

BOROUGH OF MADISON

COUNTY OF MORRIS

REPORT OF AUDIT

2013

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF MADISON

COUNTY OF MORRIS

REPORT OF AUDIT

2013

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, 2013



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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* – of the various funds of the Borough of Madison, in the County of Morris (the "Borough") as of and for the year ended December 31, 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

The financial statements of the Borough as of December 31, 2012 were audited by other auditors whose report dated May 23, 2013 expressed a qualified opinion on those statements as the general fixed assets account group was not audited.

Supplementary Information

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

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

The Honorable Mayor and Members
of the Borough Council
Borough of Madison
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2014 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

May 27, 2014
Mount Arlington, New Jersey


NISIVOCCIA LLP


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

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
CURRENT FUND

BOROUGH OF MADISON
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 10,907,351.38	\$ 9,499,917.93
Change Fund		450.00	450.00
		<u>10,907,801.38</u>	<u>9,500,367.93</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	296,681.05	509,464.15
Tax Title Liens Receivable	A-7	27,035.90	23,920.80
Property Acquired for Taxes at Assessed Valuation		15,300.00	295,800.00
Revenue Accounts Receivable	A-8	15,186.14	9,857.93
Prepaid Local School Taxes			4,102.96
Interfund Accounts Receivable:			
General Capital Fund	C	341.45	4,379.86
Animal Control Fund	B	33,264.93	15,011.61
Other Trust Fund	B	22,025.26	
Net Payroll		0.98	
Payroll Agency Fund		14.56	
Imprest Account		0.06	
Total Receivables and Other Assets With Full Reserves		<u>409,850.33</u>	<u>862,537.31</u>
Deferred Charges:			
Special Emergency Authorization		240,000.00	320,000.00
		<u>240,000.00</u>	<u>320,000.00</u>
Total Regular Fund		<u>11,557,651.71</u>	<u>10,682,905.24</u>
Federal and State Grant Fund:			
State and Federal Grants Receivable	A-11	70,428.62	52,254.09
Due from Current Fund	A	46,293.70	58,121.87
Total Federal and State Grant Fund		<u>116,722.32</u>	<u>110,375.96</u>
<u>TOTAL ASSETS</u>		<u>\$ 11,674,374.03</u>	<u>\$ 10,793,281.20</u>

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

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-9	\$ 1,447,311.60	\$ 1,484,616.83
Encumbered	A-3;A-9	923,966.24	928,762.18
Total Appropriation Reserves		2,371,277.84	2,413,379.01
Special Emergency Notes		240,000.00	320,000.00
Prepaid Taxes		358,438.02	377,880.73
Tax Overpayments			6.44
County Taxes Payable		88,277.70	23,110.01
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		13,541.76	11,673.25
Construction Code Fees		2,053.00	3,785.00
Interfund Accounts Payable:			
Federal and State Grant Fund	A	46,293.70	58,121.87
Open Space Trust Fund	B	6,364.44	7.50
Other Trust Fund	B		49,299.75
Reserve for Tax Appeals Pending		246,688.46	439,194.40
Reserve for Sale of Municipal Assets		462,000.00	389,500.00
Reserve for Revaluation		62,441.31	142,210.53
		<u>3,897,376.23</u>	<u>4,228,168.49</u>
Reserve for Receivables and Other			
Assets		409,850.33	862,537.31
Fund Balance	A-1	7,250,425.15	5,592,199.44
Total Regular Fund		<u>11,557,651.71</u>	<u>10,682,905.24</u>
Federal and State Grant Fund:			
Accounts Payable - Vendors		3,321.80	6,574.73
Appropriated Reserves	A-12	55,650.97	23,736.97
Unappropriated Reserves	A-13	57,749.55	80,064.26
Total Federal and State Grant Fund		<u>116,722.32</u>	<u>110,375.96</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 11,674,374.03</u>	<u>\$ 10,793,281.20</u>

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

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

	Ref.	Year Ended December 31,	
		2013	2012
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 2,975,000.00	\$ 2,800,000.00
Miscellaneous Revenue Anticipated		9,266,856.74	9,538,294.10
Receipts from:			
Delinquent Taxes		518,144.42	814,250.51
Current Taxes		59,573,074.05	57,041,113.00
Nonbudget Revenue		682,770.93	594,136.48
Other Credits to Income:			
Cancellation of Bank Charges and Checks			2,271.09
Unexpended Balance of Appropriation Reserves		1,566,429.74	1,265,042.08
Cancellation of Appropriated Grant Reserves			37,759.83
Cancellation of Local School District Taxes Payable		0.54	
Tax Overpayments Cancelled		6.44	
Interfunds and Other Receivables Returned		19,391.47	5,879.91
Prepaid School Taxes Realized		4,102.96	
Total Income		<u>74,605,777.29</u>	<u>72,098,747.00</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		24,146,516.90	23,649,457.36
County Taxes		8,997,193.89	8,597,626.04
Amount Due County for Added and Omitted Taxes		88,277.70	23,110.01
Local School District Taxes		36,064,003.00	35,365,681.00
Prepaid Local School Tax			4,102.96
Municipal Open Space Taxes		616,378.28	417,239.99
Refund of Prior Year Revenue		14.00	
Prior Year Senior Citizens' Deduction Disallowed		500.00	
Cancel Prior Year Reconciling Items		10.00	
Reinstate Appropriated Grant Reserves Cancelled		3,905.57	
Refund Prior Year State Share Marriage License Fees to Other Trust Fund		105.00	
Interfunds Advanced		55,647.24	15,011.61
Total Expenditures		<u>69,972,551.58</u>	<u>68,072,228.97</u>
Statutory Excess to Fund Balance		4,633,225.71	4,026,518.03
<u>Fund Balance</u>			
Balance January 1		<u>5,592,199.44</u>	<u>4,365,681.41</u>
		10,225,425.15	8,392,199.44
Decreased by:			
Utilized as Anticipated Revenue		<u>2,975,000.00</u>	<u>2,800,000.00</u>
Balance December 31	A	<u>\$ 7,250,425.15</u>	<u>\$ 5,592,199.44</u>

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

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 2,975,000.00		\$ 2,975,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	25,000.00		31,864.60	\$ 6,864.60
Other Licenses	15,000.00		30,399.50	15,399.50
Fees and Permits	230,000.00		316,349.97	86,349.97
Fines and Costs:				
Municipal Court	180,000.00		186,660.99	6,660.99
Interest and Costs on Taxes	58,000.00		106,307.64	48,307.64
Parking Meters	35,000.00		69,989.45	34,989.45
Interest on Investments and Deposits	75,000.00		68,432.87	6,567.13 *
Police Burglar Alarm	15,000.00		16,920.00	1,920.00
Cablevision Franchise Fees	180,000.00		194,553.67	14,553.67
Sewer Fees on Tax Exempt Property	270,000.00		302,651.56	32,651.56
Consolidated Municipal Property Tax Relief Aid	83,204.00		83,204.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	725,325.00		725,325.46	.46
Uniform Construction Code Fees	400,000.00		463,340.00	63,340.00
Inter-Municipal Health Contracts for Local Community Health Services	260,000.00		288,612.75	28,612.75
Inter-Municipal Agreements for "Southeast Morris Project Community Pride" (S.L.E.P.A.)	55,000.00		41,000.00	14,000.00 *
Inter-Municipal Contract for Tax Assessor Services	92,000.00		92,840.00	840.00
Inter-Municipal Contract for Construction Code Services	62,000.00		72,000.00	10,000.00
Inter-Municipal Contract for Joint Court Agreement	310,000.00		316,753.00	6,753.00
Recycling Tonnage Grant	23,345.85		23,345.85	
Drunk Driving Enforcement Fund	12,321.81		12,321.81	
Clean Communities Program	22,353.85		22,353.85	
Alcohol Education and Rehabilitation Fund	1,241.15		1,241.15	
Body Armor Replacement	2,864.27		2,864.27	
Bulletproof Vest Partnership	8,265.00		8,265.00	
Drive Sober or Get Pulled Over	5,000.00		5,000.00	
Sustainable Jersey Grant	2,000.00		2,000.00	
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	
Drive Sober or Get Pulled Over - Holiday Crackdown	4,200.00		4,200.00	
COPS in Schools (CIS) Alcohol Grant	1,600.00		1,600.00	
Reserve for Drunk Driving Enforcement Fund	9,194.14		9,194.14	
Madison Main Street Foundation Grant		\$ 25,000.00	25,000.00	
Other Special Items:				
Utility Operating Surplus of Prior Years - Electric Utility	3,722,000.00		3,722,000.00	
Payment in Lieu of Taxes on Exempt Property - Madison Housing Authority	45,000.00		56,782.00	11,782.00
Life Hazard Use Fees	35,000.00		75,403.32	40,403.32
Madison Cell Tower Leases	250,000.00		390,171.89	140,171.89
Utility Operating Surplus of Prior Years - Water Utility	450,000.00		450,000.00	
Rosenet User Fees	30,000.00		6,750.00	23,250.00 *
Bond Anticipation Note Premium	10,000.00		10,000.00	
Sewer Connection Fees	12,000.00		79,047.00	67,047.00
Recreation Fees	50,000.00		48,337.00	1,663.00 *
General Capital Fund Balance	500,000.00		500,000.00	
Reserve for Sale of Municipal Assets	389,500.00		389,500.00	
Total Miscellaneous Revenue	8,670,689.07	25,000.00	9,266,856.74	571,167.67

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Receipts from Delinquent Taxes	\$ 400,000.00		\$ 518,144.42	\$ 118,144.42
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	12,455,201.31		14,185,704.49	1,730,503.18
Minimum Library Tax	1,181,516.69		1,181,516.69	
Budget Totals	<u>25,682,407.07</u>	<u>\$ 25,000.00</u>	<u>28,127,222.34</u>	<u>2,419,815.27</u>
Nonbudget Revenue			<u>682,770.93</u>	<u>682,770.93</u>
	<u>\$ 25,682,407.07</u>	<u>\$ 25,000.00</u>	<u>\$ 28,809,993.27</u>	<u>\$ 3,102,586.20</u>

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

(Continued)

Allocation of Current Tax Collections

Revenue from Collections - 2013	\$	59,096,103.60
2012		377,880.73
State's Share of Senior Citizens' and Veterans' Deductions		99,089.72
		59,573,074.05
Allocated to:		
School, County, and Open Space Taxes		45,765,852.87
		13,807,221.18
 Add: Appropriation - Reserve for Uncollected Taxes		 1,560,000.00
 Amount for Support of Municipal Budget	 \$	 15,367,221.18
 Receipts from Delinquent Taxes:		
Delinquent Tax Collections	\$	518,144.42
		518,144.42

Analysis of Interest Earned

Cash Received - Treasurer	\$	67,992.76
Interest Due from:		
General Capital Fund		341.45
Other Trust Fund		83.06
Net Payroll		0.98
Payroll Agency Fund		14.56
Imprest Account		0.06
		0.06
	\$	68,432.87

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

(Continued)

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

Morris County Municipal Joint Insurance Fund Refunds	\$	66,682.28	
NJMEBF Refunds		10,487.00	
State of New Jersey - Senior Citizens and Veterans			
Deductions Administrative Fee		2,009.16	
State of New Jersey - Inspections/Motor Vehicles		18,980.00	
Inter-Municipal Contract for IT Services		18,115.00	
Department Collections:			
Clerk		896.31	
Health		19,852.05	
Municipal Court - Public Defender Fees		4,285.50	
Recycling		6,849.67	
Tax Collector		1,624.86	
Land Use Board		42,200.00	
Building Department		100.00	
Recreation		352.50	
Returned Check Fees		160.00	
FEMA Reimbursements - Super Storm Sandy		387,836.73	
Miscellaneous Refunds		16,768.82	
Other Miscellaneous		30,933.92	
		628,133.80	\$ 628,133.80

Due from Animal Control Fund:

Statutory Excess in Reserve for Animal Control Fund Expenditures		33,264.93	
--	--	-----------	--

Due from Other Trust Fund:

Cancellation of Various Trust Reserves		21,372.20	
		21,372.20	\$ 682,770.93
		682,770.93	

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

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 142,538.00	\$ 142,538.00	\$ 141,733.01	\$ 804.99	
Other Expenses	9,200.00	9,200.00	6,194.19	3,005.81	
Municipal Support:					
Salaries & Wages	50,833.00	50,833.00	49,558.18	1,274.82	
Other Expenses	25,000.00	25,000.00	21,767.08	3,232.92	
Human Resources:					
Salaries & Wages	61,978.00	61,978.00	18,048.23	43,929.77	
Other Expenses	33,400.00	33,400.00	25,876.00	7,524.00	
Mayor and Borough Council:					
Salaries & Wages	38,328.00	38,328.00	37,424.23	903.77	
Other Expenses	16,060.00	16,060.00	10,722.04	5,337.96	
Borough Clerk:					
Salaries & Wages	62,600.00	62,600.00	62,318.56	281.44	
Other Expenses	32,400.00	32,400.00	23,986.95	8,413.05	
Financial Administration:					
Salaries & Wages	193,467.00	193,467.00	186,136.76	7,330.24	
Other Expenses	25,350.00	25,350.00	22,775.64	2,574.36	
Elections:					
Salaries & Wages	1,500.00	1,500.00	1,500.00		
Other Expenses	10,525.00	10,525.00	6,933.58	3,591.42	
Annual Audit	42,000.00	42,000.00	35,975.00	6,025.00	
Finance Department:					
Revenue Administration (Tax Collector):					
Salaries & Wages	96,610.00	96,610.00	94,576.90	2,033.10	
Other Expenses	15,225.00	15,225.00	13,647.93	1,577.07	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(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	\$ 3,528.00	\$ 3,528.00	\$ 3,528.00		
Other Expenses	29,240.00	29,240.00	14,706.18	\$ 14,533.82	
Legal Services and Costs:					
Other Expenses	200,000.00	200,000.00	163,848.40	36,151.60	
Engineering Services and Costs:					
Salaries & Wages	191,928.00	191,928.00	178,313.89	13,614.11	
Other Expenses	29,000.00	29,000.00	20,721.19	8,278.81	
Environmental Commission (N.J.S.A.. 40:56A:1et seq.):					
Other Expenses	1,850.00	1,850.00	1,675.00	175.00	
Community Business Development:					
Salaries & Wages	98,354.00	98,354.00	98,353.88	0.12	
Other Expenses	8,380.00	8,380.00	5,953.16	2,426.84	
Museum of Early Trades and Crafts:					
Other Expenses	20,000.00	20,000.00	20,000.00		
Historic Preservation:					
Other Expenses	3,400.00	3,400.00	1,200.00	2,200.00	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries & Wages	51,635.00	51,635.00	50,126.42	1,508.58	
Other Expenses	85,530.00	85,530.00	70,546.71	14,983.29	
Zoning Board of Adjustment:					
Salaries & Wages	28,199.00	28,199.00	28,170.65	28.35	
Other Expenses	54,650.00	54,650.00	39,668.12	14,981.88	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (continued):					
PUBLIC SAFETY FUNCTIONS:					
Police and Fire Building:					
Other Expenses	\$ 70,900.00	\$ 70,900.00	\$ 70,540.86	\$ 359.14	
Police:					
Salaries & Wages	3,645,904.00	3,685,904.00	3,588,549.88	97,354.12	
Other Expenses	245,700.00	245,700.00	228,455.56	17,244.44	
Project Community Pride:					
Salaries & Wages	45,607.00	45,607.00	45,607.00		
Other Expenses	13,950.00	13,950.00	9,205.90	4,744.10	
Emergency Management Services:					
Other Expenses	12,500.00	12,500.00	4,697.01	7,802.99	
First Aid Organization Contribution	50,000.00	50,000.00	50,000.00		
Fire:					
Salaries & Wages	1,306,270.00	1,306,270.00	1,273,824.73	32,445.27	
Other Expenses:					
Miscellaneous Other Expenses	60,500.00	60,500.00	59,435.28	1,064.72	
Uniform Fire Safety Act:					
Fire Official Safety Code:					
Salaries & Wages	114,121.00	114,121.00	114,121.00		
PUBLIC WORKS FUNCTIONS:					
Public Works:					
Salaries & Wages	1,363,233.00	1,363,233.00	1,176,320.40	186,912.60	
Other Expenses	309,630.00	309,630.00	274,090.86	35,539.14	
Sewer Department:					
Salaries & Wages	277,800.00	277,800.00	273,765.99	4,034.01	
Other Expenses	115,250.00	115,250.00	81,555.41	33,694.59	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (continued):					
PUBLIC WORKS FUNCTIONS (continued):					
Shade Tree:					
Other Expenses	\$ 101,850.00	\$ 101,850.00	\$ 96,446.58	\$ 5,403.42	
Garbage Removal:					
Other Expenses	1,557,100.00	1,557,100.00	1,412,713.78	144,386.22	
Public Building and Grounds:					
Salaries & Wages	94,529.00	94,529.00	88,128.88	6,400.12	
Other Expenses	98,960.00	98,960.00	86,990.74	11,969.26	
Vehicle Maintenance:					
Salaries & Wages	287,321.00	287,321.00	284,332.70	2,988.30	
Other Expenses	212,000.00	212,000.00	193,706.92	18,293.08	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Board of Health:					
Salaries & Wages	224,679.00	224,679.00	223,179.00	1,500.00	
Other Expenses	74,900.00	74,900.00	63,040.06	11,859.94	
Animal Control Services:					
Salaries & Wages	2,000.00	2,000.00	1,419.00	581.00	
Other Expenses	10,000.00	10,000.00	7,875.85	2,124.15	
Civic Center:					
Other Expenses	24,800.00	24,800.00	21,171.92	3,628.08	
PARK AND RECREATION FUNCTIONS:					
Recreation and Playgrounds:					
Salaries & Wages	53,206.00	53,206.00	27,206.40	25,999.60	
Other Expenses	97,250.00	97,250.00	92,730.57	4,519.43	
Senior Citizens' Programs:					
Salaries & Wages	96,500.00	96,500.00	94,202.25	2,297.75	
Other Expenses	16,950.00	16,950.00	14,199.62	2,750.38	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PARK AND RECREATION FUNCTIONS (Continued):					
Teen Center:					
Other Expenses	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00		
Parks Committee:					
Other Expenses	18,460.00	18,460.00	16,407.94	\$ 2,052.06	
OTHER COMMON OPERATING FUNCTIONS:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	22,100.00	22,100.00	16,758.15	5,341.85	
Municipal Court:					
Salaries & Wages	15,283.00	15,283.00	540.08	14,742.92	
Other Expenses	78,100.00	88,100.00	74,250.27	13,849.73	
Insurance:					
General Liability	332,350.00	332,350.00	313,071.85	19,278.15	
Workers Compensation	224,000.00	224,000.00	180,000.00	44,000.00	
Employee Group Health	1,762,800.00	1,712,800.00	1,494,667.09	218,132.91	
STATE UNIFORM CONSTRUCTION CODE:					
State Uniform Construction Code:					
Salaries & Wages	257,407.00	257,407.00	219,895.43	37,511.57	
Other Expenses	49,860.00	49,860.00	42,733.89	7,126.11	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	300,000.00	300,000.00	290,396.78	9,603.22	
Telephone	61,600.00	61,600.00	36,849.88	24,750.12	
Gas	90,000.00	90,000.00	58,222.49	31,777.51	
Sewerage Processing and Disposal	14,000.00	14,000.00	11,300.00	2,700.00	
Gasoline	300,000.00	300,000.00	229,117.36	70,882.64	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(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):					
Contingent	\$ 72,100.00	\$ 72,100.00	\$ 51,322.70	\$ 20,777.30	
Subtotal - Operations	<u>15,864,178.00</u>	<u>15,864,178.00</u>	<u>14,469,033.94</u>	<u>1,395,144.06</u>	
Detail:					
Salaries and Wages	8,805,358.00	8,845,358.00	8,360,881.45	484,476.55	
Other Expenses Including Contingent	<u>7,058,820.00</u>	<u>7,018,820.00</u>	<u>6,108,152.49</u>	<u>910,667.51</u>	
STATUTORY EXPENDITURES:					
Public Employees' Retirement System	300,000.00	300,000.00	280,070.83	19,929.17	
Social Security System (O.A.S.I.)	436,000.00	436,000.00	414,046.63	21,953.37	
Police and Fireman's Retirement System of New Jersey	925,000.00	925,000.00	914,715.00	10,285.00	
Unemployment Insurance	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>		
Total Statutory Expenditures - Municipal Within "CAPS"	<u>1,711,000.00</u>	<u>1,711,000.00</u>	<u>1,658,832.46</u>	<u>52,167.54</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>17,575,178.00</u>	<u>17,575,178.00</u>	<u>16,127,866.40</u>	<u>1,447,311.60</u>	
Operations Excluded from "CAPS":					
Employee Group Health Insurance	19,200.00	19,200.00	19,200.00		
Sanitation:					
Madison-Chatham Joint Meeting	946,733.00	946,733.00	946,733.00		
Maintenance of Free Public Library (c. 82, P.L. 1985):					
Other Expenses	1,291,517.00	1,291,517.00	1,291,517.00		
Other Expenses - Technology	<u>49,875.00</u>	<u>49,875.00</u>	<u>49,875.00</u>		

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
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	260,000.00	260,000.00	260,000.00		
Inter-Municipal Contract for Tax Assessor Services:					
Salaries & Wages	92,000.00	92,000.00	92,000.00		
Inter-Municipal Contract for Construction Code Services:					
Salaries & Wages	62,000.00	62,000.00	62,000.00		
Inter-Municipal Contract for Joint Court:					
Salaries & Wages	310,000.00	310,000.00	310,000.00		
Public and Private Programs Offset by Revenues:					
Body Armor Replacement Grant	2,864.27	2,864.27	2,864.27		
Drunk Driving Enforcement Fund:					
Police:					
Salaries & Wages	12,321.81	12,321.81	12,321.81		
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	1,241.15	1,241.15	1,241.15		
Sustainable Jersey Grant	2,000.00	2,000.00	2,000.00		
Reserve for Drunk Driving Enforcement Fund	9,194.14	9,194.14	9,194.14		

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Excluded from "CAPS" (continued):					
Public and Private Programs Offset by Revenues (continued):					
Drive Sober or Get Pulled Over - Holiday Crackdown	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00		
Drive Sober or Get Pulled Over	5,000.00	5,000.00	5,000.00		
Recycling Tonnage Grant	23,345.85	23,345.85	23,345.85		
Clean Communities Program	22,353.85	22,353.85	22,353.85		
Bulletproof Vest Partnership	8,265.00	8,265.00	8,265.00		
Cops in Shops Alcohol Grant	1,600.00	1,600.00	1,600.00		
Madison Main Street Foundation Grant (N.J.S.A.40A-87 + \$25,000.00):					
Downtown Development Commission:					
Salaries & Wages		5,000.00	5,000.00		
Other Expenses		20,000.00	20,000.00		
Total Operations Excluded From "CAPS"	3,195,929.07	3,220,929.07	3,220,929.07		
Detail:					
Salaries & Wages	791,321.81	796,321.81	796,321.81		
Other Expenses	2,404,607.26	2,404,607.26	2,424,607.26		
Capital Improvements Excluded From "CAPS"					
Capital Improvement Fund	1,000,000.00	1,000,000.00	1,000,000.00		
Total Capital Improvements Excluded From "CAPS"	1,000,000.00	1,000,000.00	1,000,000.00		

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	\$ 1,110,000.00	\$ 1,110,000.00	\$ 1,110,000.00		
Interest on Bonds	1,085,850.00	1,085,850.00	1,085,850.00		
Interest on Notes	6,400.00	6,400.00	6,364.44		\$ 35.56
N.J. Environmental Infrastructure Trust Loan:					
Interest on Loan	25,000.00	25,000.00	24,188.86		811.14
Principal on Loan	44,050.00	44,050.00	44,006.53		43.47
Total Municipal Debt Service Excluded from "CAPS"	2,271,300.00	2,271,300.00	2,270,409.83		890.17
Deferred Charges - Municipal - Excluded from "CAPS"					
Emergency Authorizations	80,000.00	80,000.00	80,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	80,000.00	80,000.00	80,000.00		
Subtotal General Appropriations	24,122,407.07	24,147,407.07	22,699,205.30	\$ 1,447,311.60	890.17
Reserve for Uncollected Taxes	1,560,000.00	1,560,000.00	1,560,000.00		
Total General Appropriations	\$ 25,682,407.07	\$ 25,707,407.07	\$ 24,259,205.30	\$ 1,447,311.60	\$ 890.17

Ref.

A

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 25,682,407.07	
Added by N.J.S.A. 40A:4-87		25,000.00	
		\$ 25,707,407.07	
Cash Disbursed			\$ 21,667,113.65
Encumbrances	A		923,966.24
Due to Federal and State Grant Fund			134,604.07
Due to Open Space Trust Fund			6,364.44
Reserve for Uncollected Taxes			1,560,000.00
Deferred Charges			80,000.00
			24,372,048.40
Less: Appropriation Refunds			112,843.10
			\$ 24,259,205.30

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
TRUST FUNDS

BOROUGH OF MADISON
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 63,401.53	\$ 49,149.61
		<u>63,401.53</u>	<u>49,149.61</u>
Open Space Trust Fund:			
Cash and Cash Equivalents	B-4	231,490.52	463,660.05
Due from Current Fund	A	6,364.44	7.50
		<u>237,854.96</u>	<u>463,667.55</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,473,888.86	1,232,976.53
Due from Current Fund	A		49,299.75
Due from General Capital Fund	C	90.25	
		<u>1,473,979.11</u>	<u>1,282,276.28</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,775,235.60</u>	<u>\$ 1,795,093.44</u>

BOROUGH OF MADISON
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey		\$ 573.00	\$ 142.80
Due to Current Fund	A	33,264.93	15,011.61
Prepaid Licenses		4,443.60	1,490.40
Reserve for Animal Control Fund Expenditures	B-7	25,120.00	32,504.80
		<u>63,401.53</u>	<u>49,149.61</u>
Open Space Trust Fund:			
Reserve for Open Space Trust		104,222.41	343,894.97
Bond Anticipation Note Premium			119,772.58
Due to General Capital Fund	C	133,632.55	
		<u>237,854.96</u>	<u>463,667.55</u>
Other Trust Funds:			
Due to Current Fund - Other Trusts	A	22,025.26	
Unallocated Receipts		1.00	1.00
Due to State of New Jersey:			
Marriage License Fees		600.00	520.00
Burial Permits			10.00
Construction Code Surcharge Fees		7,784.00	3,418.00
Reserve for:			
Unemployment Insurance		100,363.08	87,549.20
Special Funds		1,369,455.77	1,190,778.08
		<u>1,473,979.11</u>	<u>1,282,276.28</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 1,775,235.60</u>	<u>\$ 1,795,093.44</u>

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

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
GENERAL CAPITAL FUND

BOROUGH OF MADISON
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY

	Ref.	December 31,	
		2013	(Restated) 2012
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 3,526,188.79	\$ 4,817,698.63
Deferred Charges to Future Taxation:			
Funded		26,381,617.47	23,384,624.00
Unfunded	C-4	2,081,068.00	8,054,068.00
Due from Open Space Trust Fund	B	133,632.55	
Grants Receivable:			
Morris County Community Development Grant		32,475.00	32,475.00
Transportation Enhancement Grant		26,556.00	26,556.00
New Jersey Department of Transportation Grants:			
ISTEA - Madison Bike Path			5,000.00
New Jersey Historic Trust			12,925.36
Hartley Dodge Memorial Trustees		150,045.20	195,000.00
NJ Department of Environmental Protection:			
Wastewater Treatment Grant Receivable			50.00
<u>TOTAL ASSETS</u>		<u>\$ 32,331,583.01</u>	<u>\$ 36,528,396.99</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 25,537,000.00	\$ 22,496,000.00
Bond Anticipation Notes Payable	C-7	1,900,000.00	7,873,000.00
NJ Environmental Infrastructure Loans Payable:			
Trust Loan	C-9	436,251.78	454,947.10
Fund Loan	C-9	408,365.69	433,676.90
Improvement Authorizations:			
Funded	C-5	1,000,809.35	2,325,681.24
Unfunded	C-5	171,583.67	178,345.35
Due to Current Fund	A	341.45	4,379.86
Due to Other Trust Fund - Fire Department Trust	B	90.25	
Reserve for Encumbrances		529,809.52	683,641.89
Reserve for Bond Anticipation Note Premium		184,405.22	7,539.67
Reserve for Receivable		9,000.00	9,000.00
Capital Improvement Fund	C-6	539,175.78	78,103.68
Amount Due to Museum of Early Trades and Crafts		19,086.26	19,086.26
Fund Balance	C-1	1,595,664.04	1,964,995.04
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 32,331,583.01</u>	<u>\$ 36,528,396.99</u>

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

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

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 1,964,995.04
Increased By:		
Grant Funds Received on Fully Funded Ordinances		135,719.00
		<u>2,100,714.04</u>
Decreased By:		
Cancellation of Grants Receivable:		
New Jersey Department of Transportation - ISTEA - Madison Bike Path	\$ 5,000.00	
Wastewater Treatment Grant Receivable	50.00	
Current Fund Anticipated Revenue	<u>500,000.00</u>	
		<u>505,050.00</u>
Balance December 31, 2013	C	<u>\$ 1,595,664.04</u>

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
WATER UTILITY FUND

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

	Ref.	December 31,	
		2013	2012
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 1,940,521.79	\$ 1,812,399.73
Change Fund		25.00	25.00
		<u>1,940,546.79</u>	<u>1,812,424.73</u>
Due From Water Utility Capital Fund	D	82.65	1,412.98
		<u>1,940,629.44</u>	<u>1,813,837.71</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	193,391.67	176,368.32
		<u>193,391.67</u>	<u>176,368.32</u>
Total Operating Fund		<u>2,134,021.11</u>	<u>1,990,206.03</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	965,000.52	1,335,221.23
Fixed Capital	D-7	12,828,042.70	12,828,042.70
Fixed Capital Authorized and Uncompleted	D-8	1,040,000.00	210,000.00
		<u>14,833,043.22</u>	<u>14,373,263.93</u>
Total Capital Fund		<u>14,833,043.22</u>	<u>14,373,263.93</u>
<u>TOTAL ASSETS</u>		<u>\$ 16,967,064.33</u>	<u>\$ 16,363,469.96</u>

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

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 347,473.74	\$ 303,472.90
Encumbered	D-3;D-9	75,235.70	69,092.28
		<u>422,709.44</u>	<u>372,565.18</u>
Reserve for Receivables	D	193,391.67	176,368.32
Reserve for Security Deposits		100.00	100.00
Fund Balance	D-1	<u>1,517,820.00</u>	<u>1,441,172.53</u>
Total Operating Fund		<u>2,134,021.11</u>	<u>1,990,206.03</u>
Capital Fund:			
Improvement Authorizations - Funded	D-10	196,437.62	156,554.15
Encumbrances Payable		57,272.00	36,045.85
Capital Improvement Fund	D-11	111,208.25	690,439.35
Due to Water Utility Operating Fund	D	82.65	1,412.98
Reserve for:			
Filtration System			50,768.90
Amortization		12,828,042.70	12,828,042.70
Automated Meter Reading		600,000.00	400,000.00
Deferred Reserve for Amortization	D-12	<u>1,040,000.00</u>	<u>210,000.00</u>
Total Capital Fund		<u>14,833,043.22</u>	<u>14,373,263.93</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 16,967,064.33</u>	<u>\$ 16,363,469.96</u>

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

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

	Ref.	Year Ended December 31,	
		2013	2012
<u>Revenue and Other Income Realized</u>			
Rents		\$ 2,480,856.56	2,618,267.08
Miscellaneous Revenue		88,881.77	68,821.39
Water Line Protection Program		1,798.10	
Other Credits to Income:			
Cancellation of Old Outstanding Checks			183.77
Unexpended Balance of Appropriation Reserves		286,562.04	229,214.15
Total Income		<u>2,858,098.47</u>	<u>2,916,486.39</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,728,451.00	1,662,223.00
Capital Improvements		400,000.00	400,000.00
Deferred Charges and Statutory Expenditures		203,000.00	203,000.00
Total Expenditures		<u>2,331,451.00</u>	<u>2,265,223.00</u>
Excess in Revenue		526,647.47	651,263.39
<u>Fund Balance</u>			
Balance January 1		1,441,172.53	1,139,909.14
		1,967,820.00	1,791,172.53
Decreased by:			
Anticipated as Current Fund Budget Revenue		450,000.00	350,000.00
Balance December 31	D	<u>\$ 1,517,820.00</u>	<u>\$ 1,441,172.53</u>

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

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Water Rents	\$ 2,271,451.00	\$ 2,480,856.56	\$ 209,405.56
Miscellaneous Revenue	40,000.00	88,881.77	48,881.77
Water Line Protection Program	20,000.00	1,798.10	18,201.90 *
	<u>\$ 2,331,451.00</u>	<u>\$ 2,571,536.43</u>	<u>\$ 240,085.43</u>

Analysis of Realized Revenue

Miscellaneous Revenue:

Interest on Investments:

Water Utility Operating Fund
Other Miscellaneous Revenue
Water Line Protection Program

\$ 16,385.50
72,413.62
1,798.10

\$ 90,597.22

Interest on Investments:

Due from Water Utility Capital Fund

82.65

\$ 90,679.87

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<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	\$ 638,551.00	\$ 638,551.00	\$ 579,468.20	\$ 59,082.80
Other Expenses	1,089,900.00	1,089,900.00	815,626.85	274,273.15
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	153,000.00	153,000.00	146,000.00	7,000.00
Social Security System (O.A.S.I.)	50,000.00	50,000.00	42,882.21	7,117.79
	<u>\$ 2,331,451.00</u>	<u>\$ 2,331,451.00</u>	<u>\$ 1,983,977.26</u>	<u>\$ 347,473.74</u>

Ref.

D

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

(Continued)

		<u>Analysis of</u>	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		<u>\$ 2,331,451.00</u>	
		<u>\$ 2,331,451.00</u>	
Cash Disbursed			\$ 1,908,968.26
Encumbrances Payable	D		75,235.70
Less: Refunds			<u>(226.70)</u>
			<u>\$ 1,983,977.26</u>

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
ELECTRIC UTILITY FUND

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 7,734,139.95	\$ 7,756,282.22
Change Fund		25.00	25.00
		<u>7,734,164.95</u>	<u>7,756,307.22</u>
Due from Electric Utility Capital Fund	E	93.76	1,365.60
		<u>7,734,258.71</u>	<u>7,757,672.82</u>
Receivables and Other Assets With Full Reserves:			
Consumer Accounts Receivable	E-8	1,689,222.56	1,572,429.97
Lifeline Credit Receivable			1,575.00
Total Receivables and Other Assets With Full Reserves		<u>1,689,222.56</u>	<u>1,574,004.97</u>
Deferred Charges:			
Emergency Authorization (40A:4-46)		500,000.00	
Total Operating Fund		<u>9,923,481.27</u>	<u>9,331,677.79</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	1,096,096.22	1,290,453.52
Fixed Capital	E-9	11,880,141.15	11,845,141.15
Fixed Capital Authorized and Uncompleted	E-10	675,000.00	275,000.00
Total Capital Fund		<u>13,651,237.37</u>	<u>13,410,594.67</u>
<u>TOTAL ASSETS</u>		<u>\$ 23,574,718.64</u>	<u>\$ 22,742,272.46</u>

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

	Ref.	December 31,	
		2013	2012
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-4;E-11	\$ 1,212,077.95	\$ 1,931,778.56
Unencumbered	E-4;E-11	698,931.42	452,543.97
		<u>1,911,009.37</u>	<u>2,384,322.53</u>
Reserve for Receivables	E	1,689,222.56	1,574,004.97
Reserve for Security Deposit		1,260.00	460.00
Fund Balance	E-1	<u>6,321,989.34</u>	<u>5,372,890.29</u>
Total Operating Fund		<u>9,923,481.27</u>	<u>9,331,677.79</u>
Capital Fund:			
Encumbrances Payable		8,376.67	
Improvement Authorizations:			
Funded	E-12	408,537.87	275,000.00
Due to Electric Utility Operating Fund	E	93.76	1,365.60
Capital Improvement Fund	E-13	679,087.92	1,014,087.92
Reserve for:			
Amortization		11,880,141.15	11,845,141.15
Deferred Amortization	E-14	<u>675,000.00</u>	<u>275,000.00</u>
Total Capital Fund		<u>13,651,237.37</u>	<u>13,410,594.67</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 23,574,718.64</u>	<u>\$ 22,742,272.46</u>

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

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

	Ref.	Year Ended December 31	
		2013	2012
<u>Revenue and Other Income Realized</u>			
Metered Service		\$ 23,177,164.60	\$ 22,693,853.65
Miscellaneous Revenue		194,586.74	134,402.64
Other Credits to Incomes:			
Unexpended Balance of Appropriation Reserves		505,835.71	709,901.19
Cancellation of Old Outstanding Checks			126.24
Total Income		<u>23,877,587.05</u>	<u>23,538,283.72</u>
<u>Expenditures</u>			
Operating		19,263,488.00	18,890,042.00
Capital Improvements		100,000.00	100,000.00
Deferred Charges and Statutory Expenditures		<u>343,000.00</u>	<u>343,000.00</u>
Total Expenditures		<u>19,706,488.00</u>	<u>19,333,042.00</u>
Excess in Revenue		4,171,099.05	4,205,241.72
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		<u>500,000.00</u>	
Statutory Excess to Fund Balance		4,671,099.05	4,205,241.72
<u>Fund Balance</u>			
Balance January 1		<u>5,372,890.29</u>	<u>4,683,648.57</u>
		10,043,989.34	8,888,890.29
Decreased by:			
Anticipated as Current Fund Budget Revenue		<u>3,722,000.00</u>	<u>3,516,000.00</u>
Balance December 31	E	<u>\$ 6,321,989.34</u>	<u>\$ 5,372,890.29</u>

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

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Metered Service	\$ 19,156,488.00	\$ 23,177,164.60	\$ 4,020,676.60
Miscellaneous Revenue	50,000.00	194,586.74	144,586.74
	<u>\$ 19,206,488.00</u>	<u>\$ 23,371,751.34</u>	<u>\$ 4,165,263.34</u>
 <u>Analysis of Realized Revenue</u>			
Miscellaneous Revenue:			
Miscellaneous Receipts		\$ 194,149.72	
Interest Earned:			
Electric Utility Operating Fund		343.26	
Due from Electric Utility Capital Fund		93.76	
		<u>\$ 194,586.74</u>	
 Metered Services:			
Consumer Accounts Receivable		\$ 23,163,214.60	
Life Line Credits		12,375.00	
Life Line Credits - Prior Year		1,575.00	
		<u>\$ 23,177,164.60</u>	

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

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<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	\$ 1,448,014.00	\$ 1,478,014.00	\$ 1,432,082.04	\$ 45,931.96
Other Expenses (N.J.S.A.40A:4-48 + \$500,000.00)	17,038,650.00	17,508,650.00	16,878,985.15	629,664.85
Rosenet Web Site:				
Other Expenses	276,824.00	276,824.00	268,295.49	8,528.51
Capital Improvements:				
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	223,000.00	223,000.00	214,000.00	9,000.00
Social Security System	120,000.00	120,000.00	114,193.90	5,806.10
	<u>\$ 19,206,488.00</u>	<u>\$ 19,706,488.00</u>	<u>\$ 19,007,556.58</u>	<u>\$ 698,931.42</u>

Ref.

E

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 19,206,488.00	
Emergency Authorization		500,000.00	
		\$ 19,706,488.00	
Cash Disbursed			\$ 17,960,532.77
Reserve for Encumbrances	E		1,212,077.95
			19,172,610.72
Less: Refunds			165,054.14
			\$ 19,007,556.58

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	2013	(UNAUDITED) 2012
<u>ASSETS</u>		
Land	\$ 37,851,600.00	\$ 37,851,600.00
Buildings	25,053,725.73	25,053,725.73
Improvements Other than Buildings	3,999,484.72	3,999,484.72
Machinery and Equipment	10,645,663.94	10,448,596.94
<u>TOTAL ASSETS</u>	<u>\$ 77,550,474.39</u>	<u>\$ 77,353,407.39</u>
<u>RESERVES</u>		
Reserve for General Fixed Assets	<u>\$ 77,550,474.39</u>	<u>\$ 77,353,407.39</u>

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Description of Funds

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

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

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

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

B. Description of Funds (cont'd)

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

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow.

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

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

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

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

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

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(Continued)

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

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

E. Other significant accounting policies include:

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

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

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

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

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

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

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

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

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

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

E. Other Significant Accounting Policies (Cont'd)

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

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

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

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	<u>December 31,</u>		
	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 27,677,000.00	\$ 30,369,000.00	\$ 31,994,000.00
NJ Environmental Infrastructure			
Loans Payable	844,617.47	888,624.00	932,596.11
Total Issued	<u>28,521,617.47</u>	<u>31,257,624.00</u>	<u>32,926,596.11</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	181,068.00	181,068.00	181,068.00
Total Authorized but not Issued	<u>181,068.00</u>	<u>181,068.00</u>	<u>181,068.00</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 28,702,685.47</u>	<u>\$ 31,438,692.00</u>	<u>\$ 33,107,664.11</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Current Year

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

Summary of Municipal Debt Issued and Outstanding – Prior Year

	<u>Balance</u> <u>12/31/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2012</u>
Serial Bonds:				
General Capital Fund	\$ 23,561,000.00		\$ 1,065,000.00	\$ 22,496,000.00
Loans Payable:				
General Capital Fund:				
NJ Environmental				
Infrastructure Loans	932,596.11		43,972.11	888,624.00
Bond Anticipation Notes:				
General Capital Fund	8,033,000.00	\$ 7,873,000.00	8,033,000.00	7,873,000.00
Special Emergency Notes:				
Current Fund	<u>400,000.00</u>	<u>320,000.00</u>	<u>400,000.00</u>	<u>320,000.00</u>
Total	<u>\$ 32,926,596.11</u>	<u>\$ 8,193,000.00</u>	<u>\$ 9,541,972.11</u>	<u>\$ 31,577,624.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.81%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 41,740,000.00	\$ 41,740,000.00	
General Debt	<u>28,702,685.47</u>		<u>\$ 28,702,685.47</u>
	<u>\$ 70,442,685.47</u>	<u>\$ 41,740,000.00</u>	<u>\$ 28,702,685.47</u>

Net Debt \$28,702,685.47 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,540,971,404.33 = 0.81%.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

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

3-1/2% Average Equalized Valuation of Real Property	\$ 123,933,999.15
Net Debt	<u>28,702,685.47</u>
Remaining Borrowing Power	<u>\$ 95,231,313.68</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, 2013

General Capital Serial Bonds Payable

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
General Improvement Bonds of 2008	10/15/28	4.50%-5.00%	\$ 21,386,000.00
General Improvement Bonds of 2013	08/15/33	2.00%-4.00%	<u>4,151,000.00</u>
			<u>\$ 25,537,000.00</u>

General Capital NJ Environmental Infrastructure Loan Payable (Trust Loan)

<u>Description</u>	<u>Final Maturity</u>	<u>Balance Dec. 31, 2013</u>
Trust Loan 1	08/01/29	\$ 355,000.00
Trust Loan 2	08/01/30	<u>81,251.78</u>
		<u>\$ 436,251.78</u>

General Capital NJ Environmental Infrastructure Loan Payable (Fund Loan)

<u>Description</u>	<u>Final Maturity</u>	<u>Balance Dec. 31, 2013</u>
Fund Loan 1	08/01/29	\$ 331,932.25
Fund Loan 2	08/01/30	<u>76,433.44</u>
		<u>\$ 408,365.69</u>

General Capital Bond Anticipation Notes

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
08/15/14	1.00%	<u>\$ 1,900,000.00</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

Curent Fund Special Emergency Notes

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
01/17/14	1.00%	\$ 240,000.00
Total Debt Issued and Outstanding		<u>\$ 28,521,617.47</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, 2013, the Madison-Chatham Joint Meeting has borrowed or "drawn down" \$985,166 of the \$985,216 Loan funds necessary to complete the improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility partially funded with the Loan funds. Principal payments to the Fund for the loan will continue on a semiannual basis until August 1, 2030 at zero interest. Principal payments to the Trust for the loan will continue on an annual basis until August 1, 2030.

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

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

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 1,434,055.67	\$ 1,173,566.38	\$ 2,607,622.05
2015	1,484,120.45	1,115,951.60	2,600,072.05
2016	1,534,195.11	1,056,076.94	2,590,272.05
2017	1,589,282.89	993,939.16	2,583,222.05
2018	1,649,383.37	929,288.68	2,578,672.05
2019-2023	8,888,908.02	3,499,239.76	12,388,147.78
2024-2028	9,017,507.34	1,409,027.98	10,426,535.32
2029-2033	784,164.62	84,107.10	868,271.72
	<u>\$ 26,381,617.47</u>	<u>\$ 10,261,197.60</u>	<u>\$ 36,642,815.07</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(Continued)

Note 3: Fund Balance Appropriated

Fund balances at December 31, 2013, which are appropriated and included in the Current, Water Utility Operating, and Electric Utility Operating Fund adopted budgets for the year ending December 31, 2014, are as follows:

Current Fund	\$ 3,597,000.00
Water Utility Fund	450,000.00
Electric Utility Fund	5,796,000.00

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, 2013, the following deferred charges is shown on the balance sheet of the Current Fund and the Electric Utility Operating Fund:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Required</u> <u>2014 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years' Budgets</u>
Current Fund:			
Special Emergency Authorization	<u>\$ 240,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 160,000.00</u>
Electric Utility Operating Fund:			
Emergency Authorization	<u>\$ 500,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ -0-</u>

The appropriations in the 2014 budget are not less than that required by statute.

Note 5: Pension Plans

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

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

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 5: Pension Plans (Cont'd)

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.64% effective July 1, 2012 and increased to 6.78% effective July 1, 2013. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Borough contributions to PERS amounted to \$726,273.00, \$755,162.00 and \$753,867.00 for 2013, 2012 and 2011, respectively. Borough contributions to PFRS amounted to \$914,715.00, \$1,010,122.00 and \$1,240,980.00 for 2013, 2012 and 2011, respectively. The employer contributions for the DCRP amounted to \$2,797.83, \$2,371.00 and \$1,338.07 for 2013, 2012 and 2011, respectively.

Note 6: Local School District Taxes

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

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

Note 7: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$2,422,851.50 at December 31, 2013. This amount is not reported either as an expenditure or a liability. The Borough has a written policy that establishes the maximum amount of sick days pay out at retirement to be 100 days. It is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used.

Note 8: Selected Tax Information

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(Continued)

Note 8: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

	2013*	2012	2011
<u>Tax Rate</u>	\$ 1.754	\$ 2.779	\$ 2.709
<u>Apportionment of Tax Rate</u>			
Municipal	.420	.665	.647
County - Regular	.255	.388	.375
County Open Space	.012	.026	.031
Local School	1.067	1.700	1.656
<u>Assessed Valuations</u>			
2013	\$ 3,382,032,100.00		
2012		\$ 2,080,611,829.00	
2010			\$ 2,098,080,953.00

* Revaluation

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
2013	\$ 59,892,752.01	\$ 59,573,074.05	99.46%
2012	57,967,476.96	57,341,113.00	98.91%
2011	56,927,990.24	55,934,111.90	98.25%

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

Note 9: Cash and Cash Equivalents and Investments

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

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

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

(Continued)

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

Investments: (Cont'd)

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

As of December 31, 2013, cash and cash equivalents and investments of the Borough of Madison consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Money Market Accounts</u>	<u>Totals</u>
Current	\$ 450.00	\$ 10,907,351.38		\$ 10,907,801.38
Animal Control		63,401.53		63,401.53
Open Space Trust		231,490.52		231,490.52
Other Trust		1,473,888.86		1,473,888.86
General Capital		2,717,508.26	\$ 808,680.53	3,526,188.79
Water Utility Operating	25.00	1,940,521.79		1,940,546.79
Water Utility Capital		965,000.52		965,000.52
Electric Utility Operating	25.00	7,734,139.95		7,734,164.95
Electric Utility Capital		1,096,096.22		1,096,096.22
	<u>\$ 500.00</u>	<u>\$ 27,129,399.03</u>	<u>\$ 808,680.53</u>	<u>\$ 27,938,579.56</u>

The Borough did not hold any investments during the year ended December 31, 2013. The carrying amount of the Borough of Madison's cash and cash equivalents at December 31, 2013, was \$27,938,579.56 and the bank balance was \$27,572,532.30.

Note 10: Risk Management

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 10: Risk Management (Cont'd)

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

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

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

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

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

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

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

The December 31, 2013 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, 2012, is as follows:

	<u>Morris County Municipal Joint Insurance Fund</u>	<u>North Jersey Municipal Employee Benefits Fund</u>
Total Assets	\$ 23,194,903	\$ 17,484,472
Net Position	\$ 9,573,823	\$ 14,745,677
Total Revenue	\$ 14,823,626	\$ 39,381,796
Total Expenses	\$ 17,170,545	\$ 33,774,018
Change in Net Position	\$ (2,346,919)	\$ 5,607,778
Members Dividends	\$ -0-	\$ (1,200,000)

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 10: Risk Management (Cont'd)

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

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

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

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

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

<u>Fiscal Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ 50,000.00	\$ 14,558.61	\$ 420.68	\$ 52,165.41	\$ 100,363.08
2012	50,000.00	14,063.50	906.10	41,788.77	87,549.20
2011	50,000.00	16,396.90	798.31	53,156.75	64,368.37

Note 11: Contingent Liabilities

As of December 31, 2013, the Borough reserved a total \$246,688.46 in the Reserve for Pending Tax Appeals for several material pending tax appeals in 2013.

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, 2013.

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 12: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 55,631.64	\$ 52,658.14
Federal and State Grant Fund	46,293.70	
Animal Control Fund		33,264.93
Open Space Trust Fund	6,364.44	133,632.55
Other Trust Fund	90.25	22,025.26
General Capital Fund	133,632.55	431.70
Water Utility Operating Fund	82.65	
Water Utility Capital Fund		82.65
Electric Utility Operating Fund	93.76	
Electric Utility Capital Fund		93.76
	<u>\$ 242,188.99</u>	<u>\$ 242,188.99</u>

The interfund receivable in the Current Fund is comprised of interest earned in the Other Trust Fund and the General Capital Fund; cancellation of certain Trust reserves balance due from the Other Trust Fund; interfund advanced to the Other Trust Fund; and statutory excess in the Reserve for the Animal Control Fund Expenditures due from the Animal Control Fund, net of refund due to the Other Trust Fund for the prior year state share of marriage license fees. The interfund receivable in the Federal and State Grant Fund from the Current Fund is for the receipt of grant funds directly deposited into the Current Fund. The interfund receivable in the Open Space Trust Fund is emergency notes interest paid by the Open Space Trust Fund on behalf of the Current Fund. The interfund payable in the Open Space Trust Fund is bond anticipation notes premiums deposited in the Open Space Trust Fund in 2012 and 2013 due to the General Capital Fund. The interfund receivable in the Other Trust Fund is funds due from the General Capital Fund due to the cancellation of an improvement authorization. The interfund receivable in the Water Utility Operating Fund represents interest earned in the Water Utility Capital Fund. The interfund receivable in the Electric Utility Operating Fund represents interest earned in the Electric Utility Capital Fund.

Note 13: Related Party Transactions

The Mayor and Borough Council members also serve as members of the Madison-Chatham Joint Meeting. The Borough of Madison appropriated and paid to the Joint Meeting \$946,733.00 in 2013 for operating expenses.

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

Note 14: Deferred Compensation

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 15: Economic Dependency

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

Note 16: Open Space Trust Reserve

The Borough adopted an ordinance in 2003 to establish a "Municipal Open Space, Recreation, and Farmland and Historic Preservation Trust Fund," permitting the Borough to collect a tax of two cents (2 cents) per \$100.00 assessed valuation for the Open Space Trust Fund. The 2013 Open Space tax levy is \$616,378.28 and the 2013 Open Space tax rate is \$0.18. The balance in the Reserve for Open Space at December 31, 2013 is \$104,222.41.

Note 17: Post-Retirement Benefits

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

Note 18: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2013 and 2012:

	Unaudited Balance <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2013</u>
Land	\$37,851,600.00			\$37,851,600.00
Buildings	25,053,725.73			25,053,725.73
Improvements Other than Buildings	3,999,484.72			3,999,484.72
Machinery and Equipment	10,448,596.94	\$ 197,067.00		10,645,663.94
	<u>\$77,353,407.39</u>	<u>\$ 197,067.00</u>	<u>\$ -0-</u>	<u>\$77,550,474.39</u>
		<u>Unaudited</u>		
	Balance <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2012</u>
Land	\$37,924,400.00		\$ 72,800.00	\$37,851,600.00
Buildings	25,177,445.73		123,720.00	25,053,725.73
Improvements Other than Buildings	3,985,300.72	\$ 14,184.00		3,999,484.72
Machinery and Equipment	10,331,450.94	117,146.00		10,448,596.94
	<u>\$77,418,597.39</u>	<u>\$ 131,330.00</u>	<u>\$ 196,520.00</u>	<u>\$77,353,407.39</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Note 19: Prior Period Adjustment

The balance sheet for the General Capital Fund was restated to include Wastewater Treatment grant funds and New Jersey Environmental Infrastructure loan funds drawn down in 2012 by the Madison-Chatham Joint Meeting relating to the improvement of the Joint Meetings wastewater treatment plant improvement authorization not recorded in 2012.

	<u>Balance</u> <u>12/31/12</u>	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance</u> <u>12/31/12</u> <u>Restated</u>
Assets:			
Wastewater Treatment Grant Receivable	\$ 151,831.00	\$(151,781.00)	\$ 50.00
NJ Environmental Infrastructure Loans Receivable	151,832.00	(151,832.00)	-0-
Liabilities:			
Improvement Authorizations:			
Funded	2,619,594.24	(293,913.00)	2,325,681.24
Unfunded	188,045.35	(9,700.00)	178,345.35

BOROUGH OF MADISON

SUPPLEMENTARY DATA

BOROUGH OF MADISON
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2013

Name	Title	Amount of Bond	Name of Corporate Surety
Robert H. Conley	Mayor		
Robert E. Landrigan	Council President		
Astri J. Baillie	Council Member		
Robert G. Catalanello	Council Member		
Patrick W. Rowe	Council Member		
Carmela Vitale	Council Member		
Benjamin Wolkowitz	Council Member		
Raymond M. Cody	Administrator	**	**
Elizabeth Osborne	Clerk	**	**
	Purchasing/Personnel Officer		
Robert F. Kalafut	Director of Finance	**	**
	Chief Financial Officer		
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	**	**
Matthew J. Giacobbe, Esq.	Borough Attorney		
Darren Dachisen	Police Chief	**	**
Lisa Gulla	Health Officer	**	**
Marilyn Edwards	Secretary Board of Health	**	**
	Registrar, Vital Statistics		
Gary F. Troxell	Magistrate	**	**
Frank Ciampi	Court Administrator	**	**
Dawn Allgeier	Deputy Court Administrator	**	**
Angela Esposito	Deputy Court Administrator	**	**

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

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

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

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

All bonds were examined and were properly executed.

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
CURRENT FUND

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

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 9,499,917.93
Increased by Receipts:		
Taxes Receivable		\$ 59,614,248.02
Revenue Accounts Receivable		8,745,256.56
Miscellaneous Revenue Not Anticipated		628,133.80
Prepaid Taxes		358,438.02
Special Emergency Notes Issued		240,000.00
Tax Overpayments		258,306.48
Appropriation Refunds		112,843.10
Appropriation Reserve Refunds		97,791.34
Due to Federal and State Grant Fund:		
Grants Receivable		33,421.28
Unappropriated Reserves		57,749.55
Due from/to State of New Jersey:		
Veterans' and Senior Citizens' Deductions		100,458.23
Construction Code Fees		41,030.00
Due from General Capital Fund:		
Prior Year Interfund Returned		4,379.86
Due from Animal Control Fund:		
Prior Year Interfund Returned		15,011.61
Tax Sale Premiums		300.00
Reserve for Outside Lien Redemption		54,649.92
Reserve for Sale of Municipal Assets:		
Sale of Surplus Property		462,000.00
		70,824,017.77
		80,323,935.70

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

Ref.

Decreased by Disbursements:			
2013 Appropriation Expenditures	\$	21,667,113.65	
2012 Appropriation Reserve Expenditures		944,740.61	
Local School District Taxes		36,059,899.50	
County Taxes		9,020,303.90	
Special Emergency Notes Matured		320,000.00	
Tax Overpayments Refunded		258,306.48	
Due State of New Jersey - Construction Code Fees		42,762.00	
Due from Federal and State Grant Fund:			
Appropriated Reserves		106,060.72	
Accounts Payable		3,787.85	
Due Open Space Trust Fund:			
Open Space Tax Levy		616,378.28	
Prior Year Interfund Returned		7.50	
Due Other Trusts Fund:			
Prior Year Interfund Returned		49,299.75	
Interfund Advanced		675.00	
Refund of Tax Sale Premiums		300.00	
Reserve for Outside Lien Redemption		54,649.92	
Reserve for Tax Appeals Pending		192,505.94	
Reserve for Revaluation		79,769.22	
Refund of Prior Year Revenue		14.00	
Cancel Prior Year Reconciling Items		10.00	
		<hr/>	
			<u>\$ 69,416,584.32</u>
Balance December 31, 2013	A		<u><u>\$ 10,907,351.38</u></u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

Year	Balance	2013 Levy	Added Taxes	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2012			2012	2013				Dec. 31, 2013
2012	\$ 509,464.15		\$ 8,186.71		\$ 518,144.42	\$ (500.00)	\$ 6.44		
2013		\$ 59,892,752.01		\$ 377,880.73	59,096,103.60	99,089.72	19,881.81	\$ 3,115.10	\$ 296,681.05
	<u>\$ 509,464.15</u>	<u>\$ 59,892,752.01</u>	<u>\$ 8,186.71</u>	<u>\$ 377,880.73</u>	<u>\$ 59,614,248.02</u>	<u>\$ 98,589.72</u>	<u>\$ 19,888.25</u>	<u>\$ 3,115.10</u>	<u>\$ 296,681.05</u>
<u>Ref.</u>	A								A

Analysis of 2013 Property Tax Levy

General Purpose Tax	\$ 59,320,843.01
Added Taxes (54:4-63.1 et seq.)	<u>571,909.00</u>
	<u>\$ 59,892,752.01</u>
Tax Levy:	
Local School District Taxes	\$ 36,064,003.00
County Taxes:	
County Taxes	8,997,193.89
Due County for Added and Omitted Taxes	<u>88,277.70</u>
	9,085,471.59
Local Tax for Municipal Purposes	12,455,201.31
Municipal Library Taxes	1,181,516.69
Municipal Open Space Taxes	610,450.27
Add: Additional Open Space - Municipal	5,928.01
Add: Additional Tax Levied	<u>490,181.14</u>
	<u>14,743,277.42</u>
	<u>\$ 59,892,752.01</u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 23,920.80
Increased by:		
Transferred From Taxes Receivable		<u>3,115.10</u>
Balance December 31, 2013	A	<u>\$ 27,035.90</u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u> <u>in 2013</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Borough Clerk:				
ABC Licenses		\$ 31,864.60	\$ 31,864.60	
Other		30,399.50	30,399.50	
Fees and Permits		316,349.97	316,349.97	
Municipal Court	\$ 9,857.93	191,989.20	186,660.99	\$ 15,186.14
Interest and Costs on Taxes		106,307.64	106,307.64	
Parking Meters		69,989.45	69,989.45	
Interest on Investments and Deposits		67,992.76	67,992.76	
Police Burglar Alarms		16,920.00	16,920.00	
Cablevision Franchise Fee		194,553.67	194,553.67	
Sewer Fees on Tax Exempt Properties		302,651.56	302,651.56	
Consolidated Municipal Property Tax Relief Aid		83,204.00	83,204.00	
Energy Receipts Tax		725,325.46	725,325.46	
Uniform Construction Code Fees		463,340.00	463,340.00	
Intermunicipal Health Contracts for Local Community				
Health Services		288,612.75	288,612.75	
Intermunicipal Agreements for "Southeast Morris Project Community Pride"		41,000.00	41,000.00	
Inter-Municipal Contract for Tax Assessor Services		92,840.00	92,840.00	
Inter-Municipal Contract for Construction Code Services		72,000.00	72,000.00	
Inter-Municipal Contract for Joint Court Agreement		316,753.00	316,753.00	
Utility Operating Surplus of Prior Years - Electric		3,722,000.00	3,722,000.00	
Payment in Lieu of Taxes on Exempt Property - Madison				
Housing Authority		56,782.00	56,782.00	
Life Hazard User Fees		75,403.32	75,403.32	
Madison Cell Tower Lease		390,171.89	390,171.89	
Utility Operating Surplus of Prior Years - Water Utility		450,000.00	450,000.00	
Rosenet User Fees		6,750.00	6,750.00	
Bond Anticipation Note Premium		10,000.00	10,000.00	
Sewer Connection Fees		79,047.00	79,047.00	
Recreation Fees		48,337.00	48,337.00	
General Capital Fund Balance		500,000.00	500,000.00	
	<u>\$ 9,857.93</u>	<u>\$ 8,750,584.77</u>	<u>\$ 8,745,256.56</u>	<u>\$ 15,186.14</u>

Ref.

A

A

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	Balance Dec. 31, 2012	Balance After Modi- fication	Paid or Charged	Balance Lapsed
General Administration:				
Salaries and Wages	\$ 4,995.26	\$ 4,995.26	\$ 2,037.30	\$ 2,957.96
Other Expenses	4,758.75	4,758.75	352.08	4,406.67
Municipal Support:				
Salaries and Wages	10,461.40	10,461.40	429.60	10,031.80
Other Expenses	10,561.14	10,561.14	2,641.34	7,919.80
Human Resources:				
Salaries and Wages	45,008.77	45,008.77	143.20	44,865.57
Other Expenses	6,324.88	6,324.88	1,433.00	4,891.88
Mayor and Council:				
Salaries and Wages	493.85	493.85	493.85	
Other Expenses	6,642.56	6,642.56	235.39	6,407.17
Borough Clerk:				
Salaries and Wages	537.61	537.61	537.61	
Other Expenses	20,088.01	20,088.01	5,841.76	14,246.25
Financial Administration (Treasury):				
Salaries and Wages	2,562.57	2,562.57	2,562.57	
Other Expenses	3,228.94	3,228.94	1,529.47	1,699.47
Elections:				
Other Expenses	3,426.56	3,426.56		3,426.56
Audit Services:				
Other Expenses	33,025.00	33,025.00	25,000.00	8,025.00
Revenue Administration (Tax Collection):				
Salaries and Wages	3,040.82	3,040.82	1,953.15	1,087.67
Other Expenses	887.71	887.71	148.90	738.81
Tax Assessment Administration:				
Other Expenses	11,613.10	11,613.10	5,618.85	5,994.25
Legal Services and Costs:				
Other Expenses	19,963.78	19,963.78	10,227.01	9,736.77
Engineering Services:				
Salaries and Wages	19,201.86	19,201.86	3,229.69	15,972.17
Other Expenses	6,134.27	6,134.27	3,421.26	2,713.01
Environmental Commission:				
Other Expenses	295.00	295.00		295.00
Downtown Development Commission:				
Salaries and Wages	1,425.08	1,425.08	1,425.00	0.08
Other Expenses	1,849.08	1,849.08		1,849.08
Historic Preservation:				
Other Expenses	3,150.00	3,150.00	170.00	2,980.00
Planning Board:				
Salaries and Wages	1,834.83	1,834.83	768.62	1,066.21
Other Expenses	53,921.47	53,921.47	5,330.31	48,591.16
Zoning Board of Adjustment:				
Salaries and Wages	237.37	237.37	237.37	
Other Expenses	33,072.76	33,072.76	9,118.10	23,954.66
Police and Fire Building:				
Other Expenses	11,437.08	11,437.08	9,018.00	2,419.08

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Balance Dec. 31, 2012	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Police:				
Salaries & Wages	\$ 50,668.47	\$ 50,668.47	\$ 7,064.03	\$ 43,604.44
Other Expenses	50,733.20	50,733.20	29,727.73	21,005.47
Project Community Pride:				
Other Expenses	8,425.74	8,425.74	2,550.20	5,875.54
Emergency Management:				
Other Expenses	1,022.35	1,022.35	735.53	286.82
Fire Department:				
Salaries & Wages	58,564.08	58,564.08	1,469.60	57,094.48
Other Expenses	9,891.96	9,891.96	8,007.46	1,884.50
Public Works:				
Salaries and Wages	218,834.52	218,834.52	15,809.50	203,025.02
Other Expenses	132,825.45	132,825.45	13,427.71	119,397.74
Sewer Department:				
Salaries and Wages	31,978.60	31,978.60	3,896.35	28,082.25
Other Expenses	33,323.81	33,323.81	7,397.06	25,926.75
Shade Tree Authority:				
Other Expenses	5,240.50	5,240.50	2,294.73	2,945.77
Garbage Removal:				
Other Expense	477,040.60	477,040.60	360,086.34	116,954.26
Public Building & Grounds:				
Salaries & Wages	13,418.66	13,418.66	931.41	12,487.25
Other Expenses	49,064.25	49,064.25	2,579.93	46,484.32
Vehicle Maintenance:				
Salaries and Wages	19,462.20	19,462.20	4,079.16	15,383.04
Other Expenses	83,267.06	83,267.06	20,705.96	62,561.10
Board of Health:				
Other Expenses	31,297.30	31,297.30		31,297.30
Animal Control Services:				
Salaries and Wages	2,000.00	2,000.00		2,000.00
Other Expenses	17,913.74	17,913.74	2,518.92	15,394.82
Civic Center:				
Other Expenses	6,754.79	6,754.79	493.55	6,261.24
Recreation & Playgrounds:				
Salaries & Wages	31,900.00	31,900.00		31,900.00
Other Expenses	8,084.60	8,084.60	1,015.98	7,068.62
Senior Citizens Programs:				
Salaries & Wages	7,545.21	7,545.21	843.00	6,702.21
Other Expenses	8,757.40	8,757.40	1,582.47	7,174.93
Teen Center:				
Other Expenses	20,000.00	20,000.00	20,000.00	
Parks Commission:				
Other Expenses	2,045.04	2,045.04		2,045.04
Celebration of Public Events, Anniversary or Holiday:				
Other Expenses	16,471.24	16,471.24	5,564.00	10,907.24
Insurance:				
General Liability	73,141.20	73,141.20	55,225.73	17,915.47
Workers Compensation Insurance	45,000.00	45,000.00	40,000.00	5,000.00

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Balance Dec. 31, 2012	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Insurance (Cont'd):				
Employee Group Health	\$ 147,639.48	\$ 147,639.48	\$ 22,840.32	\$ 124,799.16
State Uniform Construction Code:				
Other Expenses	16,574.17	16,574.17	7,491.01	9,083.16
Salary & Wage Adjustment Program	50,000.00	50,000.00		50,000.00
Utility Expenses:				
Electricity	50,773.75	50,773.75	44,771.16	6,002.59
Telephone	29,370.41	29,370.41	5,418.46	23,951.95
Natural Gas	39,698.81	39,698.81	19,806.54	19,892.27
Sewerage Processing and Disposal	1,700.00	1,700.00		1,700.00
Gasoline	60,985.53	60,985.53		60,985.53
Contingent	45,856.93	45,856.93	5,803.36	40,053.57
Public Employees' Retirement System	12,035.06	12,035.06	192.27	11,842.79
Social Security	23,568.64	23,568.64		23,568.64
Consolidated Police & Firemen's Retirement Pension Fund	15,000.00	15,000.00		15,000.00
Police and Firemen's Retirement System of New Jersey	1,878.00	1,878.00		1,878.00
Inter-Municipal Agreement for "Southeast Morris Project Community Pride":				
Salaries and Wages	1,644.99	1,644.99	1,073.00	571.99
Inter-Municipal Contract for Local Community Health Services:				
Board of Health:				
Salaries and Wages	29,628.54	29,628.54	24,218.01	5,410.53
Inter-Municipal Health Contracts for Tax Assessor Services:				
Salaries and Wages	1,383.88	1,383.88	1,383.88	
Inter-Municipal Services for Construction Code Services:				
Salaries and Wages	8,868.71	8,868.71	1,461.41	7,407.30
Inter-Municipal Services for Joint Court:				
Salaries and Wages	7,301.68	7,301.68	2,045.07	5,256.61
Other Expenses	34,618.95	34,618.95	8,535.00	26,083.95
	<u>\$ 2,413,379.01</u>	<u>\$ 2,413,379.01</u>	<u>\$ 846,949.27</u>	<u>\$ 1,566,429.74</u>
Unencumbered	\$ 1,484,616.83			
Encumbered	928,762.18			
	<u>\$ 2,413,379.01</u>			
Cash Disbursed			\$ 944,740.61	
Less: Appropriation Refunds			(97,791.34)	
			<u>\$ 846,949.27</u>	

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

Increased by:

Levy - Calendar Year 2013	\$ 36,064,003.00
---------------------------	------------------

Decreased by:

Payments to Local School District	\$ 36,059,899.50	
Cancellation of Local School District Taxes Payable	0.54	
Prepaid School Taxes Realized	4,102.96	
	<u>4,102.96</u>	
		<u>\$ 36,064,003.00</u>

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

	Balance Dec. 31, 2012	Budget Revenue Realized	Cash Received	Transferred from Unappropriated Reserves	Balance Dec. 31, 2013
Municipal Alliance Program:					
2009	\$ 570.00				\$ 570.00
2010	2,786.29				2,786.29
2012	9,952.80		\$ 9,593.99		358.81
2013		\$ 11,774.00	10,260.00		1,514.00
MAASA Supplemental - County - 2013		2,500.00	1,245.48		1,254.52
Clean Communities Grant - 2012		22,353.85		\$ 22,353.85	
Body Armor Grant - 2012		2,864.27		2,864.27	
Alcohol Education and Rehabilitation Grant - 2012		1,241.15		1,241.15	
Recycling Tonnage Grant - 2012		23,345.85		23,345.85	
Drunk Driving Enforcement Grant:					
2012		9,194.14		9,194.14	
2013		12,321.81	12,321.81		
New Jersey Department of Health and Senior Services Grant - 2006	10,105.00				10,105.00
Community Stewardship Incentive Program Grant - 2008	3,750.00				3,750.00
COPS in Schools (CIS) Alcohol Grant - 2012		1,600.00		1,600.00	
Bulletproof Vest Partnership:					
2011	12,090.00				12,090.00
2012		8,265.00		8,265.00	
Smart Growth Planning Grant - 2011	6,000.00				6,000.00
Shade Tree Management Grant - 2011	7,000.00				7,000.00
Drive Sober or Get Pulled Over:					
2012		5,000.00		5,000.00	
2012 - Holiday Crackdown		4,200.00		4,200.00	
Sustainable Jersey Grant - 2012		2,000.00		2,000.00	
Madison Main Street Foundation Grant		25,000.00			25,000.00
	<u>\$ 52,254.09</u>	<u>\$ 131,660.07</u>	<u>\$ 33,421.28</u>	<u>\$ 80,064.26</u>	<u>\$ 70,428.62</u>
<u>Ref.</u>	A				A
		State	\$ 32,175.80		
		Local	1,245.48		
			<u>\$ 33,421.28</u>		

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

	Balance Dec. 31, 2012	Transferred from 2013 Budget	Cash Disbursed	Accounts Payable	Reinstatement of Cancelled Reserves	Balance Dec. 31, 2013
Clean Communities Program:						
2011	\$ 6,842.94		\$ 6,842.94			
2012		\$ 22,353.85	17,540.09	\$ 8.82		\$ 4,804.94
Recycling Tonnage Grant - 2012		23,345.85	23,345.85			
Drunk Driving Enforcement Fund:						
2012		9,194.14	9,194.14			
2013		12,321.81	12,321.81			
Alcoholism Education and Rehabilitation Fund:						
2007					\$ 934.20	934.20
2008					2,098.55	2,098.55
2009					872.82	872.82
2012		1,241.15				1,241.15
Municipal Alliance on Alcoholism and Drug Abuse:						
Borough Share - 2012	4,049.93		4,049.93			
State Share - 2013		11,774.00	10,715.14	526.10		532.76
Borough Share - 2013		2,944.00	2,944.00			
MAASA Supplemental - County:						
Supplemental - 2013		2,500.00	2,500.00			
COPS in Schools (CIS) Alcohol Grant:						
2010	1,600.00		1,600.00			
2012		1,600.00				1,600.00
Body Armor Grant:						
2011	3,056.22		3,056.22			
2012		2,864.27	2,750.60			113.67
Local Public Health Emergency Response H1N1 Grant						
2009	163.63					163.63
2011	124.25					124.25
State Forestry Services Grant	6,620.00					6,620.00
Bulletproof Vest Partnership - 2012		8,265.00				8,265.00
Smart Growth Planning Grant	900.00					900.00
Shade Tree Management Grant	380.00					380.00
Drive Sober or Get Pulled Over:						
2012		5,000.00	5,000.00			
2012 - Holiday Crackdown		4,200.00	4,200.00			

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

	<u>Balance Dec. 31, 2012</u>	<u>Transferred from 2013 Budget</u>	<u>Cash Disbursed</u>	<u>Accounts Payable</u>	<u>Reinstatement of Cancelled Reserves</u>	<u>Balance Dec. 31, 2013</u>
Sustainable Jersey Grant - 2012		\$ 2,000.00				\$ 2,000.00
Madison Main Street Foundation Grant		25,000.00				25,000.00
	<u>\$ 23,736.97</u>	<u>\$ 134,604.07</u>	<u>\$ 106,060.72</u>	<u>\$ 534.92</u>	<u>\$ 3,905.57</u>	<u>\$ 55,650.97</u>
<u>Ref.</u>	A					A
Federal Grants		\$ 19,065.00	\$ 10,800.00			
State Grants		83,095.07	85,766.79	\$ 534.92		
Local Grants		29,500.00	2,500.00			
Local Matching Funds		2,944.00	6,993.93			
		<u>\$ 134,604.07</u>	<u>\$ 106,060.72</u>	<u>\$ 534.92</u>		

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

	<u>Balance</u> Dec. 31, 2012	<u>Cash</u> Received	<u>Transferred</u> to Budget Revenue	<u>Balance</u> Dec. 31, 2013
Alcohol Education and Rehabilitation Fund:				
2012	\$ 1,241.15		\$ 1,241.15	
2013		\$ 422.20		422.20
Clean Communities Grant:				
2012	22,353.85		22,353.85	
2013		26,245.22		26,245.22
Recycling Tonnage Grant:				
2012	23,345.85		23,345.85	
2013		23,513.47		23,513.47
Body Armor Grant:				
2012	2,864.27		2,864.27	
2013		3,582.46		3,582.46
Drunk Driving Enforcement Fund:				
2012	9,194.14		9,194.14	
Sustainable Jersey Grant:				
2012	2,000.00		2,000.00	
COPS in Schools (CIS) Alcohol Grant:				
2012	1,600.00		1,600.00	
2013		2,000.00		2,000.00
Drive Sober or Get Pulled Over:				
2012	5,000.00		5,000.00	
2012 - Holiday Crackdown	4,200.00		4,200.00	
Body Armor Bulletproof Vests:				
2012	8,265.00		8,265.00	
Green Communities Grant		1,986.20		1,986.20
	<u>\$ 80,064.26</u>	<u>\$ 57,749.55</u>	<u>\$ 80,064.26</u>	<u>\$ 57,749.55</u>
<u>Ref.</u>	A			A
	Federal	\$ 2,000.00		
	State	<u>55,749.55</u>		
		<u>\$ 57,749.55</u>		

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
TRUST FUNDS

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

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Open Space Trust Fund</u>
Balance December 31, 2012	B	\$ 49,149.61	\$ 463,660.05
Increased by Receipts:			
Borough Dog License Fees		\$ 19,416.60	
Prepaid Borough Dog License Fees		4,443.60	
State Dog License Fees		1,951.80	
Other Dog/Cat License Fees		6,470.00	
Due From Current:			
Prior Year Interfund Returned			\$ 7.50
Due to General Capital:			
Bond Anticipation Note Sale Premium			13,859.97
Open Space Tax Levy			616,378.28
Open Space Receipts:			
Green Acres Grant			1,592,503.65
Madison Athletic Donations			157,488.00
Other Open Space Receipts			49,615.00
Investment Interest Earned		282.32	5,526.47
		<u>32,564.32</u>	<u>2,435,378.87</u>
		81,713.93	2,899,038.92
Decreased by Disbursements:			
State Board of Health		1,521.60	
Expenditures Under R.S. 4:19-15.11		1,779.19	
Bond Anticipation Notes Matured			1,822,000.00
Bond Anticipation Note Interest			178,846.32
Open Space Expenditures			302,337.64
Due Current Fund:			
Prior Year Interfund Returned		15,011.61	
Emergency Note Interest Paid on Behalf of Current Fund			6,364.44
Due to General Capital Fund:			
Improvement Authorizations			358,000.00
		<u>18,312.40</u>	<u>2,667,548.40</u>
Balance December 31, 2013	B	<u>\$ 63,401.53</u>	<u>\$ 231,490.52</u>

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

	<u>Ref.</u>	<u>Other Trust Funds</u>
Balance December 31, 2012	B	\$ 1,232,976.53
Increased by Receipts:		
Due Current Fund		
Prior Year Interfund Returned	\$	49,299.75
Interfund Advanced		675.00
Due to State of New Jersey:		
Marriage License Fees		1,775.00
Construction Code Surcharge Fees		42,762.00
Interest Earned in Unemployment Insurance		420.68
Reserve for Unemployment Insurance		64,558.61
Reserve for Special Funds		895,119.06
Investment Interest Earned for Reserve for Special Funds		1,014.69
Investment Interest Earned Due Current Fund		83.06
		1,055,707.85
		2,288,684.38
Decreased by Disbursements:		
Due to General Capital Fund - Fire Department Trust:		
Improvement Authorizations		26,250.00
Due to State of New Jersey:		
Marriage License Fees		1,800.00
Burial Permits		10.00
Construction Code Surcharge Fees		38,396.00
Reserve for Unemployment Insurance		52,165.41
Reserve for Special Funds		696,174.11
		814,795.52
Balance December 31, 2013	B	\$ 1,473,888.86

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 32,504.80
Increased by:		
Dog License Fees		\$ 19,416.60
Other Fees		6,470.00
Interest Earned		282.32
Prior Year Prepaid Licenses		<u>1,490.40</u>
		<u>27,659.32</u>
		60,164.12
Decreased by:		
Statutory Excess - Due Current Fund		33,264.93
Animal Control Fund Expenditures		<u>1,779.19</u>
Balance December 31, 2013	B	<u>\$ 25,120.00</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 13,431.40
2012	<u>11,688.60</u>
Maximum Allowable Reserve	<u>\$ 25,120.00</u>

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
GENERAL CAPITAL FUND

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 4,817,698.63
Increased by Receipts:		
Current Fund Appropriations:		
Capital Improvement Fund	\$ 1,000,000.00	
Due from Open Space Trust Fund:		
Improvement Authorization	358,000.00	
Due to Other Trust Funds:		
Fire Department Trust Fund:		
Improvement Authorization	26,250.00	
Serial Bonds Issued	4,151,000.00	
Serial Bonds Premium	41,510.00	
Bond Anticipation Notes Issued	9,643,000.00	
Bond Anticipation Notes Premium	11,723.00	
Grant Receivables:		
New Jersey Historic Trust	12,925.36	
Hartley Dodge Memorial Trustees	44,954.80	
Grant Funds Received on Fully Funded		
Improvement Authorizations:		
Morris County Historic Preservation Trust Fund	75,000.00	
New Jersey Historic Trust	60,719.00	
New Jersey Department of Transportation Grants	390,000.00	
Interest on Investments Due to Current Fund	341.45	
	15,815,423.61	15,815,423.61
		20,633,122.24
Decreased by Disbursements:		
Due to Current Fund:		
Anticipated Revenue:		
General Capital Fund Balance	500,000.00	
Bond Anticipation Notes Premium	10,000.00	
Prior Year Interfund Returned	4,379.86	
Bond Anticipation Notes Matured	13,794,000.00	
Improvement Authorization Expenditures	2,453,516.91	
Prior Year Encumbrances Liquidated	345,036.68	
	17,106,933.45	17,106,933.45
Balance December 31, 2013	C	\$ 3,526,188.79

BOROUGH OF MADISON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2012	Receipts				Disbursements				Balance (Deficit) Dec. 31, 2013	
		Serial Bonds Payable	Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	Transfers		
									From		To
Fund Balance	\$ 1,964,995.04				\$ 135,719.00		\$ 500,000.00	\$ 5,050.00		\$ 1,595,664.04	
Capital Improvement Fund	78,103.68			\$ 1,000,000.00	390,000.00			1,012,000.00	\$ 83,072.10	539,175.78	
Due Current Fund	4,379.86				341.45		4,379.86			341.45	
Due Other Trust Fund - Fire Department Trust					26,250.00			26,250.00	90.25	90.25	
Due Other Trust Fund - Open Space					358,000.00			491,632.55		(133,632.55)	
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	(26,556.00)									(26,556.00)	
New Jersey Historic Trust	(12,925.36)				12,925.36						
Hartley Dodge Memorial Trustees	(195,000.00)				44,954.80					(150,045.20)	
NJ Department of Environmental Protection:											
Wastewater Treatment Grant Receivable	(50.00)								50.00		
Reserve for Bond Anticipation Note Premium	7,539.67				53,233.00			10,000.00	133,632.55	184,405.22	
Reserve for Encumbrances	683,641.89							345,036.68	3,224.55	529,809.52	
Reserve for Receivable	9,000.00									9,000.00	
Amount Due to Museum of Early Trades and Crafts	19,086.26									19,086.26	
<u>Ord.</u>											
<u>Number</u>	<u>Improvement Description</u>										
42-05;	Various Public Improvements and Acquisition of New Fire										
58-08	Engines, Including Original Apparatus and Equipment	703,729.87				\$ 544,234.81				159,495.06	
26-07;	Assessment of HVAC, Bathroom Repairs, New Book Stack,										
66-07;	Interior Signage, Reupholster Chairs, Drainage Ditch										
44-10	Stabilization, Design Work, and Parking Lot at Library	14,625.00								14,625.00	
73-08;	Acquisition of Real Property for Open Space Preservation										
49-09	and Recreation Purposes	6,104.22	\$ 2,888,000.00	\$ 4,480,000.00		4,751.14	\$ 7,368,000.00			1,353.08	
28-09	Improvement of the Madison-Chatham Joint Meeting's										
	Molitor Water Pollution Control Facility	(9,700.00)								(9,700.00)	
14-10	Purchase of Sewer Pumps	4,866.43						4,866.43			
38-10	Rehabilitation of North Street Pump Station	51,679.13				39,702.94		4,521.86		7,454.33	
02-11	Installation of Synthetic Turf Multipurpose Athletic Fields at										
	Madison Recreation Center	873.13	1,263,000.00	5,163,000.00		2,032.01	6,426,000.00		1,374.55	215.67	
13-11	Purchase of a Brine Operating System	11,512.00						11,512.00			
27-11	Abatement Project at the Madison Public Library Technical										
	Services Department	28,077.00						10,225.60		17,851.40	
29-11	Purchase of Radio Equipment	116.83						116.83			
15-12	Purchase of Materials, Equipment Services for Storm Sewer										
	Rehabilitation	12,150.00				2,831.90		11,168.10	1,850.00		
18-12	Improvements to North Street Pump Station	485,000.00				51,214.85				433,785.15	
19-12	Improvements to Candle Wood Pump Station	99,235.00				22,968.31				76,266.69	
20-12	Improvements to Treadwell Pump Station	83,000.00				22,924.50		28,494.10		31,581.40	
21-12	Improvements to Samson Avenue	269,476.20				267,990.01		1,486.19			
30-12	Improvement Upgrades to Police Department Mobile Vision										
	System	1,819.75						1,819.75			

BOROUGH OF MADISON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. Number	Improvement Description	Balance (Deficit) Dec. 31, 2012	Receipts				Disbursements			Transfers		Balance (Deficit) Dec. 31, 2013
			Serial Bonds Payable	Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
33-12	Purchase of Two Pole Mounted Speed Monitor Devices	\$ 720.00							\$ 720.00			
34-12	Purchase of Two Dispatch Chairs	3,000.00				\$ 2,473.00			527.00			
35-12	Purchase of one Crime Scene Camera	0.03							0.03			
38-12	Road Improvements to Rosedale Avenue	480,000.00				466,235.29			13,764.71			
39-12	HVAC Units at the Madison Public Library	46,000.00										\$ 46,000.00
40-12	Purchase of Utility Truck and Accessories	30,674.00							19,202.82			
01-13	Replacement of the Department of Public Works Garage Roof								42,225.00	\$ 50,000.00		
06-13	Study the Madison Public Library HVAC System								9,900.00	35,000.00		12,500.00
14-13	Purchase of a Police Vehicle and Accessories								47,519.36	2,171.00		50,000.00
17-13	Repair of the Civic Center Parking Lot								31,886.76	10,113.24		42,000.00
18-13	Reconstruction of Green Avenue (Woodland to Shunpike)								530,932.85	84,326.15		630,000.00
19-13	Replacement of Breathing Air Compressor and Cascade Cylinders								32,570.00	2,254.00		40,000.00
20-13	Purchase of Four New Sets of Firefighter Turnout Gear								10,949.40	11,000.00		50.60
21-13	Radio Consultant								8,000.00	8,000.00		
26-13;	Remediation and Safety Improvements to the Bayley Ellard Fields								282,868.25	12,581.75		350,000.00
31-13									10,221.75	28.25		10,250.00
29-13	Replacement of Fire Hoses											
	Purchase of New Self Contained Breathing Apparatus (SCBA) Face Pieces								7,938.00	62.00		8,000.00
30-13										8,000.00		8,000.00
33-13	Repairs to the Cole Park Fountain											100,000.00
34-13	Repair of the East Street Parking Lot											100,000.00
38-13	Improvements to the Police Department Impound Garage								15,925.00	9,005.00		25,000.00
44-13	Repairs to the Public Library Roof									4,000.00		29,000.00
		\$ 4,817,698.63	\$ 4,151,000.00	\$ 9,643,000.00	\$ 1,000,000.00	\$1,021,423.61	\$ 2,453,516.91	\$ 13,794,000.00	\$ 859,416.54	\$1,815,748.31	\$1,815,748.31	\$ 3,526,188.79

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	Serial Bonds Issued	Notes Paid by Reserve for Open Space	Funded by Green Acres Grant	Funded by Donation from Madison Athletic Foundation	Balance Dec. 31, 2013	Analysis of Balance Dec. 31, 2013		
								Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
73-08; 49-09	Acquisition of Real Property for Open Space Preservation and Recreation Purposes	\$ 4,540,000.00	\$ 2,888,000.00	\$ 60,000.00	\$ 1,592,000.00					
28-09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	181,068.00					\$ 181,068.00		\$ 9,700.00	\$ 171,368.00
02-11	Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center	3,333,000.00	1,263,000.00	70,000.00		\$ 100,000.00	1,900,000.00	\$ 1,900,000.00		
		<u>\$ 8,054,068.00</u>	<u>\$ 4,151,000.00</u>	<u>\$ 130,000.00</u>	<u>\$ 1,592,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 2,081,068.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 9,700.00</u>	<u>\$ 171,368.00</u>

Ref. C

C

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded

\$ 171,583.67

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:

Ordinance 02-11

(215.67)

\$ 171,368.00

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		(Restated) Balance Dec. 31, 2012		2013 Authorizations		Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2013	
	Number	Amount	Funded	Unfunded	Capital Improvement Fund	Other Sources				Funded	Unfunded
Various Public Improvements and Acquisition of New Fire Engines, Including Original Apparatus and Equipment	42-05; 58-08	\$ 23,367,000.00	\$ 703,729.87					\$ 544,234.81		\$ 159,495.06	
Assessment of HVAC, Bathroom Repairs, New Book Stack, Interior Signage, Reupholster Chairs, Drainage Ditch Stabilization, Design Work, and Parking Lot and Sidewalk Improvements at Library	26-07; 66-07; 44-10	142,000.00	14,625.00							14,625.00	
Acquisition of Real Property for Open Space Preservation and Recreation Purposes	73-08; 49-09	12,800,000.00		\$ 6,104.22				4,751.14		1,353.08	
Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	28-09	2,161,500.00		171,368.00							\$ 171,368.00
Purchase of Sewer Pumps	14-10	10,000.00	4,866.43						\$ 4,866.43		
Rehabilitation of North Street Pump Station	38-10	500,000.00	51,679.13					44,224.80		7,454.33	
Installation of Synthetic Turf Multipurpose Athletic Fields at Madison Recreation Center	02-11	3,500,000.00		873.13			\$ 1,374.55	2,032.01			215.67
Purchase of a Brine Operating System	13-11	70,000.00	11,512.00						11,512.00		
Abatement Project at the Madison Public Library Technical Services Department	27-11	30,000.00	28,077.00					10,225.60		17,851.40	
Purchase of Radio Equipment	29-11	67,000.00	116.83						116.83		
Purchase of Materials, Equipment and Services for Storm Sewer Rehabilitation	15-12	50,000.00	12,150.00				1,850.00	2,831.90	11,168.10		
Improvements to North Street Pump Station	18-12	485,000.00	485,000.00					51,214.85		433,785.15	
Improvements to Candle Wood Pump Station	19-12	150,000.00	99,235.00					22,968.31		76,266.69	
Improvements to Treadwell Pump Station	20-12	100,000.00	83,000.00					51,418.60		31,581.40	
Improvements to Samson Avenue	21-12	270,000.00	269,476.20					267,990.01	1,486.19		
Improvement Upgrades to Police Department Mobile Vision System	30-12	40,000.00	1,819.75						1,819.75		
Purchase of Two Pole Mounted Speed Monitor Devices	33-12	9,000.00	720.00						720.00		
Purchase of Two Dispatch Chairs	34-12	3,000.00	3,000.00					2,473.00	527.00		
Purchase of one Crime Scene Camera	35-12	2,000.00	0.03						0.03		
Road Improvements to Rosedale Avenue	38-12	480,000.00	480,000.00					466,235.29	13,764.71		
HVAC Units at the Madison Public Library	39-12	46,000.00	46,000.00							46,000.00	
Purchase of Utility Truck and Accessories	40-12	70,000.00	30,674.00					11,471.18	19,202.82		
Replacement of the Department of Public Works Garage Roof	01-13	50,000.00			\$ 50,000.00			42,225.00	7,775.00		
Study the Madison Public Library HVAC System	06-13	35,000.00			35,000.00			22,500.00		12,500.00	
Purchase of a Police Vehicle and Accessories	14-13	50,000.00			50,000.00			49,690.36		309.64	
Repair of the Civic Center Parking Lot	17-13	42,000.00			42,000.00			31,886.76	10,113.24		
Reconstruction of Green Avenue (Woodland to Shunpike)	18-13	630,000.00			630,000.00			615,259.00		14,741.00	
Replacement of Breathing Air Compressor and Cascade Cylinders	19-13	40,000.00			40,000.00			34,824.00		5,176.00	
Purchase of Four New Sets of Firefighter Turnout Gear	20-13	11,000.00			11,000.00			10,949.40		50.60	
Radio Consultant	21-13	8,000.00				\$ 8,000.00		8,000.00			
Remediation and Safety Improvements to the Bayley Ellard Fields	26-13; 31-13	350,000.00				350,000.00		295,450.00		54,550.00	

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		(Restated)		2013 Authorizations		Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2013	
	Number	Amount	Balance Dec. 31, 2012		Capital	Other				Funded	Unfunded
			Funded	Unfunded	Improvement Fund	Sources					
Replacement of Fire Hoses	29-13	\$ 10,250.00				\$ 10,250.00		\$ 10,221.75	\$ 28.25		
Purchase of New Self Contained Breathing Apparatus (SCBA) Face Pieces	30-13	8,000.00				8,000.00		7,938.00	62.00		
Repairs to the Cole Park Fountain	33-13	8,000.00				8,000.00		8,000.00			
Repair of the East Street Parking Lot	34-13	100,000.00			\$ 100,000.00					\$ 100,000.00	
Improvements to the Police Department Impound Garage	38-13	25,000.00			25,000.00			24,930.00		70.00	
Repairs to the Public Library Roof	44-13	29,000.00			29,000.00			4,000.00		25,000.00	
			<u>\$ 2,325,681.24</u>	<u>\$ 178,345.35</u>	<u>\$ 1,012,000.00</u>	<u>\$ 384,250.00</u>	<u>\$ 3,224.55</u>	<u>\$ 2,647,945.77</u>	<u>\$ 83,162.35</u>	<u>\$1,000,809.35</u>	<u>\$ 171,583.67</u>
<u>Ref.</u>			C	C						C	C
					Due from Open Space Trust Fund	\$ 358,000.00		Capital Improvement Fund	\$ 83,072.10		
					Due from Fire Department Trust	26,250.00		Due to Fire Department Trust Fund	90.25		
						<u>\$ 384,250.00</u>			<u>83,162.35</u>		
							Cash Disbursed	\$ 2,453,516.91			
							Current Year Encumbrances	194,428.86			
								<u>\$ 2,647,945.77</u>			

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 78,103.68
Increased By:		
Improvement Authorizations Cancelled		\$ 83,072.10
Current Fund Budget Appropriation		1,000,000.00
Grant Funds Received on Fully Funded Improvement Authorizations		<u>390,000.00</u>
		<u>1,473,072.10</u>
		<u>1,551,175.78</u>
Decreased By:		
Appropriation to Finance Improvement Authorizations		<u>1,012,000.00</u>
Balance December 31, 2013	C	<u><u>\$ 539,175.78</u></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, 2012	C	\$ 454,947.10	\$ 433,676.90
Decreased by:			
Loans Paid by Operating Budget		<u>18,695.32</u>	<u>25,311.21</u>
Balance December 31, 2013	C	<u>\$ 436,251.78</u>	<u>\$ 408,365.69</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2010A LOAN #S340715-04B
TRUST LOAN OUTSTANDING DECEMBER 31, 2013

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 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>\$ 134,675.00</u>	<u>\$ 355,000.00</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, 2013

Payment Number	Maturity Date	Interest	Principal	Balance of Loan
				\$ 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>\$ 31,897.60</u>	<u>\$ 81,251.78</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, 2013

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 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>\$ 331,932.25</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, 2013

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 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>\$ 76,433.44</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>Balance</u>
<u>No.</u>	<u>Date</u>		<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>
28-09	07/16/09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	\$ 181,068.00	\$ 181,068.00
			<u>\$ 181,068.00</u>	<u>\$ 181,068.00</u>

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
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, 2012	D	\$ 1,812,399.73	\$ 1,335,221.23
Increased by Receipts:			
Consumer Accounts Receivable		\$ 2,480,856.56	
Water Rent Overpayments		7,666.35	
Interest on Investments		16,385.50	
Miscellaneous Revenue		72,413.62	
Water Line Protection Program		1,798.10	
Due from Water Utility Capital Fund:			
Prior Year Interfund Returned		1,412.98	
Appropriation Refunds		226.70	
Improvement Authorization Refund			\$ 7,369.53
Due to Water Utility Operating Fund:			
Interest on Investments			82.65
Water Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			200,000.00
Reserve for Automated Meter Reading			200,000.00
		<u>2,580,759.81</u>	<u>407,452.18</u>
		4,393,159.54	1,742,673.41
Decreased by Disbursements:			
2013 Appropriation Expenditures		1,908,968.26	
2012 Appropriation Reserves		86,003.14	
Refund of Water Rent Overpayments		7,666.35	
Due to Current Fund:			
Anticipated Revenue		450,000.00	
Due to Water Utility Operating Fund:			
Prior Year Interfund Returned			1,412.98
Improvement Authorization Expenditures			755,985.05
Prior Year Encumbrances Payable			20,274.86
		<u>2,452,637.75</u>	<u>777,672.89</u>
Balance December 31, 2013	D	<u>\$ 1,940,521.79</u>	<u>\$ 965,000.52</u>

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

	Balance Dec. 31, 2012	Receipts		Disbursements		Transfers		Balance Dec. 31, 2013	
		2013 Budget Appropriation	Miscel- laneous	Improvement Authori- zations	Miscel- laneous	From	To		
Encumbrances Payable	\$ 36,045.85				\$ 20,274.86		\$ 41,501.01	\$ 57,272.00	
Due to Water Utility Operating Fund	1,412.98		\$ 82.65		1,412.98			82.65	
Capital Improvement Fund	690,439.35	\$ 200,000.00				\$ 779,231.10		111,208.25	
Reserve for Filtration System	50,768.90					50,768.90			
Reserve for Automated Meter Reading	400,000.00	200,000.00						600,000.00	
<u>Ord.</u>									
<u>No.</u>	<u>General Improvements</u>								
07-10	2010 Water Well Pump Station Control Repairs	39,900.00						39,900.00	
26-12	Water System Components	116,654.15		\$ 73,143.71				43,510.44	
05-13	Water Main Replacement of Municipal Roads		7,369.53	625,783.34		13,300.32	720,000.00	88,285.87	
13-13	Purchase of Utility Truck and Accessories			57,058.00		3,223.69	70,000.00	9,718.31	
39-13	Resurfacing a Section of State Highway 124					24,977.00	40,000.00	15,023.00	
		<u>\$ 1,335,221.23</u>	<u>\$ 400,000.00</u>	<u>7,452.18</u>	<u>\$ 755,985.05</u>	<u>\$ 21,687.84</u>	<u>\$ 871,501.01</u>	<u>\$ 871,501.01</u>	<u>\$ 965,000.52</u>

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

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 176,368.32
Increased by:		
Water Rents Levied		<u>2,497,879.91</u>
		2,674,248.23
Decreased by:		
Water Collections		<u>2,480,856.56</u>
Balance December 31, 2013	D	<u>\$ 193,391.67</u>

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2012	Additions by Ordinance	Balance Dec. 31, 2013
Land Reservations	\$ 10,957.98		\$ 10,957.98
Land Pump Station	10,020.00		10,020.00
Land Storage Reservoir	3,515.80		3,515.80
Springs and Wells	249,427.04		249,427.04
Supply Mains	3,727.00		3,727.00
Pump Station Structure	103,777.04		103,777.04
Electric Pumping Equipment	173,571.25		173,571.25
Other Pumping Equipment	13,282.28		13,282.28
Standpipe Tanks	267,878.60		267,878.60
Distribution Mains	2,289,647.42		2,289,647.42
Service Pipes and Stops	209,906.91		209,906.91
Meters	199,478.71		199,478.71
Fire Hydrants	100,316.90		100,316.90
Foundations	328.40		328.40
General Structure	27,605.56		27,605.56
General Equipment	31,112.46		31,112.46
Engineering and Superintendence	1,570.18		1,570.18
Office Equipment	6,651.24		6,651.24
Ford Pickup	611.00		611.00
Buildings and Renovations	75,712.19		75,712.19
New Services	35.00		35.00
Bursting Machine	1,423.25		1,423.25
Utility Truck and Mailing Equipment	21,925.72		21,925.72
Improvement to Well "B"	3,932.08		3,932.08
Utility Trucks	37,042.00		37,042.00
Removal of Underground Storage Tanks	27,810.40		27,810.40
Engineering	130,000.00		130,000.00
Utility Truck	23,052.00		23,052.00
Pipe and Road Repair	150,000.00		150,000.00
Water Mains	14,015.69		14,015.69
Madison Avenue Water Tank	113,012.50		113,012.50
Green Village Road Water Main	191,014.67		191,014.67
Midwood Terrace Water Tank	159,671.00		159,671.00
Improvements on Morris Place	50,000.00		50,000.00
Backhoe	35,000.00		35,000.00
Repair of Well Leaks	6,827.57		6,827.57
Construction of Air Stripping Facility	1,255,712.10		1,255,712.10
Water Utility Truck	30,552.07		30,552.07
Water Main Replacement - Greenwood Avenue	299,805.22		299,805.22
Water Main Improvements on Edgewood Road, Greenhill Road and Highway Terrace	173,974.59		173,974.59

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

	Balance Dec. 31, 2012	Additions by Ordinance	Balance Dec. 31, 2013
Utility Billing System	\$ 39,698.50		\$ 39,698.50
Water System - Improvement - Kings Road	41,566.80		41,566.80
Replace Generator Engine and Drive - Well C	18,000.00		18,000.00
Improvements on Elm Street and West End Avenue	8,977.96		8,977.96
Tower Aeration System	87,146.56		87,146.56
Improvement on Elmer, West and Elm Streets	3,277.98		3,277.98
VOC Contamination - Well D	7,500.00		7,500.00
One Ton Truck with Tailgate Lift	32,065.00		32,065.00
Water Main - Dehart Place and Cedar Street	71,892.90		71,892.90
Waterline Replacement - Walnut Street	81,049.15		81,049.15
Professional Engineering Services for Modifications and Update of Contract Plans and Specifications for the Borough's Well D VOC Treatment Facility	124,500.00		124,500.00
2003 Water Utility Program Improvements	318,238.37		318,238.37
Upgrades to Kings Road - Water Main	167,967.78		167,967.78
2004 Water Utility Program	390,000.00		390,000.00
Arbitration Award to Van Wingerden General Contracting Co.	69,000.00		69,000.00
2004 Water Main Replacement	10,567.00		10,567.00
Purchase of Utility Truck	34,800.08		34,800.08
Purchase Portable Lighting	7,295.00		7,295.00
Award of the Project Title "Water System Improvements - Well D VOC Removal Facility"	1,374,178.67		1,374,178.67
2005 Water Main Replacement Program	524,741.05		524,741.05
Purchase of Water Meters and Transmitters	74,943.00		74,943.00
Update Well E	20,502.00		20,502.00
New Chlorine Vacuum for the Water Wells	10,920.00		10,920.00
Purchase of a Car for the Water Meter Reader	10,546.00		10,546.00
Asbestos Abatement for the Water & Light Plant	19,725.00		19,725.00
Purchase of 20 Cubic Yard Locking Dumpster for the Water Department	4,953.85		4,953.85
Paint Madison Avenue Water Tank	233,429.68		233,429.68
Various Repairs at Five Water Wells	14,795.00		14,795.00
Water Main Replacements on Municipal Roads	699,490.05		699,490.05
Computer Upgrades and Replacements in the Water System Water Wells	20,990.41		20,990.41
Purchase of a Water Leak Detector for the Water Department	13,494.65		13,494.65
Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	10,299.00		10,299.00

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

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u> <u>by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Water Main Replacement Projects Covering the Fletcher and a Portion of Niles Avenue	\$ 865,444.34		\$ 865,444.34
Water Main Replacement on Green Avenue (Shunpike Rd to Midwood Terr)	233,821.71		233,821.71
Improvements to Lincoln Place	125,000.00		125,000.00
Upgrades to Water System Water Wells	10,000.00		10,000.00
Construction of Water Main Replacement on Vinton Road and Belmont Avenue	232,858.71		232,858.71
Installation of Fire Alarm System at Water and Light Plant	4,950.00		4,950.00
Construction of Water Main Replacement on Academy Road and Division Avenue	305,512.68		305,512.68
	<u>\$ 12,828,042.70</u>	<u>\$ -0-</u>	<u>\$ 12,828,042.70</u>
	D		D

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

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Balance Dec. 31, 2013</u>
2010 Water Well Pump Station Control Repairs	07-10	\$ 60,000.00		\$ 60,000.00
Water System Components	26-12	150,000.00		150,000.00
Water Main Replacement of Municipal Roads	05-13		\$ 720,000.00	720,000.00
Purchase of Utility Truck and Accessories	13-13		70,000.00	70,000.00
Resurfacing a Section of State Highway 124	39-13		40,000.00	40,000.00
		<u>\$ 210,000.00</u>	<u>\$ 830,000.00</u>	<u>\$ 1,040,000.00</u>
	<u>Ref.</u>	D		D

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Administration:				
Salaries and Wages	\$ 87,319.24	\$ 87,319.24	\$ 7,753.20	\$ 79,566.04
Other Expenses	272,290.71	272,290.71	78,249.94	194,040.77
Statutory Expenditures:				
Contribution to:				
Public Employees Retirement System	3,000.00	3,000.00		3,000.00
Social Security System	9,955.23	9,955.23		9,955.23
	<u>\$ 372,565.18</u>	<u>\$ 372,565.18</u>	<u>\$ 86,003.14</u>	<u>\$ 286,562.04</u>

Analysis of Balance December 31, 2012

	<u>Ref.</u>	
Encumbered	D	\$ 69,092.28
Unencumbered	D	<u>303,472.90</u>
		<u>\$ 372,565.18</u>

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012 Funded	2013 Authorizations		Paid or Charged	Balance Dec. 31, 2013 Funded
		Date	Amount		Capital Improvement Fund	Reserve for Filtration		
07-10	2010 Water Well Pump Station Control Repairs	02/22/10	\$ 60,000.00	\$ 39,900.00				\$ 39,900.00
26-12	Water System Components	09/27/12	150,000.00	116,654.15			\$ 73,143.71	43,510.44
05-13	Water Main Replacement of Municipal Roads	04/01/13	720,000.00		\$ 669,231.10	\$ 50,768.90	631,714.13	88,285.87
13-13	Purchase of Utility Truck and Accessories	05/13/13	70,000.00		70,000.00		60,281.69	9,718.31
39-13	Resurfacing a Section of State Highway 124	09/23/13	40,000.00		40,000.00		24,977.00	15,023.00
				<u>\$ 156,554.15</u>	<u>\$ 779,231.10</u>	<u>\$ 50,768.90</u>	<u>\$ 790,116.53</u>	<u>\$ 196,437.62</u>
		<u>Ref.</u>		D				D
				Cash Disbursed			\$ 755,985.05	
				Appropriation Refund			(7,369.53)	
				Current Year Encumbrances			41,501.01	
							<u>\$ 790,116.53</u>	

BOROUGH OF MADISON
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 690,439.35
Increased by:		
Water Operating Fund Budget Appropriation		<u>200,000.00</u>
		890,439.35
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>779,231.10</u>
Balance December 31, 2013	D	<u><u>\$ 111,208.25</u></u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2012	2013 Authorizations	Balance Dec. 31, 2013
07-10	2010 Water Well Pump Station Control Repairs	02/22/10	\$ 60,000.00		\$ 60,000.00
26-12	Water System Components	09/27/12	150,000.00		150,000.00
05-13	Water Main Replacement of Municipal Roads	04/01/13		\$ 720,000.00	720,000.00
13-13	Purchase of Utility Truck and Accessories	05/13/13		70,000.00	70,000.00
39-13	Resurfacing a Section of State Highway 124	09/23/13		40,000.00	40,000.00
			<u>\$ 210,000.00</u>	<u>\$ 830,000.00</u>	<u>\$ 1,040,000.00</u>
		<u>Ref.</u>	D		D

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF MADISON
COUNTY OF MORRIS
2013
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, 2012	E	\$ 7,756,282.22	\$ 1,290,453.52
Increased by Receipts:			
Electric Utility Charges Receivable		\$ 23,163,214.60	
Miscellaneous Revenue		194,149.72	
State Aid - "Lifeline"		12,375.00	
Lifeline Receivable		1,575.00	
Interest Earned on Investments		343.26	
Appropriation Refunds		165,054.14	
Overpayments of Electric Charges		13,558.64	
Due to Electric Operating Fund:			
Interest Earned on Investments			\$ 93.76
Due from Electric Utility Capital Fund:			
Budget Appropriation - Capital Improvement Fund			100,000.00
Prior Year Interfund Returned		1,365.60	
Reserve for Security Deposits		800.00	
		<u>23,552,435.96</u>	<u>100,093.76</u>
		31,308,718.18	1,390,547.28
Decreased by Disbursements:			
2013 Appropriation Expenditures		17,960,532.77	
2012 Appropriation Reserves		1,878,486.82	
Due to Current Fund:			
Anticipated Revenue		3,722,000.00	
Due to Electric Operating Fund:			
Prior Year Interfund Returned			1,365.60
Electric Overpayments Refunded		13,558.64	
Improvement Authorization Expenditures			293,085.46
		<u>23,574,578.23</u>	<u>294,451.06</u>
Balance December 31, 2013	E	<u>\$ 7,734,139.95</u>	<u>\$ 1,096,096.22</u>

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

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

	Balance Dec. 31, 2012	Receipts		Disbursements		Transfers		Balance Dec. 31, 2013
		Miscel- laneous		Improvement Authorizations	Miscel- laneous	From	To	
Encumbrances Payable							\$ 8,376.67	\$ 8,376.67
Capital Improvement Fund	1,014,087.92	\$ 100,000.00			\$ 435,000.00			679,087.92
Due to Electric Utility Operating Fund	1,365.60	93.76		\$ 1,365.60				93.76
Improvement Authorizations:								
Ord. No.	General Improvements							
25-11	Purchase of Materials for Improvements to Underground Electric Distribution System	250,000.00		\$ 214,430.00				35,570.00
31-12; 12-13	Signal Improvements	25,000.00		35,000.00			10,000.00	
02-13; 42-13	Purchase of Digger/Derrick Truck						225,000.00	225,000.00
10-13	Purchase and Installation of Desiccant Breather Systems and Oil Filtration Systems			12,439.47		3,012.67	45,000.00	29,547.86
11-13	Purchase of 4-wheel Drive Utility Vehicle			27,655.99			30,000.00	2,344.01
43-13	Repairs to Water and Light Building			3,560.00		5,364.00	125,000.00	116,076.00
		<u>\$ 1,290,453.52</u>	<u>\$ 100,093.76</u>	<u>\$ 293,085.46</u>	<u>\$ 1,365.60</u>	<u>\$ 443,376.67</u>	<u>\$ 443,376.67</u>	<u>\$ 1,096,096.22</u>

BOROUGH OF MADISON
ELECTRIC UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2012	<u>Ref.</u> E	\$ 1,572,429.97
Increased by:		
2013 Charges		23,280,007.19
		<u>24,852,437.16</u>
Decreased by:		
2013 Revenue:		
Cash Received		23,163,214.60
		<u>23,163,214.60</u>
Balance December 31, 2013	E	<u>\$ 1,689,222.56</u>

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2012	Additions by Ordinance	Balance Dec. 31, 2013
Land and Land Rights	\$ 48,113.12		\$ 48,113.12
Station Structure and Improvements	2,183,502.21		2,183,502.21
Station Equipment	196,242.41		196,242.41
Poles, Towers and Fixtures	48,489.60		48,489.60
Overhead Conductors and Devices	247,446.57		247,446.57
Underground Conduits	129,411.16		129,411.16
Underground Conductors and Devices	91,422.26		91,422.26
Electric Cable and Equipment	261,785.71		261,785.71
Line Transformers	576,344.16		576,344.16
Services	70,578.16		70,578.16
Meters	256,744.65		256,744.65
Street Lighting and Signal System	272,923.39		272,923.39
Office Furniture and Equipment	41,719.56		41,719.56
Plant Structure and Improvements	11,654.57		11,654.57
1961 Chevrolet Ladder Truck	3,729.50		3,729.50
Ford Pick-up	1,260.36		1,260.36
G.M.C. Truck with Pettman Body	24,218.02		24,218.02
G.M.C. Dump Truck	5,048.60		5,048.60
G.M.C. Bucket Truck	28,080.29		28,080.29
Cable Trailer	786.03		786.03
Line Truck	24,459.65		24,459.65
Pole Trailer	918.64		918.64
Transformer Trailer	1,114.26		1,114.26
Portable Lift Truck	402.00		402.00
Transportation Equipment	713.16		713.16
Shop Equipment	3,646.32		3,646.32
Laboratory Equipment	417.73		417.73
Tools and Work Equipment	6,127.07		6,127.07
Communication Equipment	3,577.41		3,577.41
General Equipment	391.00		391.00
Power Operated Lift Mechanism	13,537.51		13,537.51
General Equipment	1,459.82		1,459.82
Miscellaneous Equipment	4,750.73		4,750.73
Bucket Truck, Mailing Equipment and Hole Digger	92,191.00		92,191.00
Kings Road Substation Conversion	43,000.00		43,000.00
Utility Building Repairs	115,000.00		115,000.00
Removal and Disposal of Underground Storage Tanks	13,949.72		13,949.72
James Park Circuit Breakers	62,400.00		62,400.00
Computerized Utility Billing Equipment	13,567.20		13,567.20
Distribution Lines	425,001.50		425,001.50
Meters and Fixtures	54,729.74		54,729.74
Transformers	50,795.25		50,795.25
Transformer - James Park	404,530.31		404,530.31
Transformer Equipment	4,028.51		4,028.51
Line Truck	119,742.53		119,742.53
Circuits - Loantaka and Samson	114,515.48		114,515.48
Underground Line Conduit	126,660.09		126,660.09
Utility Truck	99,634.00		99,634.00

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

(Continued)

	Balance <u>Dec. 31, 2012</u>	Additions by <u>Ordinance</u>	Balance <u>Dec. 31, 2013</u>
James Park Substation	\$ 85,000.00		\$ 85,000.00
Transmission Line Duct Bank	83,189.00		83,189.00
Power Cables	4,957.62		4,957.62
Diesel Electric Utility Bucket Truck	109,750.22		109,750.22
Upgrade Kings Road Substation	1,798,767.02		1,798,767.02
Pickup Truck	24,953.00		24,953.00
Reconditioning Circuit Breakers	60,000.00		60,000.00
Rebuilding Distribution System - Noroling Lane	73,863.00		73,863.00
Twenty Electronic Sectionalizers	8,975.00		8,975.00
Four Wheel Drive Vehicle	22,075.00		22,075.00
Purchase of New Switchgear for Kings Road	234,900.00		234,900.00
Purchase of Single Bucket Truck/Pole Trailer	107,760.00		107,760.00
Purchase of Conduit and Cable	64,152.26		64,152.26
Purchase of Pickup Truck	24,490.00		24,490.00
Purchase of Hazmat Storage Locker	10,891.00		10,891.00
Medium Voltage Feeder Cable	199,497.50		199,497.50
Purchase Parts/Labor for Repair of Transformer - James Park	42,820.21		42,820.21
Electric Utility Billing System	98,421.00		98,421.00
Installation of Fiber	249,266.66		249,266.66
Repair and Replacement of Transformer Vaults and Covers	117,450.00		117,450.00
Emergency Repairs to James Park Substation	24,802.44		24,802.44
Construction of New Vehicle Storage Building at Water & Light Plant	405,752.92		405,752.92
Relocation of Underground Vault, Conduits & Cable at Prospect St. in Preparation for the Construction of the New Fire & Police Building	270,914.71		270,914.71
Purchase Pickup Truck with a Lift Tail Gate	130.00		130.00
Purchase A New Vehicle for the Electric Meter Reader	12,346.00		12,346.00
Asbestos Abatement from Water and Light Plant	19,725.00		19,725.00
Purchase of a New Cable Trailer	18,086.00		18,086.00
Purchase Two 20 Yard Lockable Dumpsters	9,905.70		9,905.70
Purchase Two Bucket Trucks	326,445.94		326,445.94
Purchase of Pad-Mount Transformer and Metering/ Switch Cabinet for the HDM Building Reconstruction	42,469.75		42,469.75
Preparation and Painting of the Kings Road and James Park Substations	134,400.00		134,400.00
Purchase of New Style Pennnglobe Victorian Fixtures for the Commerical District	59,400.00		59,400.00
Reconstruction of the Underground Electric Distribution System at the Madison Commons	157,664.97		157,664.97
Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	10,299.00		10,299.00
Excavation and Installation of Underground Conduit for the New Feeder Circuit to the Reckson Building at Giralda Farms	43,027.50		43,027.50
Purchase of a Covered Trailer and Accessories to be used for All Underground Distribution Equipment	8,079.89		8,079.89

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

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Purchase and Installation of Two New Tap Changers and Two Nitrogen Systems on Transformers Banks 1 & 2 at Kings Road Substation	\$ 74,896.04		\$ 74,896.04
Purchase of Two Hydraulic Lift Tailgates for Pick-up Trucks 136 & 137	4,990.00		4,990.00
Purchase of New Replacement Single Bucket Truck	133,317.00		133,317.00
Improvements to Lincoln Place	216,600.26		216,600.26
Purchase of New Style Penn globe Victorian Fixtures	64,285.00		64,285.00
Installation of Fire Alarm System at Water & Light Plant	4,950.00		4,950.00
Emergency Purchase of Materials, Equipment and Services	22,694.58		22,694.58
Energy Conservation Installations in Borough Buildings	40,675.00		40,675.00
Purchase of LED Light Fixtures for the Cook Avenue Parking Lot	17,344.00		17,344.00
Signal Improvements		\$ 35,000.00	35,000.00
	<u>\$ 11,845,141.15</u>	<u>\$ 35,000.00</u>	<u>\$ 11,880,141.15</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, 2012</u>	<u>2013 Authorizations</u>	<u>Transferred to Fixed Capital</u>	<u>Balance Dec. 31, 2013</u>
Purchase of Materials for Improvements to Underground Electric Distribution System	25-11	\$ 250,000.00			\$ 250,000.00
Signal Improvements	31-12;12-13	25,000.00	\$ 10,000.00	\$ 35,000.00	
Purchase of Digger/Derrick Truck	02-13; 42-13		225,000.00		225,000.00
Purchase and Installation of Desiccant Breather Systems and Oil Filtration Systems	10-13		45,000.00		45,000.00
Purchase of 4-wheel Drive Utility Vehicle	11-13		30,000.00		30,000.00
Repairs to Water and Light Building	43-13		125,000.00		125,000.00
		<u>\$ 275,000.00</u>	<u>\$ 435,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 675,000.00</u>
	<u>Ref.</u>	E			E

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</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	\$ 96,363.29	\$ 96,363.29	\$ 5,524.10	\$ 90,839.19
Other Expenses	2,224,176.55	2,224,176.55	1,860,066.67	364,109.88
Rosenet Web Site:				
Other Expenses	46,443.12	46,443.12	12,896.05	33,547.07
Contribution to:				
Public Employees Retirement System	5,000.00	5,000.00		5,000.00
Social Security System	12,339.57	12,339.57		12,339.57
	<u>\$ 2,384,322.53</u>	<u>\$ 2,384,322.53</u>	<u>\$ 1,878,486.82</u>	<u>\$ 505,835.71</u>

Analysis of Balance December 31, 2012

	<u>Ref.</u>	
Encumbered	E	\$ 1,931,778.56
Unencumbered	E	<u>452,543.97</u>
		<u>\$ 2,384,322.53</u>

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2012 Funded	2013 Authorizations	Paid or Charged	Balance
		Date	Amount		Capital Improve- ment Fund		Dec. 31, 2013 Funded
25-11	Purchase of Materials for Improvements to Underground Electric Distribution System	08/22/11	\$ 250,000.00	\$ 250,000.00		\$ 214,430.00	\$ 35,570.00
31-12;12-13	Signal Improvements	08/18/12; 04/22/13	25,000.00	25,000.00	\$ 10,000.00	35,000.00	
02-13; 42-13	Purchase of Digger/Derrick Truck	02/25/13; 09/09/13	225,000.00		225,000.00		225,000.00
10-13	Purchase and Installation of Desiccant Breather Systems and Oil Filtration Systems	04/22/13	45,000.00		45,000.00	15,452.14	29,547.86
11-13	Purchase of 4-wheel Drive Utility Vehicle	04/22/13	30,000.00		30,000.00	27,655.99	2,344.01
43-13	Repairs to Water and Light Building	09/23/13	125,000.00		125,000.00	8,924.00	116,076.00
				<u>\$ 275,000.00</u>	<u>\$ 435,000.00</u>	<u>\$ 301,462.13</u>	<u>\$ 408,537.87</u>
				<u>Ref.</u>	E		E
					Cash Disbursed	\$ 293,085.46	
					Current Year Encumbrances	<u>8,376.67</u>	
						<u>\$ 301,462.13</u>	

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

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 1,014,087.92
Increased by:		
Electric Utility Operating Fund Budget Appropriation		<u>100,000.00</u>
		1,114,087.92
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>435,000.00</u>
Balance December 31, 2013	E	<u>\$ 679,087.92</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2012	2013 Authorizations	Transferred to Reserve for Amortization	Balance Dec. 31, 2013
25-11	Purchase of Materials for Improvements to Underground Electric Distribution System	08/22/11	\$ 250,000.00			\$ 250,000.00
31-12;12-13	Signal Improvements	08/18/12	25,000.00	\$ 10,000.00	\$ 35,000.00	
02-13; 42-13	Purchase of Digger/Derrick Truck	2/25/13;9/9/13		225,000.00		225,000.00
10-13	Purchase and Installation of Desiccant Breather Systems and Oil Filtration Systems	04/22/13		45,000.00		45,000.00
11-13	Purchase of 4-wheel Drive Utility Vehicle	04/22/13		30,000.00		30,000.00
43-13	Repairs to Water and Light Building	09/23/13		125,000.00		125,000.00
			<u>\$ 275,000.00</u>	<u>\$ 435,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 675,000.00</u>
	<u>Ref.</u>		E			E

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FARMERS HOME ADMINISTRATION LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

NOT APPLICABLE

BOROUGH OF MADISON

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of Federal Agency or Department	Name of Program/ State Account #	Pass Through Entity ID	C.F.D.A. Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
				From	To				
U.S. Department of Transportation									
(Passed through New Jersey Department of Transportation)	Transportation Trust Fund Authority Act: Municipal State Aid:								
	Woodland Road (Garfield to Barnsdale)	480-078-6320-AKE-TCAP-6010	20.205	01/01/09	12/31/12	\$ 200,000.00	\$ 50,000.00		\$ 200,000.00
	Woodland Road Phase I (Green Ave to Garfield)			01/01/10	12/31/11	250,000.00	62,500.00		250,000.00
	Rosedale Ave Resurfacing			01/01/12	12/31/13	140,000.00	105,000.00	\$ 140,000.00	140,000.00
	Green Ave Reconstruction			01/01/13	12/31/14	230,000.00	172,500.00	230,000.00	230,000.00
							<u>390,000.00</u>	<u>370,000.00</u>	<u>820,000.00</u>
(Passed through New Jersey Department of Law and Public Safety)	Drive Sober or Get Pulled Over	N/A	20.601	01/01/12	12/31/13	5,000.00		5,000.00	5,000.00
	Drive Sober or Get Pulled Over - Holiday Crackdown			01/01/12	12/31/13	4,200.00		4,200.00	4,200.00
								<u>9,200.00</u>	<u>9,200.00</u>
Total U.S. Department of Transportation							<u>390,000.00</u>	<u>379,200.00</u>	<u>829,200.00</u>
U.S. Department of Justice:									
(Passed through New Jersey Dept of Law and Public Safety)	COPS in Schools (CIS) Alcohol Grant State #	100-066-1400-013-YABC-6020	16.710	01/01/10	12/31/13	3,200.00		1,600.00	3,200.00
				01/01/13	12/31/14	2,000.00	2,000.00		
							<u>2,000.00</u>	<u>1,600.00</u>	<u>3,200.00</u>
Total U.S. Department of Justice							<u>2,000.00</u>	<u>1,600.00</u>	<u>3,200.00</u>
U.S. Department of Homeland Security:									
(Passed through N.J. Department of Law and Public Safety)	Disaster Grants - Public Assistance - FEMA: Super Storm Sandy	N/A	97.036	01/01/12	12/31/13	387,836.73	387,836.73	387,836.73 *	387,836.73
Total U.S. Department of Homeland Security							<u>387,836.73</u>	<u>387,836.73</u>	<u>387,836.73</u>
Total Federal Awards							<u>\$ 779,836.73</u>	<u>\$ 768,636.73</u>	<u>\$ 1,220,236.73</u>

* Includes 2012 expenditures.
N/A - Not Available/Applicable

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

Name of State Agency or Department	State Account Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
		From	To				
<u>Department of Environmental Protection:</u>							
Clean Communities Act:							
2011	4900-765-042-4900	01/01/11	12/31/13	\$ 22,733.34		\$ 6,842.94	\$ 22,733.34
2012	-004-V424-6020	01/01/12	12/31/14	22,353.85		17,548.91	17,548.91
2013		01/01/13	12/31/14	26,245.22	\$ 26,245.22		
					<u>26,245.22</u>	<u>24,391.85</u>	<u>40,282.25</u>
Recycling Tonnage Grant:							
2012	452-042-4900-	01/01/12	12/31/13	23,345.85		23,345.85	23,345.85
2013	001-V427Y	01/01/13	12/31/14	23,513.47	23,513.47		
					<u>23,513.47</u>	<u>23,345.85</u>	<u>23,345.85</u>
Green Acres Project #I417-04-009	4800-582-042-4800- 002-V22G-6020	08/12/04	12/17/14	2,375,000.00	1,592,503.65	1,592,000.00	2,374,496.35
Division of Parks and Forestry: Green Communities Grant	4870-100-042-4870 -038-V42F-6120	01/01/13	12/31/14	1,986.20	1,986.20		
Total Department of Environmental Protection					<u>1,644,248.54</u>	<u>1,639,737.70</u>	<u>2,438,124.45</u>
<u>Department of Law and Public Safety:</u>							
Drunk Driving Enforcement Fund:							
2012	6400-100-078-	01/01/12	12/31/13	9,194.14		9,194.14	9,194.14
2013	6400-YYYY	01/01/13	12/31/13	12,321.81	12,321.81	12,321.81	12,321.81
					<u>12,321.81</u>	<u>21,515.95</u>	<u>21,515.95</u>
Body Armor Grant:							
2011	1020-718-066-1020	01/01/11	12/31/13	3,056.22		3,056.22	3,056.22
2012	-001-YCJF-6120	01/01/12	12/31/14	2,864.27		2,750.60	2,750.60
2013		01/01/13	12/31/14	3,582.46	3,582.46		
					<u>3,582.46</u>	<u>5,806.82</u>	<u>5,806.82</u>
Total Department of Law and Public Safety					<u>15,904.27</u>	<u>27,322.77</u>	<u>27,322.77</u>

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2013

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 the Treasury:</u>							
(Passed through County of Morris)							
Governor's Council on Alcoholism & Drug Abuse -							
Municipal Alliance Program (M.A.A.S.A.):							
2012	100-082-C001-	01/01/12	12/31/12	\$ 11,774.00	\$ 9,593.99		\$ 11,774.00
2013	044-6010	01/01/13	12/31/14	11,774.00	10,260.00	\$ 11,241.24	11,241.24
Total Department of the Treasury					19,853.99	11,241.24	23,015.24
<u>Department of Health and Senior Services:</u>							
Alcohol Education and Rehabilitation Fund:							
2013	9735-760-098-Y900 -001-X100-6020	01/01/13	12/31/14	422.20	422.20		
Total Department of Health and Senior Services					422.20		
<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	73,644.36		660,719.00
Total New Jersey Historic Trust					73,644.36		660,719.00
Total					\$ 1,754,073.36	\$ 1,678,301.71	\$ 3,149,181.46

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, 2013

Note 1. **BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Borough of Madison under programs of the federal and state governments for the year ended December 31, 2013. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Note 3. **RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

Note 4. **N.J. ENVIRONMENTAL INFRASTRUCTURE LOANS PAYABLE**

At December 31, 2013, the Borough has \$436,251.78 and \$408,365.69 of N.J. Environmental Infrastructure Trust and Fund Loans Payable outstanding which are recorded in the General Capital Fund.

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

At December 31, 2013, the Madison-Chatham Joint Meeting has received and expended \$985,166 of the \$985,216 Loan funds for the improvements to the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility partially funded with the Loan funds. The project which relates to the loans will be finalized in 2014.



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

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Madison, in the County of Morris (the "Borough") as of and for the year ended December 31, 2013, and the related notes to the financial statements and have issued our report thereon dated May 27, 2014. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2013-01, that we consider to be a significant deficiency.

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

Compliance and Other Matters

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

The Borough's Response to the *Finding*

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

Purpose of this Report

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

May 27, 2014
Mount Arlington, New Jersey


NISIVOCIA LLP



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



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Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circular 04-04

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Madison's (the "Borough's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that that could have a direct and material effect on each of the Borough's major federal and state programs for the year ended December 31, 2013. The Borough's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013.

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

Report on Internal Control Over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
May 27, 2014



NISIVOCIA LLP



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

BOROUGH OF MADISON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- A significant deficiency was disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circular 04-04*.
- The auditor's report on compliance for the major federal and state programs for the Borough expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The Borough's programs tested as major federal and state programs for the current year consisted of the following federal and state programs:

	C.F.D.A. No./ State Account No.	Budgetary Expenditures
<u>Federal:</u>		
Transportation Trust Fund Authority Act:		
Municipal State Aid	20.205	\$ 370,000.00
Federal Emergency Management Agency:		
Disaster Grants - Public Assistance	97.036	387,836.73
<u>State:</u>		
Green Acres Program	4800-582-042-4800-002-V22G-6020	1,592,000.00

- The threshold used for distinguishing between Type A and Type B both federal and state programs was \$300,000.
- The Borough was determined not to be a "low-risk" auditee for both federal and state programs.

BOROUGH OF MADISON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013

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

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

Finding 2013-01

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

Management's Response:

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

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the federal Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular or NJ OMB 04-04.

BOROUGH OF MADISON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

Status of Prior Year Findings:

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

BOROUGH OF MADISON

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS

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

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

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

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

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

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

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

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

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS
(Continued)

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes, Assessments and Utility Charges

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent. On January 1, 2013, 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 17, 2013, 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>
2013	3
2012	3
2011	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 Taxes	20
Payments of Taxes	20
Delinquent Taxes	15
Payments of Water Utility Charges	15
Delinquent Water Utility Charges	15
Payments of Electric Utility Charges	15
Delinquent Electric Utility Charges	15

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

The Madison Municipal Joint Court includes the Borough of Madison, the Borough of Chatham, the Township of Chatham and the Township of Harding. The transactions for the year 2013 for the Madison Municipal Joint Court were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Receipts</u>	<u>Dis-</u> <u>bursements</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Municipal Treasurer:				
Fines and Fees	\$ 24,442.26	\$ 456,961.03	\$ 440,460.32	\$ 40,942.97
Restitution	125.00	2,583.35	2,458.35	250.00
POAA FTA	134.00	2,720.00	2,654.00	200.00
Public Defender	39.50	4,826.00	4,285.50	580.00
Conditional Discharge	12.00	3,118.00	2,980.00	150.00
County:				
Fines	8,605.25	163,350.54	155,516.29	16,439.50
State:				
Fines and Costs	16,272.99	357,427.53	346,663.49	27,037.03
Weights and Measures	7,650.00	76,160.00	77,460.00	6,350.00
Fish and Game		450.00	300.00	150.00
Interest	67.22	411.74	471.07	7.89
Overpayment		50.00	50.00	
Bail	5,171.94	48,205.77	50,927.38	2,450.33
	<u>\$ 62,520.16</u>	<u>\$1,116,263.96</u>	<u>\$1,084,226.40</u>	<u>\$ 94,557.72</u>

General Capital Fund

As of December 31, 2013, there are certain older grant receivables in the General Capital Fund that need to be investigated for possible cancellation by either amending the ordinance or cancelling the related improvement authorization. It is recommended that older capital grant receivables are reviewed for possible cancellation by either amending the ordinance or cancelling the related improvement authorization.

Management's Response

The Borough will review the grant receivables in the General Capital Fund for possible cancellation in 2014.

Management Suggestion - Surety Bond Coverage

During our review of the Borough's surety bond coverage, we noted that the calculated recommended coverage for the Utility Collector is \$250,000 and the actual coverage for Utility Collector is \$200,000. Even though the actual coverage satisfies the required coverage of \$144,000, it is suggested that the Borough increases the coverage for the Utility Collector to the recommended amount.

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS
(Continued)

Status of Prior Year Recommendations

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2012 Audit Report. All 2012 recommendations, except for the recommendations regarding segregation of duties and the cancellation of older capital grant receivables were resolved during 2013.

BOROUGH OF MADISON
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. Older capital grant receivables are reviewed for possible cancellation by either amending the ordinance or cancelling the related improvement authorization.
