries & Wages	10,430.74	10,430.74		10,430.74
Other Expenses	15,627.76	15,627.76	2,307.45	13,320.31
Vehicle Maintenance:				
Other Expenses	23,530.12	23,530.12	4,983.74	18,546.38
Board of Health:				
Salaries & Wages	15,105.21	15,105.21		15,105.21
Other Expenses	16,821.60	16,821.60	8,763.12	8,058.48
Animal Control Services:				
Salaries and Wages	240.48	240.48		240.48
Administration of Public Assistance:				
Salaries and Wages	18,127.90	18,127.90		18,127.90
Civic Center:				
Other Expenses	8,077.72	8,077.72	2,957.00	5,120.72
Recreation & Playgrounds:				
Salaries & Wages	3,025.63	3,025.63		3,025.63
Other Expenses	41,059.00	41,059.00	16,494.50	24,564.50
Senior Citizens Programs:				
Salaries & Wages	4,279.49	4,279.49		4,279.49
Other Expenses	6,494.50	6,494.50	1,655.40	4,839.10
Teen Center:				
Other Expenses	22,425.00	22,425.00	18,358.00	4,067.00

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Parks Commission:				
Other Expenses	\$ 5,611.60	\$ 5,611.60	855.00	\$ 4,756.60
Celebration of Public Events, Anniversary or Holiday:				
Other Expenses	9,323.60	9,323.60	\$ 3,303.50	6,020.10
Municipal Court:				
Salaries and Wages	3,244.67	3,244.67		3,244.67
Other Expenses	11,439.97	11,439.97	289.13	11,150.84
Public Defender:				
Other Expenses	3,072.50	3,072.50	1,317.50	1,755.00
Insurance:				
General Liability	22,640.81	22,640.81	11,679.89	10,960.92
Workers Compensation Insurance	7,000.00	7,000.00		7,000.00
Employee Group Health	135,557.18	135,557.18		135,557.18
State Uniform Construction Code:				
Other Expenses	9,928.96	9,928.96	4,086.15	5,842.81
Utility Expenses:				
Telephone	15,780.59	15,780.59	4,153.26	11,627.33
Natural Gas	44,712.96	44,712.96	14,284.42	30,428.54
Sewerage Processing and Disposal	3,700.00	3,700.00		3,700.00
Gasoline	35,946.27	35,946.27		35,946.27
Contingency	35,511.68	35,511.68	21,618.72	13,892.96
Public Employees' Retirement System	6,939.67	6,939.67		6,939.67
Social Security	32,072.87	32,072.87		32,072.87
Consolidated Police & Firemen's Retirement Pension Fund	19,349.80	19,349.80		19,349.80
	<u>\$ 1,783,352.76</u>	<u>\$ 1,783,352.76</u>	<u>\$ 537,502.17</u>	<u>\$ 1,245,850.59</u>
	<u>Ref.</u>			
Unencumbered	A	\$ 1,233,071.70		
Encumbered	A	550,281.06		
		<u>\$ 1,783,352.76</u>		

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2011

Increased by:

Levy - Calendar Year 2011

\$ 34,733,011.00

Decreased by:

Payments to Local School District

\$ 34,733,010.50

Cancellation of Local School District Taxes Payable

0.50\$ 34,733,011.00

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

	Balance Dec. 31, 2010	Budget Revenue Realized	Cash Received	Transferred From Unappropriated Reserves	Balance Dec. 31, 2011
Municipal Alliance Program:					
2009	\$ 570.00				\$ 570.00
2010	11,774.00		\$ 8,987.71		2,786.29
2011		\$ 11,774.00	2,700.00		9,074.00
MAASA Supplemental - County:					
2011		2,500.00	2,500.00		
Public Health Funding Act:					
Contracted Municipalities - 2010		5,556.00		\$ 5,556.00	
Clean Communities Grant - 2010		23,786.64		23,786.64	
Body Armor Grant - 2010		2,865.41		2,865.41	
Alcohol Education and Rehabilitation Grant - 2010		2,463.38		2,463.38	
Recycling Tonnage Grant - 2010		34,607.72		34,607.72	
Drunk Driving Enforcement Grant - 2010		6,665.23		6,665.23	
New Jersey Department of Health and Senior Services Grant - 2006	10,105.00				10,105.00
Over the Limit, Under Arrest Grant - 2010		4,400.00		4,400.00	
Community Stewardship Incentive Program Grant - 2008	3,750.00				3,750.00
Local Public Health Emergency Response H1N1 Grant		28,760.20		28,760.20	
COPS in Schools (CIS) Alcohol Grant		3,200.00		3,200.00	
Public Health Emergency Response Grant - 2011		10,000.00	10,000.00		
Bulletproof Vest Partnership - 2011		12,090.00			12,090.00
Smart Growth Planning Grant - 2011		6,000.00			6,000.00
Shade Tree Management Grant - 2011		7,000.00			7,000.00
	<u>\$ 26,199.00</u>	<u>\$ 161,668.58</u>	<u>\$ 24,187.71</u>	<u>\$ 112,304.58</u>	<u>\$ 51,375.29</u>

Ref.

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

	Balance Dec. 31, 2010	Transferred from 2011 Budget	Cash Disbursed	Accounts Payable	Unexpended Balance Cancelled	Balance Dec. 31, 2011
Public Health Priority Funding Act of 1977:						
2010		\$ 5,556.00	\$ 5,556.00			
Clean Communities Program:						
2008	\$ 6,977.37				\$ 6,977.37	
2009	11,223.27		1,497.60		9,725.67	
2010		23,786.64	9,175.40	\$ 478.80		\$ 14,132.44
Recycling Tonnage Grant - 2010		34,607.72				34,607.72
Drunk Driving Enforcement Fund:						
2007	1,175.45				1,175.45	
2008	9,298.76		5,700.00			3,598.76
2009	6,858.15					6,858.15
2010		6,665.23	6,665.23			
Alcoholism Education and Rehabilitation Fund:						
2003			974.13		(974.13)	
2004			624.14		(624.14)	
2005			681.40		(681.40)	
2006			3,124.46		(3,124.46)	
2007			1,435.87		(2,370.07)	934.20
2008	2,098.55					2,098.55
2009	1,113.83					1,113.83
2010		2,463.38				2,463.38
Municipal Alliance on Alcoholism and Drug Abuse:						
Borough Share - 2007	3,643.00		3,643.00			
State Share - 2010	265.84		265.84			
Borough Share - 2010	2,944.00		2,944.00			
State Share - 2011		11,774.00	8,925.54	859.15		1,989.31
Borough Share - 2011		2,944.00				2,944.00
MAASA Supplemental - County:						
Supplemental - 2011		2,500.00				2,500.00
Body Armor Grant - 2010		2,865.41				2,865.41
Stormwater Management Grant - 2008	12,029.00					12,029.00
Pandemic Influenza Grant - 2008	1,725.71				1,725.71	
Community Stewardship Incentive Program Grant - 2008	3,842.00					3,842.00
Obey the Sign Grant - 2008	4,000.00		2,784.77			1,215.23

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

	<u>Balance Dec. 31, 2010</u>	<u>Transferred from 2011 Budget</u>	<u>Cash Disbursed</u>	<u>Accounts Payable</u>	<u>Unexpended Balance Cancelled</u>	<u>Balance Dec. 31, 2011</u>
Over the Limit Grant:						
2008	\$ 1,875.00					\$ 1,875.00
2009	6,000.00					6,000.00
2010		\$ 4,400.00	\$ 4,400.00			
Local Public Health Emergency Response H1N1 Grant						
2009	58,539.87		55,148.60			3,391.27
2010		28,760.20	28,077.88	\$ 682.32		
2011		10,000.00	9,875.75			124.25
COPS in Schools (CIS) Alcohol Grant - 2010		3,200.00	800.00			2,400.00
Bulletproof Vest Partnership		12,090.00		12,090.00		
Smart Growth Planning Grant		6,000.00	5,100.00			900.00
Shade Tree Management Grant		7,000.00	6,620.00			380.00
	<u>\$ 133,609.80</u>	<u>\$ 164,612.58</u>	<u>\$ 164,019.61</u>	<u>\$ 14,110.27</u>	<u>\$ 11,830.00</u>	<u>\$ 108,262.50</u>
<u>Ref.</u>	A					A
Federal Grants		\$ 19,690.00	\$ 7,984.77	\$ 12,090.00		
State Grants		139,478.58	149,447.84	2,020.27		
Local Grants		2,500.00				
Local Matching Funds		2,944.00	6,587.00			
		<u>\$ 164,612.58</u>	<u>\$ 164,019.61</u>	<u>\$ 14,110.27</u>		

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

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>to Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Alcohol Education and Rehabilitation Fund:				
2010	\$ 2,463.38		\$ 2,463.38	
2011		\$ 2,858.54		\$ 2,858.54
Clean Communities Grant:				
2010	23,786.64		23,786.64	
2011		22,733.34		22,733.34
Recycling Tonnage Grant:				
2010	34,607.72		34,607.72	
2011		33,883.91		33,883.91
Public Health Funding Act:				
2010	5,556.00		5,556.00	
Body Armor Grant:				
2010	2,865.41		2,865.41	
2011		3,056.22		3,056.22
Drunk Driving Enforcement Fund:				
2010	6,665.23		6,665.23	
2011		7,470.56		7,470.56
Over the Limit, Under Arrest Grant:				
2010	4,400.00		4,400.00	
2011		8,600.00		8,600.00
Local Public Health Emergency Response H1N1 Grant - 2010	28,760.20		28,760.20	
COPS in Schools (CIS) Alcohol Grant:				
2010	3,200.00		3,200.00	
2011		1,600.00		1,600.00
ARRA Business Stimulus Fund Grant		6,620.00		6,620.00
	<u>\$ 112,304.58</u>	<u>\$ 86,822.57</u>	<u>\$ 112,304.58</u>	<u>\$ 86,822.57</u>
<u>Ref.</u>	A			A
		Federal	\$ 16,820.00	
		State	70,002.57	
			<u>\$ 86,822.57</u>	

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
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>	<u>Assessment Trust Fund</u>
Balance December 31, 2010	\$ 37,385.97	\$ 169,806.74	\$ 0.18
Increased by Receipts:			
Borough Dog License Fees	\$ 13,431.40		
Prepaid Borough Dog License Fees	1,504.20		
State Dog License Fees	1,250.40		
Other Dog/Cat License Fees	3,069.00		
Due From Current:			
Prior Year Interfund Returned		\$ 266.48	
Current Year Budget Appropriation	25,000.00		
Open Space Tax Levy		420,301.31	
Open Space Receipts:			
Reimbursement from the Diocese of Paterson for open space/recreational property environmental cleanup expenses		100,384.48	
Reimbursement of soil erosion & sediment fees from the Morris County Soil Conservation District		600.00	
Investment Interest Earned	379.13	3,527.36	
	<u>44,634.13</u>	<u>525,079.63</u>	
	82,020.10	694,886.37	0.18
Decreased by Disbursements:			
State Board of Health	1,182.60		
Expenditures Under R.S. 4:19-15.11	46,977.00		
Open Space Expenditures		204,536.91	
Due to Current Fund:			
Prior Year Interfund Returned			\$ 0.18
Due to General Capital Fund:			
Improvement Authorizations		167,000.00	
	<u>48,159.60</u>	<u>371,536.91</u>	<u>0.18</u>
Balance December 31, 2011	<u>\$ 33,860.50</u>	<u>\$ 323,349.46</u>	<u>\$ -0-</u>

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

	<u>Ref.</u>	<u>Other Trust Funds</u>
Balance December 31, 2010	B	\$ 954,360.65
Increased by Receipts:		
Due to State of New Jersey:		
Marriage License Fees		\$ 1,700.00
Burial Permits		15.00
Construction Code Surcharge Fees		90,497.00
Interest Earned in Unemployment Insurance		798.31
Reserve for Unemployment Insurance		66,396.90
Reserve for Special Funds		1,169,863.43
Investment Interest Earned for Reserve for Special Funds		6,500.94
Investment Interest Earned Due Current Fund		359.90
		1,336,131.48
		2,290,492.13
Decreased by Disbursements:		
Due to Current Fund:		
Prior Year Interfund Returned		286.56
Due to State of New Jersey:		
Marriage License Fees		1,670.00
Construction Code Surcharge Fees		90,713.00
Reserve for Unemployment Insurance		53,156.75
Reserve for Special Funds		553,731.25
		699,557.56
Balance December 31, 2011	B	\$ 1,590,934.57

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 36,550.77
Increased by:		
Dog License Fees		\$ 13,431.40
2011 Budget Appropriation		49,400.00
Other Fees		3,069.00
Interest Earned		379.13
Prior Year Prepaid Licenses		759.00
		67,038.53
		103,589.30
Decreased by:		
Statutory Excess - Due Current Fund		21,733.30
Animal Control Fund Expenditures		46,977.00
		68,710.30
Balance December 31, 2011	B	\$ 34,879.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2009	\$ 15,805.60
2010	19,073.40
	34,879.00
Maximum Allowable Reserve	\$ 34,879.00

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
GENERAL CAPITAL FUND

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 7,503,971.13
Increased by Receipts:		
Due from Current Fund:		
Prior Year Interfund Returned	\$ 32,333.17	
Due from Open Space Trust Fund:		
Improvement Authorization	167,000.00	
Bond Anticipation Notes Issued	8,033,000.00	
Bond Anticipation Notes Premium	6,984.67	
Bond Anticipation Notes Premium Due to Current Fund	20,000.00	
Grant Receivables:		
Transportation Enhancement Grant	14,185.97	
New Jersey Historic Trust	203,426.29	
Hartley Dodge Memorial Trustees	25,000.00	
Grant Funds Received on Fully Funded		
Improvement Authorizations:		
Morris County Historic Preservation Trust Fund	265,031.00	
New Jersey Economic Development Authority	85,166.00	
New Jersey Department of Transportation Grants	337,500.00	
Borough of Chatham Reimbursement for Reconstruction of Brooklake Road - Ord #18-10	40,000.00	
Interest on Investments Due to Current Fund	7,937.14	
Due Museum of Early Trades and Crafts	5.43	
	9,237,569.67	16,741,540.80
Decreased by Disbursements:		
Due to Current Fund:		
Anticipated Revenue:		
General Capital Fund Balance	166,650.00	
Bond Anticipation Notes Premium	20,000.00	
Bond Anticipation Notes Matured	4,700,000.00	
Improvement Authorization Expenditures	4,513,147.71	
	9,399,797.71	9,399,797.71
Balance December 31, 2011	C	\$ 7,341,743.09

BOROUGH OF MADISON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2010	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2011
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Fund Balance	\$ 2,639,341.24		\$ 265,031.00			\$ 166,650.00	\$ 450,000.00		\$ 2,287,722.24
Capital Improvement Fund	2,011,999.78		462,666.00				1,519,800.00	\$ 160,197.72	1,115,063.50
Due Current Fund	(32,333.17)		60,270.31						7,937.14
Due Other Trust Fund - Open Space			167,000.00				167,000.00		
Morris County Community Development	(32,475.00)								(32,475.00)
New Jersey Department of Transportation (ISTEA)	(5,000.00)								(5,000.00)
Transportation Enhancement Grant	(40,741.97)		14,185.97						(26,556.00)
New Jersey Historic Trust	(216,351.65)		203,426.29						(12,925.36)
Hartley Dodge Memorial Trustees	(220,000.00)		25,000.00						(195,000.00)
NJ Department of Environmental Protection:									
ARRA Clean Water State Revolving Fund Grant Receivable	(40,298.00)							40,298.00	
Wastewater Treatment Grant Receivable							177,216.00	25,385.00	(151,831.00)
NJ Environmental Infrastructure Loans Receivable	(816,981.04)						177,216.00	842,365.04	(151,832.00)
Reserve for Bond Anticipation Note Premium	555.00		6,984.67						7,539.67
Reserve for Encumbrances	1,170,746.70						833,456.00	1,152,340.78	1,489,631.48
Reserve for Receivable	8,981.04							18.96	9,000.00
Amount Due to Museum of Early Trades and Crafts	19,080.83		5.43						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	1,416,503.58		\$ 844,030.01				305,775.33	878,248.90
33-06; 43-10	Exterior Lighting, Site Development Plan, Signage and Chairs for the Madison Public Library	4,925.81					4,925.81		
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	15,125.00		8,516.24				8,016.24	14,625.00
41-08	Purchase of Window Replacements and a New Generator for the Civic Center	2,677.00		23,710.00			927.00	21,960.00	
70-08; 19-09	Swale Construction, Purchase of Computer Equipment, Sidewalk Paving and Exterior Ramp Construction for the Madison Public Library	7,072.42					7,072.42		
73-08; 49-09	Acquisition of Real Property for Open Space Preservation and Recreation Purposes	13,652.34	\$ 4,700,000.00	2,509.42	\$ 4,700,000.00				11,142.92
07-09	Environmental Engineering, Survey and Fence at 22 Orchard Street, Block 4312, Lots 14, 15 and 16	19,313.00		17,585.01			27,705.80	25,977.81	
28-09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	847,548.00					908,067.00	354,432.00	293,913.00
32-09; 54-10	Construction of Elevator at Madison Civic Center	16,906.50		41,237.60			14,106.50	38,437.60	
38-09	Reconstruction of South Street	167.00						11,777.75	11,944.75
46-09	Reconstruction of Pomeroy Road	27,847.72		35,644.85			22,105.81	29,902.94	
06-10	2010 Sanitary Sewer Pump Station Repairs	6,587.00		16,980.00			127.00	10,520.00	
10-10	Purchase of Fire Alarm for Public Works Building	5.00		9,995.00				9,995.00	5.00
14-10	Purchase of Sewer Pumps	8,800.00		3,933.57					4,866.43

BOROUGH OF MADISON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. Number	Improvement Description	Balance (Deficit) Dec. 31, 2010	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2011
			Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
18-10	Reconstruction of Brooklake Road between Main Street and the Florham Park Line	\$ 86,809.00			\$ 25,594.38			\$ 79,365.99	\$ 18,151.37	
19-10	Equipment and Services to Replace and Improve Blinker Signals	416.75			19,583.25			416.75	19,583.25	
24-10	Improvements to Lincoln Place				8,783.40			967.80	9,751.20	
37-10	Woodland Road Reconstruction	58,941.25			326,614.39				323,607.51	\$ 55,934.37
38-10	Rehabilitation of North Street Pump Station	500,000.00			6,256.41			69,526.34		424,217.25
61-10	Removal of Underground Storage Tanks at 22 Orchard Street	24,150.00			14,164.85			535.15		9,450.00
02-11	Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center		\$ 3,333,000.00		2,730,276.01			758,371.13	167,000.00	11,352.86
03-11	Woodland Road Reconstruction (from Garfield Avenue to Barnsdale Road)				114,860.96			285,677.48	450,000.00	49,461.56
07-11	Purchase of a Service Truck Utility Body with Accessories				35,195.52				45,000.00	9,804.48
08-11	Purchase of an Above Ground Vehicle Lift with Accessories								60,000.00	60,000.00
13-11	Purchase of a Brine Operating System							34,048.00	70,000.00	35,952.00
15-11	Purchase of Four Sets of Firefighting Turnout Gear				9,693.68				10,000.00	306.32
20-11	Reconstruction of Green Avenue (from Woodland Road to Shunpike Road)							393.38	450,000.00	449,606.62
21-11	Reconstruction of Pine, Cedar, Rose and Beech Avenues				460.00				539,000.00	538,540.00
22-11	Reimbursement to the Madison Community Pool for Replacement of the Pool Parking Lot				217,523.16			2,476.84	220,000.00	
27-11	Abatement Project at the Madison Public Library Technical Services Department								30,000.00	30,000.00
29-11	Purchase of Radio Equipment								67,000.00	67,000.00
31-11	Purchase of Evidence Storage Bins							3,789.30	3,800.00	10.70
35-11	Flasher Improvements at the Noe Avenue and Woodland Road Intersection								25,000.00	25,000.00
		<u>\$ 7,503,971.13</u>	<u>\$ 8,033,000.00</u>	<u>\$ 1,204,569.67</u>	<u>\$ 4,513,147.71</u>	<u>\$ 4,700,000.00</u>	<u>\$ 186,650.00</u>	<u>\$ 5,545,293.50</u>	<u>\$ 5,545,293.50</u>	<u>\$ 7,341,743.09</u>

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

Date of Ordinance/ Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Funded by		Balance Dec. 31, 2011	Analysis of Balance Dec. 31, 2011	
				NJ Department of Environmental Protection Grant Receivable	NJ Environmental Infrastructure Loans Issued		Bond Anticipation Notes	Unexpended Improvement Authorizations
73-08; 49-09	Acquisition of Real Property for Open Space Preservation and Recreation Purposes	\$ 4,700,000.00				\$ 4,700,000.00	\$ 4,700,000.00	
28-09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	535,500.00		\$ 177,216.00	\$ 177,216.00	181,068.00		\$ 181,068.00
02-11	Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center		\$ 3,333,000.00			3,333,000.00	3,333,000.00	
		<u>\$ 5,235,500.00</u>	<u>\$ 3,333,000.00</u>	<u>\$ 177,216.00</u>	<u>\$ 177,216.00</u>	<u>\$ 8,214,068.00</u>	<u>\$ 8,033,000.00</u>	<u>\$ 181,068.00</u>
	Ref.	C				C		

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded

\$ 203,563.78

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance 73-08

(11,142.92)

Ordinance 02-11

(11,352.86)

\$ 181,068.00

**BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Ordinance Number	Amount	Balance Dec. 31, 2010		2011 Authorizations			Prior Year		Balance Dec. 31, 2011		
			Funded	Unfunded	Capital Improvement Fund	Other Sources	Deferred Charges To Future Tax- ation Unfunded	Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Funded	Unfunded
Various Public Improvements and Acquisition of New Fire Engines, Including Original Apparatus and Equipment	42-05; 58-08	\$ 23,367,000.00	\$ 1,416,503.58						\$ 538,254.68		\$ 878,248.90	
Exterior Lighting, Site Development Plan, Signage and Chairs, and Improvements to Archives Room for the Madison Public Library	33-06; 43-10	85,000.00	4,925.81							\$ 4,925.81		
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	15,125.00						500.00		14,625.00	
Purchase of Window Replacements and a New Generator for the Civic Center	41-08	31,000.00	2,677.00						1,750.00	927.00		
Swale Construction, Purchase of Computer Equipment, Sidewalk Paving and Exterior Ramp Construction and Legal Fees for the Madison Public Library	70-08; 19-09	98,000.00	7,072.42							7,072.42		
Acquisition of Real Property for Open Space Preservation and Recreation Purposes	73-08; 49-09	12,800,000.00		\$ 13,652.34					2,509.42			\$ 11,142.92
Environmental Engineering, Survey and Fence at 22 Orchard Street, Block 4312, Lots 14, 15 and 16	07-09	84,663.00	19,313.00					\$ 8,392.80		27,705.80		
Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	28-09	2,161,500.00	847,548.00	535,500.00					908,067.00		293,913.00	181,068.00
Construction of Elevator at Madison Civic Center	32-09; 54-10	325,000.00	16,906.50						2,800.00	14,106.50		
Reconstruction of South Street	38-09	238,000.00	167.00					11,777.75			11,944.75	
Reconstruction of Pomeroy Road	46-09	510,000.00	27,847.72						5,741.91	22,105.81		
2010 Sanitary Sewer Pump Station Repairs	06-10	30,000.00	6,587.00						6,460.00	127.00		
Purchase of Fire Alarm for Public Works Building	10-10	10,000.00	5.00								5.00	
Purchase of Sewer Pumps	14-10	10,000.00	8,800.00						3,933.57		4,866.43	
Reconstruction of Brooklake Road between Main Street and the Florham Park Line	18-10	323,000.00	86,809.00						7,443.01	79,365.99		
Equipment and Services to Replace and Improve Blinker Signals	19-10	20,000.00	416.75							416.75		
Improvements to Lincoln Place	24-10	295,000.00						967.80		967.80		
Woodland Road Reconstruction	37-10	465,000.00	58,941.25						3,006.88		55,934.37	
Rehabilitation of North Street Pump Station	38-10	500,000.00	500,000.00						75,782.75		424,217.25	
Removal of Underground Storage Tanks at 22 Orchard Street	61-10	24,150.00	24,150.00						14,700.00		9,450.00	
Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center	02-11	3,500,000.00				\$ 167,000.00	\$ 3,333,000.00		3,488,647.14			11,352.86
Woodland Road Reconstruction (from Garfield Avenue to Barnsdale Road)	03-11	450,000.00			\$ 450,000.00				400,538.44		49,461.56	
Purchase of a Service Truck Utility Body with Accessories	07-11	45,000.00			45,000.00				35,195.52		9,804.48	
Purchase of an Above Ground Vehicle Lift with Accessories	08-11	60,000.00			60,000.00						60,000.00	
Purchase of a Brine Operating System	13-11	70,000.00			70,000.00				34,048.00		35,952.00	
Purchase of Four Sets of Firefighting Turnout Gear	15-11	10,000.00			10,000.00				9,693.68		306.32	
Reconstruction of Green Avenue (from Woodland Road to Shunpike Road)	20-11	450,000.00				450,000.00			393.38		449,606.62	
Reconstruction of Pine, Cedar, Rose and Beech Avenues	21-11	539,000.00			539,000.00				460.00		538,540.00	
Reimbursement to the Madison Community Pool for Replacement of the Pool Parking Lot	22-11	220,000.00			220,000.00				217,523.16	2,476.84		
Abatement Project at the Madison Public Library Technical Services Department	27-11	30,000.00			30,000.00						30,000.00	
Purchase of Radio Equipment	29-11	67,000.00			67,000.00						67,000.00	

**BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Ordinance		Balance Dec. 31, 2010		2011 Authorizations			Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2011	
	Number	Amount	Funded	Unfunded	Capital Improvement Fund	Other Sources	Deferred Charges To Future Taxation Unfunded				Funded	Unfunded
Purchase of Evidence Storage Bins	31-11	\$ 3,800.00			\$ 3,800.00				\$ 3,789.30		\$ 10.70	
Flasher Improvements at the Noe Avenue and Woodland Road Intersection	35-11	25,000.00			25,000.00						25,000.00	
			<u>\$ 3,043,795.03</u>	<u>\$ 549,152.34</u>	<u>\$ 1,519,800.00</u>	<u>\$ 617,000.00</u>	<u>\$ 3,333,000.00</u>	<u>\$ 21,138.35</u>	<u>\$ 5,761,237.84</u>	<u>\$ 160,197.72</u>	<u>\$ 2,958,886.38</u>	<u>\$ 203,563.78</u>
Ref.			C	C							C	C
					General Capital Fund Balance	\$ 450,000.00			Cash Disbursed	\$ 4,513,147.71		
					Due from Open Space Trust Fund	<u>167,000.00</u>			Current Year Encumbrances	1,152,340.78		
						<u>\$ 617,000.00</u>			Prior Year Encumbrances	(812,317.65)		
									Cash Disbursed by Madison-Chatham Joint Meeting	<u>908,067.00</u>		
										<u>\$ 5,761,237.84</u>		
									Capital Improvement Fund	<u>\$ 160,197.72</u>		
										<u>\$ 160,197.72</u>		

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	C	\$ 2,011,999.78
Increased By:		
Improvement Authorizations Cancelled	\$	160,197.72
Grant Funds Received on Fully Funded		
Improvement Authorizations		422,666.00
Borough of Chatham Reimbursement for Reconstruction		
of Brooklake Road - Ord #18-10		<u>40,000.00</u>
		<u>622,863.72</u>
		2,634,863.50
Decreased By:		
Appropriation to Finance		
Improvement Authorizations		<u>1,519,800.00</u>
Balance December 31, 2011	C	<u>\$ 1,115,063.50</u>

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

Ord. No.	Improvement Description	Date of			Interest Rate	Balance	Issued	Matured	Balance
		Original Issue	Issue	Maturity		Dec. 31, 2010			Dec. 31, 2011
73-08	Acquisition of Real Property for Open Space Preservation and Recreation Purposes	01/23/09	01/22/10	01/21/11	1.00%	\$ 4,700,000.00		\$ 4,700,000.00	
		01/23/09	01/21/11	01/20/12	1.00%		\$ 4,700,000.00		\$ 4,700,000.00
02-11	Installation of Synthetic Turf Athletic Fields	06/20/11	06/20/11	01/20/12	1.00%		3,333,000.00		3,333,000.00
						<u>\$ 4,700,000.00</u>	<u>\$ 8,033,000.00</u>	<u>\$ 4,700,000.00</u>	<u>\$ 8,033,000.00</u>
					<u>Ref.</u>	C			C
				Renewals			\$ 4,700,000.00	\$ 4,700,000.00	
				New Issues			3,333,000.00		
							<u>\$ 8,033,000.00</u>	<u>\$ 4,700,000.00</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, 2011		Interest Rate	Balance Dec. 31, 2010	Matured	Balance Dec. 31, 2011
			Date	Amount				
General Improvement	10/15/08	\$ 26,321,000.00	10/15/12	\$ 1,065,000.00	4.50%			
			10/15/13	1,110,000.00	4.50%			
			10/15/14	1,160,000.00	4.50%			
			10/15/15	1,210,000.00	4.50%			
			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%			
			10/15/19	1,425,000.00	4.75%			
			10/15/20	1,495,000.00	5.00%			
			10/15/21-27	1,520,000.00	5.00%			
	10/15/28	1,516,000.00	5.00%		\$ 24,581,000.00	\$ 1,020,000.00	\$ 23,561,000.00	
					<u>\$ 24,581,000.00</u>	<u>\$ 1,020,000.00</u>	<u>\$ 23,561,000.00</u>	
					C		C	
		<u>Ref.</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, 2010	E	\$ 400,000.00	\$ 394,169.50
Increased by:			
Issued		88,608.00	88,608.00
Decreased by:			
Loans Paid by Operating Budget		15,000.00	23,789.39
Balance December 31, 2011	E	<u>\$ 473,608.00</u>	<u>\$ 458,988.11</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2010A LOAN #S340715-04B
TRUST LOAN OUTSTANDING DECEMBER 31, 2011

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 385,000.00
4	2/1/12	\$ 8,212.50		385,000.00
5	8/1/12	8,212.50	\$ 15,000.00	370,000.00
6	2/1/13	7,837.50		370,000.00
7	8/1/13	7,837.50	15,000.00	355,000.00
8	2/1/14	7,462.50		355,000.00
9	8/1/14	7,462.50	15,000.00	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>\$ 166,775.00</u>	<u>\$ 385,000.00</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, 2011

Payment Number	Maturity Date	Interest	Principal	Balance of Loan
				\$ 88,608.00
2	2/1/12	\$ 1,497.47		88,608.00
3	8/1/12	1,497.47	\$ 3,660.90	84,947.10
4	2/1/13	1,480.27		84,947.10
5	8/1/13	1,480.27	3,695.32	81,251.78
6	2/1/14	1,455.69		81,251.78
7	8/1/14	1,455.69	3,744.46	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>\$ 37,853.08</u>	<u>\$ 88,608.00</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, 2011

Payment Number	Maturity Date	Principal	Balance of Loan
			\$ 373,423.75
4	2/1/12	\$ 6,915.25	366,508.50
5	8/1/12	13,830.50	352,678.00
6	2/1/13	6,915.25	345,762.75
7	8/1/13	13,830.50	331,932.25
8	2/1/14	6,915.25	325,017.00
9	8/1/14	13,830.50	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>\$ 373,423.75</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, 2011

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 85,564.36
2	2/1/12	\$ 1,521.82	84,042.54
3	8/1/12	3,043.64	80,998.90
4	2/1/13	1,521.82	79,477.08
5	8/1/13	3,043.64	76,433.44
6	2/1/14	1,521.82	74,911.62
7	8/1/14	3,043.64	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>\$ 85,564.36</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>2011</u>	<u>Funded by</u>	<u>NJ Environmental</u>	<u>Bond</u>	<u>Balance</u>
<u>No.</u>	<u>Date</u>		<u>Dec. 31, 2010</u>	<u>Authorizations</u>	<u>NJ Department</u> <u>of Environmental</u> <u>Protection</u> <u>Grant Receivable</u>	<u>Infrastructure</u> <u>Loans Issued</u>	<u>Anticipation</u> <u>Notes Issued</u>	<u>Dec. 31, 2011</u>
28-09	07/16/09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	\$ 535,500.00		\$ 177,216.00	\$ 177,216.00		\$ 181,068.00
02-11	01/24/11	Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center		\$ 3,333,000.00			\$ 3,333,000.00	
			<u>\$ 535,500.00</u>	<u>\$ 3,333,000.00</u>	<u>\$ 177,216.00</u>	<u>\$ 177,216.00</u>	<u>\$ 3,333,000.00</u>	<u>\$ 181,068.00</u>

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
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, 2010	D	\$ 1,299,288.70	\$ 899,269.96
Increased by Receipts:			
Consumer Accounts Receivable		\$ 2,281,260.55	
Water Rent Overpayments		3,990.16	
Interest on Investments		31,763.49	
Miscellaneous Revenue		81,758.32	
Due from Current Fund:			
Prior Year Interfund Returned		263.34	
Due from Water Utility Capital Fund:			
Water Capital Fund Balance		32,555.66	
Prior Year Interfund Returned		215.68	
Cancellation of Prior Year Reconciling Items		82.61	
Due to Water Utility Operating Fund:			
Interest on Investments			\$ 1,354.66
Water Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			200,000.00
Reserve for Automated Meter Reading			200,000.00
		<u>2,431,889.81</u>	<u>401,354.66</u>
		3,731,178.51	1,300,624.62
Decreased by Disbursements:			
2011 Appropriation Expenditures		1,844,780.14	
2010 Appropriation Reserves		47,325.87	
Refund of Water Rent Overpayments		3,990.16	
Due to Current Fund:			
Anticipated Revenue		350,000.00	
Due to Water Utility Operating Fund:			
Prior Year Interfund Returned			215.68
Anticipated Revenue			32,555.66
Improvement Authorization Expenditures			12,227.69
		<u>2,246,096.17</u>	<u>44,999.03</u>
Balance December 31, 2011	D	<u>\$ 1,485,082.34</u>	<u>\$ 1,255,625.59</u>

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

	Balance Dec. 31, 2010	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011	
		2011 Budget Appropriation	Miscel- laneous	Improvement Authori- zations	Miscel- laneous	From	To		
Fund Balance	\$ 32,555.66				\$ 32,555.66				
Encumbrances Payable	26,811.48					\$ 4,569.69	\$ 14,950.00	\$ 37,191.79	
Due to Water Utility Operating Fund	215.68		\$ 1,354.66		215.68			1,354.66	
Capital Improvement Fund	701,760.74	\$ 200,000.00				250,000.00		651,760.74	
Reserve for Filtration System	50,768.90							50,768.90	
Reserve for Automated Meter Reading		200,000.00						200,000.00	
Ord. No.	General Improvements								
07-10	2010 Water Well Pump Station Control Repairs	42,600.00						42,600.00	
25-10	Improvements to Lincoln Place	4,200.00		\$ 4,200.00					
28-10	Construction of Water Main Replacement on Vinton Road and Belmont Avenue	25,357.50		8,027.69			4,569.69	21,899.50	
31-10	Installation of Fire Alarm System at Water & Light Plant	5,000.00				4,950.00		50.00	
52-10	Upgrades to Water System Water Wells	10,000.00				10,000.00			
33-11	Construction of Water Main Replacement on Academy Road and Division Avenue						250,000.00	250,000.00	
		<u>\$ 899,269.96</u>	<u>\$ 400,000.00</u>	<u>1,354.66</u>	<u>\$ 12,227.69</u>	<u>\$ 32,771.34</u>	<u>\$ 269,519.69</u>	<u>\$ 269,519.69</u>	<u>\$ 1,255,625.59</u>

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

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 191,487.62
Increased by:		
Water Rents Levied		2,340,066.51
		<u>2,531,554.13</u>
Decreased by:		
Water Collections		2,281,260.55
		<u>2,281,260.55</u>
Balance December 31, 2011	D	<u>\$ 250,293.58</u>

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2010	Additions by Ordinance	Disposals	Balance Dec. 31, 2011
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
Ford Station Wagon	947.99		\$ 947.99	
Chevrolet Biscayne Sedan	730.00		730.00	
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, 2010	Additions by Ordinance	Disposals	Balance Dec. 31, 2011
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)

	Balance Dec. 31, 2010	Additions by Ordinance	Disposals	Balance Dec. 31, 2011
Water Main Replacement Projects Covering the Main Replacement of Municipal Roads Including Pomeroy, Brooklake, Pine Tree, Durwood, 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
	<u>\$ 12,151,399.30</u>	<u>\$ 135,000.00</u>	<u>\$ 1,677.99</u>	<u>\$ 12,284,721.31</u>
	D			D

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

Improvement Description	Ord. No.	Balance Dec. 31, 2010	2011 Authorizations	Transferred to Fixed Capital	Balance Dec. 31, 2011
2010 Water Well Pump Station Control Repairs	07-10	\$ 60,000.00			\$ 60,000.00
Improvements to Lincoln Place	25-10	125,000.00		\$ 125,000.00	
Construction of Water Main Replacement on Vinton Road and Belmont Avenue	28-10	277,000.00			277,000.00
Installation of Fire Alarm System at Water & Light Plant	31-10	5,000.00			5,000.00
Upgrades to Water System Water Wells	52-10	10,000.00		10,000.00	
Construction of Water Main Replacement on Academy Road and Division Avenue	33-11		\$ 250,000.00		250,000.00
		<u>\$ 477,000.00</u>	<u>\$ 250,000.00</u>	<u>\$ 135,000.00</u>	<u>\$ 592,000.00</u>
<u>Ref.</u>		D			D

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Administration:				
Salaries and Wages	\$ 66,413.98	\$ 66,413.98		\$ 66,413.98
Other Expenses	194,657.65	194,657.65	\$ 47,325.87	147,331.78
Statutory Expenditures:				
Contribution to:				
Public Employees Retirement System	3,702.00	3,702.00		3,702.00
Social Security System	8,142.47	8,142.47		8,142.47
	<u>\$ 272,916.10</u>	<u>\$ 272,916.10</u>	<u>\$ 47,325.87</u>	<u>\$ 225,590.23</u>

Analysis of Balance December 31, 2010

	<u>Ref.</u>	
Encumbered	D	\$ 46,714.95
Unencumbered	D	226,201.15
		<u>\$ 272,916.10</u>

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2010 Funded	2011 Authorizations	Paid or Charged	Balance Dec. 31, 2011 Funded
		Date	Amount		Capital Improvement Fund		
07-10	2010 Water Well Pump Station Control Repairs	02/22/10	\$ 60,000.00	\$ 42,600.00			\$ 42,600.00
25-10	Improvements to Lincoln Place	05/24/10	125,000.00	4,200.00		\$ 4,200.00	
28-10	Construction of Water Main Replacement on Vinton Road and Belmont Avenue	05/24/10	277,000.00	25,357.50		3,458.00	21,899.50
31-10	Installation of Fire Alarm System at Water & Light Plant	06/14/10	5,000.00	5,000.00		4,950.00	50.00
52-10	Upgrades to Water System Water Wells	09/27/10	10,000.00	10,000.00		10,000.00	
33-11	Construction of Water Main Replacement on Academy Road and Division Avenue	11/14/11	250,000.00		\$ 250,000.00		250,000.00
				<u>\$ 87,157.50</u>	<u>\$ 250,000.00</u>	<u>\$ 22,608.00</u>	<u>\$ 314,549.50</u>
			<u>Ref.</u>	D			D
				Cash Disbursed		\$ 12,227.69	
				Prior Year Encumbrances		(4,569.69)	
				Current Year Encumbrances		14,950.00	
						<u>\$ 22,608.00</u>	

BOROUGH OF MADISON
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 701,760.74
Increased by:		
Water Operating Fund Budget Appropriation		<u>200,000.00</u>
		901,760.74
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>250,000.00</u>
Balance December 31, 2011	D	<u>\$ 651,760.74</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2010	2011 Authorizations	Transferred to Reserve for Amortization	Balance Dec. 31, 2011
07-10	2010 Water Well Pump Station Control Repairs	02/22/10	\$ 60,000.00			\$ 60,000.00
25-10	Improvements to Lincoln Place	05/24/10	125,000.00		\$ 125,000.00	
28-10	Construction of Water Main Replacement on Vinton Road and Belmont Avenue	05/24/10	277,000.00			277,000.00
31-10	Installation of Fire Alarm System at Water & Light Plant	06/14/10	5,000.00			5,000.00
52-10	Upgrades to Water System Water Wells	09/27/10	10,000.00		10,000.00	
33-11	Construction of Water Main Replacement on Academy Road and Division Avenue	11/14/11		\$ 250,000.00		250,000.00
			<u>\$ 477,000.00</u>	<u>\$ 250,000.00</u>	<u>\$ 135,000.00</u>	<u>\$ 592,000.00</u>
		<u>Ref.</u>	D			D

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
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, 2010	E	\$ 6,324,439.29	\$ 1,271,015.71
Increased by Receipts:			
Electric Utility Charges Receivable		\$ 22,337,333.99	
Miscellaneous Revenue		66,377.36	
State Aid - "Lifeline"		13,950.00	
Interest Earned on Investments		121,160.03	
Appropriation Refunds		50,141.57	
Overpayments of Electric Charges		3,653.49	
Due from Current Fund:			
Prior Year Interfund Returned		384.01	
Due to Electric Operating Fund:			
Interest Earned on Investments			\$ 1,180.50
Due from Electric Utility Operating Fund:			
Budget Appropriation - Capital Improvement Fund			100,000.00
Prior Year Interfund Returned		285.75	
		<u>22,593,286.20</u>	<u>101,180.50</u>
		28,917,725.49	1,372,196.21
Decreased by Disbursements:			
2011 Appropriation Expenditures		17,169,600.74	
2010 Appropriation Reserves		1,475,623.36	
Due to Current Fund:			
Anticipated Revenue		3,356,250.00	
Due to Electric Operating Fund:			
Prior Year Interfund Returned			285.75
Electric Overpayments Refunded		3,653.49	
Improvement Authorization Expenditures			159,348.04
		<u>22,005,127.59</u>	<u>159,633.79</u>
Balance December 31, 2011	E	<u>\$ 6,912,597.90</u>	<u>\$ 1,212,562.42</u>

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

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

	Balance Dec. 31, 2010	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011
		Miscel- laneous		Improvement Authorizations	Miscel- laneous	From	To	
Encumbrances	\$ 119,862.68					\$ 119,862.68	\$ 4,950.00	\$ 4,950.00
Capital Improvement Fund	1,131,953.76	\$ 100,000.00				305,000.00	29,428.16	956,381.92
Due to Electric Operating Fund	285.75	1,180.50		\$ 285.75				1,180.50
Improvement Authorizations:								
Ord.								
No.	<u>General Improvements</u>							
39-09; 55-09	Purchase of New Replacement Single Bucket Truck	3,683.00				3,683.00		
26-10	Improvements to Lincoln Place	2,210.10		\$ 106,274.46		3,399.74	107,464.10	
30-10	Purchase of New Style Penn globe Victorian Fixtures	715.00				715.00		
32-10	Installation of Fire Alarm System at Water & Light Plant	5,000.00				4,950.00		50.00
51-10	Emergency Purchase of Materials, Equipment and Services	7,305.42		12,398.58		7,305.42	12,398.58	
24-11	Energy Conservation Installations in Borough Buildings			40,675.00		14,325.00	55,000.00	
25-11	Purchase of Materials for Improvements to Underground Electric Distribution System						250,000.00	250,000.00
		<u>\$ 1,271,015.71</u>	<u>\$ 101,180.50</u>	<u>\$ 159,348.04</u>	<u>\$ 285.75</u>	<u>\$ 459,240.84</u>	<u>\$ 459,240.84</u>	<u>\$ 1,212,562.42</u>

BOROUGH OF MADISON
ELECTRIC UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2010	<u>Ref.</u> E	\$ 1,608,408.07
Increased by:		
2011 Charges		<u>22,604,401.14</u>
		24,212,809.21
Decreased by:		
2011 Revenue:		
Cash Received		<u>22,337,333.99</u>
Balance December 31, 2011	E	<u><u>\$ 1,875,475.22</u></u>

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2010	Additions by Ordinance	Disposals	Balance Dec. 31, 2011
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 Station Wagon	1,895.99		\$ 1,895.99	
Chevrolet Biscayne Sedan	1,460.00		1,460.00	
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, 2010	Additions by Ordinance	Disposals	Balance Dec. 31, 2011
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
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

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

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions by</u> <u>Ordinance</u>	<u>Disposals</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
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 Penglobe Victorian Fixtures		64,285.00		64,285.00
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
	<u>\$ 11,348,631.30</u>	<u>\$ 477,571.84</u>	<u>\$ 3,355.99</u>	<u>\$ 11,822,847.15</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, 2010</u>	<u>2011 Authorizations Capital Improvement Fund</u>	<u>Transferred to Fixed Capital</u>	<u>Authorizations Cancelled</u>	<u>Balance Dec. 31, 2011</u>
Purchase of New Replacement Single Bucket Truck	39-09; 55-09	\$ 137,000.00		\$ 133,317.00	\$ 3,683.00	
Improvements to Lincoln Place	26-10	220,000.00		216,600.26	3,399.74	
Purchase of New Style Penn globe Victorian Fixtures	30-10	65,000.00		64,285.00	715.00	
Installation of Fire Alarm System at Water & Light Plant	32-10	5,000.00				\$ 5,000.00
Emergency Purchase of Materials, Equipment and Services	51-10	30,000.00		22,694.58	7,305.42	
Energy Conservation Installations in Borough Buildings	24-11		\$ 55,000.00	40,675.00	14,325.00	
Purchase of Materials for Improvements to Underground Electric Distribution System	25-11		250,000.00			250,000.00
		<u>\$ 457,000.00</u>	<u>\$ 305,000.00</u>	<u>\$ 477,571.84</u>	<u>\$ 29,428.16</u>	<u>\$ 255,000.00</u>
	<u>Ref.</u>	E				E

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF 2010 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</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	\$ 137,324.29	\$ 137,324.29		\$ 137,324.29
Other Expenses	1,299,084.44	1,299,084.44	\$ 1,073,978.62	225,105.82
Rosenet Web Site:				
Other Expenses	942,685.29	942,685.29	401,644.74	541,040.55
Contribution to:				
Public Employees Retirement System	5,374.00	5,374.00		5,374.00
Social Security System	17,863.80	17,863.80		17,863.80
	<u>\$ 2,402,331.82</u>	<u>\$ 2,402,331.82</u>	<u>\$ 1,475,623.36</u>	<u>\$ 926,708.46</u>

Analysis of Balance December 31, 2010

	<u>Ref.</u>	
Encumbered	E	\$ 1,505,206.66
Unencumbered	E	897,125.16
		<u>\$ 2,402,331.82</u>

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

Ord. No.	Improvement Description	Ordinance		Balance	2011	Encumbrances Cancelled	Paid or Charged	Authorizations	Balance
		Date	Amount	Dec. 31, 2010 Funded	Capital Improve- ment Fund			Cancelled	Dec. 31, 2011 Funded
39-09; 55-09	Purchase of New Replacement Single Bucket Truck	07/27/09; 11/23/09	\$ 137,000.00	\$ 3,683.00				\$ 3,683.00	
26-10	Improvements to Lincoln Place	05/24/10	220,000.00	2,210.10		\$ 1,189.64		3,399.74	
30-10	Purchase of New Style Penn globe Victorian Fixtures	06/14/10	65,000.00	715.00				715.00	
32-10	Installation of Fire Alarm System at Water & Light Plant	06/14/10	5,000.00	5,000.00			\$ 4,950.00		\$ 50.00
51-10	Emergency Purchase of Materials, Equipment and Services	09/27/10	30,000.00	7,305.42				7,305.42	
24-11	Energy Conservation Installations in Borough Buildings	07/11/11	55,000.00		\$ 55,000.00		40,675.00	14,325.00	
25-11	Purchase of Materials for Improvements to Underground Electric Distribution System	08/22/11	250,000.00		250,000.00				250,000.00
				<u>\$ 18,913.52</u>	<u>\$ 305,000.00</u>	<u>\$ 1,189.64</u>	<u>\$ 45,625.00</u>	<u>\$ 29,428.16</u>	<u>\$ 250,050.00</u>
				Ref. E					E
					Cash Disbursed		\$ 159,348.04		
					Current Year Encumbrances		4,950.00		
					Prior Year Encumbrances		(119,862.68)		
							<u>\$ 45,625.00</u>		
						Capital Improvement Fund		\$ 29,428.16	
								<u>\$ 29,428.16</u>	

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

	<u>Ref.</u>	
Balance December 31, 2010	E	\$ 1,131,953.76
Increased by:		
Electric Utility Operating Fund Budget Appropriation	\$	100,000.00
Improvement Authorizations Cancelled		<u>29,428.16</u>
		<u>129,428.16</u>
		<u>1,261,381.92</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>305,000.00</u>
Balance December 31, 2011	E	<u><u>\$ 956,381.92</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, 2010	2011 Authorizations	Transferred to Reserve for Amortization	Authorizations Cancelled	Balance Dec. 31, 2011
39-09; 55-09	Purchase of New Replacement Single Bucket Truck	07/27/09; 11/23/09	\$ 137,000.00		\$ 133,317.00	\$ 3,683.00	
26-10	Improvements to Lincoln Place	05/24/10	220,000.00		216,600.26	3,399.74	
30-10	Purchase of New Style Penn globe Victorian Fixtures	06/14/10	65,000.00		64,285.00	715.00	
32-10	Installation of Fire Alarm System at Water & Light Plant	06/14/10	5,000.00				\$ 5,000.00
51-10	Emergency Purchase of Materials, Equipment and Services	09/27/10	30,000.00		22,694.58	7,305.42	
24-11	Energy Conservation Installations in Borough Buildings	07/11/11		\$ 55,000.00	40,675.00	14,325.00	
25-11	Purchase of Materials for Improvements to Underground Electric Distribution System	08/22/11		250,000.00			250,000.00
			<u>\$ 457,000.00</u>	<u>\$ 305,000.00</u>	<u>\$ 477,571.84</u>	<u>\$ 29,428.16</u>	<u>\$ 255,000.00</u>
		<u>Ref.</u>	E				E

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FARMERS HOME ADMINISTRATION LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2011

NOT APPLICABLE

BOROUGH OF MADISON
COUNTY OF MORRIS
2011
PUBLIC ASSISTANCE FUND

BOROUGH OF MADISON
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2011

	<u>Ref.</u>	<u>Fund Total</u>	<u>Public Assistance Trust Fund I</u>	<u>Public Assistance Trust Fund II</u>
Balance December 31, 2010	F	\$ 10,463.77	\$ 1,490.52	\$ 8,973.25
Increased by Receipts:				
Interest Due Current Fund		7.52	1.07	6.45
		<u>10,471.29</u>	<u>1,491.59</u>	<u>8,979.70</u>
Decreased by Disbursements:				
Due to Current Fund:				
Prior Year Intefund Returned		9.82	0.30	9.52
Transfer of Surplus to Current Fund		10,461.47	1,491.29	8,970.18
		<u>\$ 10,471.29</u>	<u>\$ 1,491.59</u>	<u>\$ 8,979.70</u>

BOROUGH OF MADISON

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2011

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011

Name of Federal Agency or Department	Name of Program/ State Account #	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)	Over the Limit, Under Arrest - Impaired Driving Crackdown Grant	20.605	01/01/10	12/31/11	\$ 4,400.00		\$ 4,400.00	\$ 4,400.00
			01/01/11	12/31/12	8,600.00	\$ 8,600.00		
						<u>8,600.00</u>	<u>4,400.00</u>	<u>4,400.00</u>
	Transportation Trust Fund Authority Act: Municipal State Aid:							
	Woodland Road (Garfield to Barnsdale) State #480-078-6320-AKE-TCAP-6010	20.205	01/01/09	12/31/12	200,000.00	150,000.00	107,596.71	107,596.71
	Woodland Road Phase I (Green Ave to Garfield) State #480-078-6320-AKE-TCAP-6010	20.205	01/01/10	12/31/11	250,000.00	187,500.00	250,000.00	250,000.00
						<u>337,500.00</u>	<u>357,596.71</u>	<u>357,596.71</u>
	Transportation Enhancement Grant: Improvements at the Madison Train Station	20.205	01/01/06	12/31/10	100,000.00	14,185.97		100,000.00
(Passed through New Jersey Department of Law and Public Safety)	Obey the Signs, or Pay the Fines State #100-066-1160-142-YHTS-6010	20.600	01/01/08	12/31/12	4,000.00		2,784.77	2,784.77
Total U.S. Department of Transportation						<u>360,285.97</u>	<u>364,781.48</u>	<u>464,781.48</u>
<u>U.S. Department of Justice:</u>								
(Passed through New Jersey Department of Law and Public Safety)	COPS in Schools (CIS) Alcohol Grant State #100-066-1400-013-YABC-6020	16.710	01/01/10	12/31/12	3,200.00		800.00	800.00
			01/01/11	12/31/12	1,600.00	1,600.00		
						<u>1,600.00</u>	<u>800.00</u>	<u>800.00</u>
	Office of Justice Program: Bulletproof Vest Partnership Grant	16.607	01/01/11	12/31/11	12,090.00		12,090.00	12,090.00
Total U.S. Department of Justice						<u>1,600.00</u>	<u>12,890.00</u>	<u>12,890.00</u>

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011

Name of Federal Agency or Department	Name of Program/ State Account #	C.F.D.A. Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
			From	To				
<u>Department of Agriculture:</u> (Passed Thru NJ Division of Parks & Forestry)	American Recovery and Reinvestment Act: Business Stimulus Fund Grant #4870-100-042-4870-012-V4A3-6120	10.688	01/01/11	12/31/12	\$ 6,620.00	\$ 6,620.00		
Total Department of Agriculture						6,620.00		
Total Federal Awards						\$ 368,505.97	\$ 377,671.48	\$ 477,671.48

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

Name of State Agency or Department	State Account Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
		From	To				
Department of Environmental Protection:							
Clean Communities Act:							
2009	795-042-4900-	01/01/09	12/31/11	\$ 22,735.07		\$ 1,497.60	\$ 13,009.40
2010	004-178910	01/01/10	12/31/12	23,786.64		9,654.20	9,654.20
2011		01/01/11	12/31/12	22,733.34	\$ 22,733.34		
					<u>22,733.34</u>	<u>11,151.80</u>	<u>22,663.60</u>
Recycling Tonnage Grant:							
2011	452-042-4900- 001-V427Y	01/01/11	12/31/12	33,883.91	33,883.91		
Shade Tree Management							
	N/A	01/01/11	12/31/11	6,620.00		6,620.00	6,620.00
Total Department of Environmental Protection					<u>56,617.25</u>	<u>17,771.80</u>	<u>29,283.60</u>
Department of Law and Public Safety:							
Drunk Driving Enforcement Fund:							
2008	1110-206-	01/01/08	12/31/12	11,194.56		5,700.00	7,595.80
2010	030225-60	01/01/10	12/31/11	6,665.23		6,665.23	6,665.23
2011		01/01/11	12/31/12	7,470.56	7,470.56		
					<u>7,470.56</u>	<u>12,365.23</u>	<u>14,261.03</u>
Body Armor Grant:							
2011	718-066- 1020-001-6120	01/01/11	12/31/12	3,056.22	3,056.22		
Total Department of Law and Public Safety					<u>10,526.78</u>	<u>12,365.23</u>	<u>14,261.03</u>
Department of the Treasury:							
(Passed through County of Morris)							
Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program (M.A.A.S.A.):							
2010	100-082-C001-	01/01/10	12/31/11	11,774.00	8,987.71	265.84	11,774.00
2011	044-6010	01/01/11	12/31/12	11,774.00	2,700.00	9,784.69	9,784.69
Total Department of the Treasury					<u>11,687.71</u>	<u>10,050.53</u>	<u>36,402.69</u>
Department of Health and Senior Services:							
Public Health Funding Act:							
2010	100-046-4220- 109-021030	01/01/10	12/31/11	5,556.00		5,556.00	5,556.00

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

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 Health and Senior Services:(Cont'd)</u>							
Alcohol Education and Rehabilitation Fund:							
2003	9735-760-	01/01/03	12/31/11	\$ 1,034.58		\$ 974.13	\$ 1,034.58
2004	098-4900	01/01/04	12/31/11	624.14		624.14	624.14
2005		01/01/05	12/31/11	681.40		681.40	681.40
2006		01/01/06	12/31/11	3,124.46		3,124.46	3,124.46
2007		01/01/07	12/31/12	3,270.07		1,435.87	2,335.87
2011		01/01/11	12/31/12	2,858.54	\$ 2,858.54		
					<u>2,858.54</u>	<u>6,840.00</u>	<u>7,800.45</u>
Local Public Health Emergency Response H1N1 Grant	N/A	01/01/09	12/31/12	110,786.00		55,148.60	107,394.73
		01/01/10	12/31/11	28,760.20		28,760.20	28,760.20
		01/01/11	12/31/12	10,000.00	10,000.00	9,875.75	9,875.75
					<u>10,000.00</u>	<u>93,784.55</u>	<u>146,030.68</u>
Total Department of Health and Senior Services					<u>12,858.54</u>	<u>106,180.55</u>	<u>159,387.13</u>
<u>New Jersey Historic Trust:</u>							
Garden State Historic Preservation Trust Fund:							
Capital Presevation Grant, Level II - Hartley Dodge Memorial	8049-001-F000-6110	09/27/07	09/27/12	660,719.00	203,426.29		587,074.64
Total New Jersey Historic Trust					<u>203,426.29</u>		<u>587,074.64</u>
<u>New Jersey Department of Community Affairs:</u>							
Smart Growth Planning Grant	N/A	01/01/11	12/31/12	6,000.00		5,100.00	5,100.00
Total New Jersey Department of Community Affairs						<u>5,100.00</u>	<u>5,100.00</u>
<u>New Jersey Economic Development Authority:</u>							
Hazardous Discharge Site Remediation Fund Grant	N/A	03/02/10	12/31/12	85,166.00	85,166.00	14,700.00	71,657.20
Total New Jersey Economic Development Authority					<u>85,166.00</u>	<u>14,700.00</u>	<u>71,657.20</u>
Total					<u>\$ 380,282.57</u>	<u>\$ 166,168.11</u>	<u>\$ 903,166.29</u>

N/A - Not Available

SEE ACCOMPANYING NOTES TO EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF MADISON
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2011

A. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Borough of Madison. The Borough of Madison is defined in Note 1 to the Borough's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

B. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

C. 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.



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

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*

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

We have audited the financial statements of the Borough of Madison, in the County of Morris (the "Borough") as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated May 10, 2012, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. We conducted our audits 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, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. 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.

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

Compliance and Other Matters

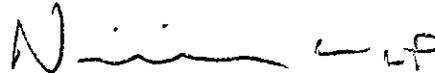
As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*. However, we noted certain matters that we have reported in the "Comments and Recommendations" section of this report.

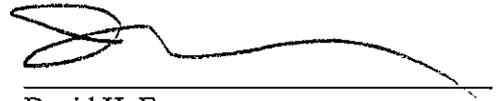
The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Borough's response and we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and Members of the Borough Council, other within the Borough and to meet the requirements for filing with the Division of Local Government Services, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

May 10, 2012

Mount Arlington, New Jersey


NISIVOC CIA LLP


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

BOROUGH OF MADISON
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2011

Summary of Auditors' Results:

- An unqualified report was issued on the Borough's financial statements for 2011 prepared on an other comprehensive basis of accounting.
- The audit did not disclose any material weaknesses in the internal control of the Borough.
- The audit did not disclose any noncompliance that is material to the financial statements of the Borough.
- The Borough was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* for 2011 as 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 did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2011-1

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 – Grant expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable – Grant expenditures were below the single audit threshold.

BOROUGH OF MADISON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

Status of Prior Year Findings:

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

BOROUGH OF MADISON

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

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 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, 2011, 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 October 28, 2011, 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>
2011	3
2010	3
2009	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 2011 Taxes	20
Payments of 2012 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)

Internal Control

During 2011, the Borough switched the software program used for its water and electric utility billings and collections system. The new software program does not allow for the generation of historical outstanding receivable balance reports and the Borough was not informed of this until 2012. During our review of the water and electric utility records, we noted that beginning in September of 2011, the Utility Rent Collector was unable to reconcile the billings and receivable balances to billings and receivables reports generated by the new program. The Utility Rent Collector has been working in conjunction with the software company to resolve any reconciliation differences. It is recommended that the Borough continues to work with the water/electric billing software company to reconcile any differences in billings and receivable balances.

Management's Response

The Borough will make every effort to reconcile any differences in water/electric billings and receivable balances.

Fixed Assets

During our testing of fixed assets, we noted that four vehicles that were disposed of in prior years are still listed on the Borough's fixed assets records. Also, another vehicle that we found in existence was not listed in the fixed assets records. It is recommended that extra care be taken to ensure that the fixed assets listing properly reflects all additions and disposals.

Management's Response

The Borough will review and update its fixed assets records to ensure accuracy.

Municipal Court

The transactions for the year 2011 for the Madison Municipal Court were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance Dec. 31, 2010	Receipts	Dis- bursements	Balance Dec. 31, 2011
Municipal Treasurer:				
Fines and Fees	\$ 20,891.94	\$ 16,951.65	\$ 37,843.59	
Restitution	45.00	65.00	110.00	
POAA FTA	128.00	106.00	234.00	
Public Defender	100.00	730.50	830.50	
Conditional Discharge	104.00	195.00	299.00	
County:				
Fines	7,486.50	5,611.50	13,098.00	
State:				
Fines and Costs	12,167.56	10,649.35	22,816.91	
Weights and Measures	6,800.00	850.00	7,650.00	
Interest	44.95	65.80	110.75	
Miscellaneous		150.00	150.00	
Bail	1,647.73	2,717.14	4,364.87	
	<u>\$ 49,415.68</u>	<u>\$ 38,091.94</u>	<u>\$ 87,507.62</u>	<u>\$ -0-</u>

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court (Cont'd)

As of February 1, 2011, the Madison Municipal Joint Court commenced operations. 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 2011 for the Madison Municipal Joint Court were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Receipts</u>	<u>Dis-</u> <u>bursements</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Municipal Treasurers:				
Fines and Fees		\$ 481,825.24	\$ 451,307.87	\$ 30,517.37
Restitution		4,592.85	4,492.85	100.00
POAA FTA		2,070.00	1,860.00	210.00
Public Defender		8,096.00	8,046.00	50.00
Conditional Discharge		4,675.00	4,553.00	122.00
County:				
Fines		179,549.09	169,327.09	10,222.00
State:				
Fines and Costs		328,790.65	309,952.52	18,838.13
Weights and Measures		105,027.50	99,977.50	5,050.00
Fish and Game		20.00	20.00	
Interest		1,154.37	1,064.20	90.17
Overpayments		55.00	55.00	
Bail		90,031.92	83,873.86	6,158.06
	<u>\$ -0-</u>	<u>\$1,205,887.62</u>	<u>\$1,134,529.89</u>	<u>\$ 71,357.73</u>

During our review of the Municipal Court records, we noted that there were a large number of tickets on the tickets assigned to an officer but not issued report which had been issued over six months ago. The Court Administrator has and is currently making an effort to obtain these tickets from the respective officers and void them. It is recommended that the Court Administrator continues to pursue collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided.

Management's Response

The Court Administrator will continue to pursue collection from the respective officers of the older tickets on the tickets assigned to an officer but not issued report.

Outside Offices

During our review of the Police Department's and Clerk's Office's records, we noted that fees collected are not being turned over to the Treasurer/Finance Office in a timely manner, which resulted in receipts not being deposited within forty-eight hours of collection in accordance with New Jersey state statute. It is recommended that fees collected by the Police Department and the Clerk's Office be turned over to the Treasurer/Finance Office in a more timely manner to ensure that receipts are deposited within forty-eight hours of collection as per New Jersey state statute.

Management's Response

The Borough will make every effort to ensure that fees are turned over and deposited in a timely manner.

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS
(Continued)

General Capital Fund

During 2011, the Borough received \$85,166 in Hazardous Discharge Site Remediation Grant funds from the New Jersey Economic Development Authority. This grant relates to ordinances (#07-2009 and #61-2010) in the General Capital Fund. As of December 31, 2011, the cumulative expenditures in the two ordinances totaled \$71,657.20. It is recommended that the Borough reviews the cumulative expenditures for the two ordinances related to the Hazardous Discharge Site Remediation Grant once they are both completed and return any unexpended grant funds to the New Jersey Economic Development Authority.

Management's Response

The Borough will review the two ordinances in 2012 and return any unexpended grant funds if necessary.

Single Audit

New Jersey Historic Trust – Capital Preservation Grant

During 2010, we noted that the quarterly performance/expenditure reports for the New Jersey Historic Trust grant, which are due 45 days after quarter end, were not always filed in a timely manner. In 2011, no quarterly performance/expenditure reports were filed for the New Jersey Historic Trust grant. It is recommended that quarterly performance/expenditure reports for the New Jersey Historic Trust grant be filed in a timely manner.

Management's Response

The Borough will make every effort to ensure that quarterly reports are filed in a timely manner.

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 \$246,000 and the actual coverage for Utility Collector is \$200,000. Even though the actual coverage satisfies the required coverage of \$142,000, it is suggested that the Borough increases the coverage for the Utility Collector to the recommended amount.

Corrective Action Plan

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2011 Audit Report. All 2010 recommendations, except for the recommendations regarding segregation of duties, investigation of older assigned court tickets and the timely submission of quarterly performance/expenditure reports for the New Jersey Historic Trust grant, were resolved during 2011.

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. The Borough continues to work with the water/electric billing software company to reconcile any differences in billings and receivable balances.
3. Extra care be taken to ensure that the fixed assets listing properly reflects all additions and disposals.
4. The Court Administrator continues to pursue collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided.
5. Fees collected by the Police Department and the Clerk's Office be turned over to the Treasurer/Finance Office in a more timely manner to ensure that receipts are deposited within forty-eight hours of collection as per New Jersey state statute.
6. The Borough reviews the cumulative expenditures for the two ordinances related to the Hazardous Discharge Site Remediation Grant once they are both completed and return any unexpended grant funds to the New Jersey Economic Development Authority.
7. Quarterly performance/expenditure reports for the New Jersey Historic Trust grant be filed in a timely manner.

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