

*BOROUGH OF MADISON*

*COUNTY OF MORRIS*

*REPORT OF AUDIT*

*2009*

*NISIVOCCIA & COMPANY LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF MADISON

COUNTY OF MORRIS

REPORT OF AUDIT

2009

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BOROUGH OF MADISON  
PART I  
REPORT ON AUDIT OF  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2009



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### Independent Auditors' Report

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

We have audited the financial statements of the various funds of the Borough of Madison, in the County of Morris (the "Borough") as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express opinions on these financial statements based on our audits.

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

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

In our opinion, because the Borough prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2009 and 2008, and the results of its operations for the years then ended.

However, 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 of Madison at December 31, 2009 and 2008, and the results of operations and changes in fund balance, where applicable, of such funds, for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

The Honorable Mayor and Members  
of the Borough Council  
Borough of Madison  
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In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2010 on our consideration of the Borough of Madison's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1 to the financial statements and Note B to the schedules of expenditures of federal and state awards.

May 25, 2010

Mount Arlington, New Jersey

  
NISIVOCCIA & COMPANY LLP

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

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
CURRENT FUND

BOROUGH OF MADISON  
CURRENT FUND  
COMPARATIVE BALANCE SHEET

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2009	2008
<b>Regular Fund:</b>			
Cash and Cash Equivalents:			
Treasurer		\$ 8,867,905.05	\$ 4,046,238.74
Investments			7,000,000.00
	A-4	8,867,905.05	11,046,238.74
Change Fund		450.00	950.00
		8,868,355.05	11,047,188.74
<b>Receivables and Other Assets With Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-6	338,933.58	333,987.92
Tax Title Liens Receivable	A-7	18,036.84	16,202.95
Property Acquired for Taxes at Assessed Valuation		295,800.00	295,800.00
Amount Due From Housing Authority			17,479.46
Revenue Accounts Receivable	A-8	23,971.81	23,872.78
Interfund Accounts Receivable:			
General Capital Fund	C	35,498.75	
Assessment Fund	B		23.92
Other Trust Fund	B	75.61	73.97
Animal Control Fund	B		4,852.91
Total Receivables and Other Assets With Full Reserves		712,316.59	692,293.91
Total Regular Fund		9,580,671.64	11,739,482.65
<b>Federal and State Grant Fund:</b>			
State and Federal Grants Receivable	A-11	94,688.80	28,699.00
Due from Current Fund	A	280,879.00	231,483.99
Total Federal and State Grant Fund		375,567.80	260,182.99
<b><u>TOTAL ASSETS</u></b>		\$ 9,956,239.44	\$ 11,999,665.64

BOROUGH OF MADISON  
CURRENT FUND  
COMPARATIVE BALANCE SHEET  
(Continued)

	Ref.	December 31,	
		2009	2008
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-9	\$ 1,234,668.81	\$ 1,482,361.04
Encumbered	A-3;A-9	695,170.02	746,390.39
Total Appropriation Reserves		<u>1,929,838.83</u>	<u>2,228,751.43</u>
Prepaid Taxes		327,870.52	347,951.85
County Taxes Payable		29,736.45	41,864.05
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		13,804.80	13,381.48
Construction Code Fees		1,184.00	626.00
Interfund Accounts Payable:			
Federal and State Grant Fund	A	280,879.00	231,483.99
Other Trust Fund - Fire Department Trust	B		4,000.00
Reserve for Tax Appeals Pending		277,657.00	337,000.00
Reserve for Tax Sale Premiums		1,300.00	30,700.00
Reserve for Tax Title Lien Redemption			21,243.51
		<u>2,862,270.60</u>	<u>3,257,002.31</u>
Reserve for Receivables and Other			
Assets		712,316.59	692,293.91
Fund Balance	A-1	6,006,084.45	7,790,186.43
Total Regular Fund		<u>9,580,671.64</u>	<u>11,739,482.65</u>
Federal and State Grant Fund:			
Accounts Payable		12,811.91	4,051.25
Appropriated Reserves	A-12	253,995.64	163,902.14
Unappropriated Reserves	A-13	108,760.25	92,229.60
Total Federal and State Grant Fund		<u>375,567.80</u>	<u>260,182.99</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 9,956,239.44</u>	<u>\$ 11,999,665.64</u>

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

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

	Ref.	Year Ended December 31,	
		2009	2008
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 5,200,000.00	\$ 5,000,000.00
Miscellaneous Revenue Anticipated		8,390,452.46	9,193,061.03
Receipts from:			
Delinquent Taxes		61,065.81	155,486.35
Current Taxes		53,163,238.79	52,607,364.42
Nonbudget Revenue		227,129.22	373,327.96
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,497,763.47	1,234,795.05
Cancellation of Appropriated Grant Reserves			6,339.98
Cancellation of Federal & State Grant Fund Accounts Payable			19,792.43
Cancellation of Prepaid Taxes		0.83	8.04
Cancellation of Local School District Taxes Payable			0.22
Interfunds and Other Receivables Returned		4,950.80	8,278.06
Cancellation of Prior Year Reconciling Items		2,297.02	1,418.15
Reserve for Tax Appeals Pending		59,343.00	
Total Income		<u>68,606,241.40</u>	<u>68,599,871.69</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		23,782,818.67	23,537,983.19
County Taxes		8,530,713.15	8,508,050.74
Amount Due County for Added and Omitted Taxes		29,736.45	41,864.05
Local School District Taxes		32,301,887.31	31,903,062.16
Municipal Open Space Taxes		422,771.39	448,735.35
Cancellation of Federal and State Grant Fund Receivables			31,700.00
Refunds of Prior Years' Revenue - Due Fire Department Trust Fund			1,000.00
Interfunds Advanced		35,574.36	4,950.80
Prior Year Senior Citizens' Deduction Disallowed		750.00	500.00
Overpayment of 2007 Taxes Due to Appeals		86,092.05	2,728.00
Reserve for Tax Appeals Pending			265,000.00
Total Expenditures		<u>65,190,343.38</u>	<u>64,745,574.29</u>
Excess in Revenue		3,415,898.02	3,854,297.40
<u>Fund Balance</u>			
Balance January 1		<u>7,790,186.43</u>	<u>8,935,889.03</u>
		11,206,084.45	12,790,186.43
Decreased by:			
Utilized as Anticipated Revenue		<u>5,200,000.00</u>	<u>5,000,000.00</u>
Balance December 31	A	<u>\$ 6,006,084.45</u>	<u>\$ 7,790,186.43</u>

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

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 5,200,000.00		\$ 5,200,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	25,000.00		26,450.10	\$ 1,450.10
Other Licenses	10,000.00		22,187.75	12,187.75
Fees and Permits	230,000.00		322,923.00	92,923.00
Fines and Costs:				
Municipal Court	250,000.00		296,118.81	46,118.81
Interest and Costs on Taxes	45,000.00		83,690.97	38,690.97
Parking Meters	45,000.00		38,220.00	6,780.00 *
Interest on Investments and Deposits	390,000.00		699,558.41	309,558.41
Police Burglar Alarm	20,000.00		17,055.00	2,945.00 *
Cablevision Franchise Fees	60,000.00		67,081.14	7,081.14
Sewer Fees on Tax Exempt Property	240,000.00		295,049.84	55,049.84
Consolidated Municipal Property Tax Relief Aid	309,863.00		309,863.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	726,049.00		726,049.00	
Uniform Construction Code Fees	280,000.00		232,572.40	47,427.60 *
Inter-Municipal Health Contracts for Local Community				
Health Services	225,000.00		262,648.16	37,648.16
Inter-Municipal Agreements for "Southeast Morris Project				
Community Pride" (S.L.E.P.A.)	65,000.00		55,300.00	9,700.00 *
Inter-Municipal Contract for Tax Assessor Services	72,000.00		84,590.00	12,590.00
Recycling Tonnage Grant	24,064.17		24,064.17	
Drunk Driving Enforcement Fund	11,194.56		11,194.56	
Clean Communities Program	17,820.05		17,819.32	0.73 *

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue (Continued):				
Alcohol Education and Rehabilitation Fund	\$ 2,998.55		\$ 2,998.55	
Public Health Priority Funding Act of 1977 - Contracted				
Municipalities' Share	10,474.00		10,474.00	
Alcohol and Drug Abuse Grant (M.A.A.S.A.)	14,844.00		14,844.00	
Alcohol and Drug Abuse Grant (M.A.A.S.A.) - Supplemental	2,500.00		2,500.00	
Cops in Shops Grant	2,400.00		2,400.00	
Obey the Sign Grant	4,000.00		4,000.00	
Over the Limit Grant	4,750.00		4,750.00	
Local Public Health Emergency Response H1N1 Grant		\$ 110,786.00	110,786.00	
Other Special Items:				
Utility Operating Surplus of Prior Years - Electric Utility	3,450,000.00		3,450,000.00	
Payment in Lieu of Taxes on Exempt Property - Madison				
Housing Authority	40,000.00		35,171.65	\$ 4,828.35 *
Life Hazard Use Fees	35,000.00		37,912.94	2,912.94
Madison Cell Tower Leases	225,000.00		266,543.29	41,543.29
Utility Operating Surplus of Prior Years - Water Utility	300,000.00		300,000.00	
Rosenet User Fees	25,000.00		30,750.00	5,750.00
Bond Anticipation Note Premium	62,788.00		62,788.00	
Assessment Trust Fund Balance	382,098.00		382,098.40	0.40
Police Outside Duty Trust	80,000.00		80,000.00	
Total Miscellaneous Revenue	<u>7,687,843.33</u>	<u>110,786.00</u>	<u>8,390,452.46</u>	<u>591,823.13</u>
Receipts from Delinquent Taxes	<u>200,000.00</u>		<u>61,065.81</u>	<u>138,934.19 *</u>

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	\$ 12,092,851.00		\$ 13,375,139.49	\$ 1,282,288.49
Budget Totals	<u>25,180,694.33</u>	<u>\$ 110,786.00</u>	<u>27,026,657.76</u>	<u>1,735,177.43</u>
Nonbudget Revenue			227,129.22	227,129.22
	<u>\$ 25,180,694.33</u>	<u>\$ 110,786.00</u>	<u>\$ 27,253,786.98</u>	<u>\$ 1,962,306.65</u>

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

Allocation of Current Tax Collections

Revenue from Collections - 2009	\$ 52,684,210.26
2008	347,951.85
State's Share of Senior Citizens' and Veterans' Deductions	131,076.68
	<u>53,163,238.79</u>
Allocated to:	
School, County, and Open Space Taxes	41,285,108.30
	<u>11,878,130.49</u>
Add: Appropriation - Reserve for Uncollected Taxes	<u>1,497,009.00</u>
Amount for Support of Municipal Budget	<u>\$ 13,375,139.49</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 61,065.81
	<u>\$ 61,065.81</u>

Analysis of Interest Earned

Cash Received - Treasurer	\$ 698,819.05
Interest Due from General Capital Fund	663.75
Interest Due from Other Trust Fund	75.61
	<u>\$ 699,558.41</u>

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

Morris County Municipal Joint Insurance Fund Refunds	\$	18,916.44	
State of New Jersey - Senior Citizens and Veterans			
Deductions Administrative Fee		2,615.00	
State of New Jersey - Inspections		5,112.00	
Department Collections:			
Clerk		2,977.66	
Health		87,761.70	
Municipal Court		777.00	
Municipal Court - Public Defender Fees		1,625.00	
Recycling		8,117.84	
Fire		669.16	
Tax Collector		1,233.77	
Land Use Board		13,075.00	
Building Department		3,830.00	
Recreation		660.00	
Returned Check Fees		480.00	
Proceeds from Auction		20,151.46	
Miscellaneous Refunds		341.86	
Insurance Refunds		409.91	
Other Miscellaneous		23,540.42	
		192,294.22	\$

Due from General Capital Fund:

Insurance Refunds		34,835.00	
		227,129.22	\$

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

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 134,300.00	\$ 134,300.00	\$ 134,299.68	\$ 0.32	
Other Expenses	12,750.00	12,750.00	5,685.18	7,064.82	
Municipal Support:					
Salaries & Wages	46,118.00	46,118.00	45,392.74	725.26	
Other Expenses	47,550.00	47,550.00	27,213.05	20,336.95	
Human Resources:					
Salaries & Wages	58,477.00	58,477.00	56,569.15	1,907.85	
Other Expenses	59,750.00	59,750.00	32,258.86	27,491.14	
Mayor and Borough Council:					
Salaries & Wages	47,900.00	47,900.00	46,249.76	1,650.24	
Other Expenses	23,010.00	23,010.00	15,451.68	7,558.32	
Borough Clerk:					
Salaries & Wages	129,565.00	129,565.00	117,437.40	12,127.60	
Other Expenses	36,810.00	36,810.00	27,025.16	9,784.84	
Financial Administration:					
Salaries & Wages	186,298.00	186,298.00	182,742.27	3,555.73	
Other Expenses	27,850.00	27,850.00	22,418.13	5,431.87	
Elections:					
Salaries & Wages	1,500.00	1,500.00	1,500.00		
Other Expenses	12,800.00	12,800.00	7,357.98	5,442.02	
Annual Audit	33,000.00	33,000.00	30,830.00	2,170.00	
Finance Department:					
Revenue Administration (Tax Collector):					
Salaries & Wages	88,583.00	88,583.00	88,583.00		
Other Expenses	14,900.00	14,900.00	11,942.36	2,957.64	

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (continued):					
GENERAL GOVERNMENT (continued):					
Assessment of Taxes:					
Salaries & Wages	\$ 20,271.00	\$ 20,271.00	\$ 20,271.00		
Other Expenses	26,450.00	26,450.00	25,712.96	\$ 737.04	
Legal Services and Costs:					
Other Expenses	160,000.00	160,000.00	153,573.73	6,426.27	
Engineering Services and Costs:					
Salaries & Wages	191,188.00	191,188.00	165,742.84	25,445.16	
Other Expenses	47,880.00	47,880.00	46,996.99	883.01	
Environmental Commission (N.J.S.A.. 40:56A:1et seq.):					
Other Expenses	5,450.00	5,450.00	4,245.00	1,205.00	
Downtown Development:					
Salaries & Wages	55,550.00	55,550.00	55,549.92	0.08	
Other Expenses	8,030.00	8,030.00	4,917.76	3,112.24	
Museum of Early Trades and Crafts:					
Other Expenses	18,908.00	18,908.00	18,908.00		
Historic Preservation:					
Other Expenses	12,300.00	12,300.00	2,175.00	10,125.00	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries & Wages	48,877.00	48,877.00	43,254.92	5,622.08	
Other Expenses	82,230.00	107,230.00	103,466.41	3,763.59	
Zoning Board of Adjustment:					
Salaries & Wages	25,805.00	25,805.00	22,708.14	3,096.86	
Other Expenses	58,030.00	58,030.00	49,929.43	8,100.57	

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (continued):					
PUBLIC SAFETY FUNCTIONS:					
Police and Fire Building:					
Other Expenses	\$ 45,500.00	\$ 50,500.00	\$ 44,678.99	\$ 5,821.01	
Police:					
Salaries & Wages	3,861,547.00	3,881,547.00	3,780,533.91	101,013.09	
Other Expenses	283,600.00	299,600.00	259,393.68	40,206.32	
Project Community Pride:					
Salaries & Wages	29,900.00	29,900.00	29,900.00		
Other Expenses	21,122.00	21,122.00	14,655.41	6,466.59	
Emergency Management Services:					
Other Expenses	5,650.00	5,650.00	3,445.33	2,204.67	
First Aid Organization Contribution	40,000.00	40,000.00	40,000.00		
Fire:					
Salaries & Wages	1,387,004.00	1,393,004.00	1,379,099.76	13,904.24	
Other Expenses:					
Miscellaneous Other Expenses	63,700.00	63,700.00	52,519.64	11,180.36	
Uniform Fire Safety Act:					
Fire Official Safety Code:					
Salaries & Wages	110,145.00	110,145.00	110,145.00		
Municipal Prosecutor:					
Other Expenses	25,000.00	25,000.00	20,000.00	5,000.00	
PUBLIC WORKS FUNCTIONS:					
Public Works:					
Salaries & Wages	1,475,796.00	1,445,796.00	1,329,979.54	115,816.46	
Other Expenses	298,380.00	268,380.00	219,860.72	48,519.28	
Sewer Department:					
Salaries & Wages	286,974.00	286,974.00	274,070.95	12,903.05	

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (continued):					
PUBLIC WORKS FUNCTIONS (continued):					
Sewer Department (continued):					
Other Expenses	\$ 56,970.00	\$ 56,970.00	\$ 48,249.78	\$ 8,720.22	
Shade Tree:					
Other Expenses	116,650.00	116,650.00	114,801.93	1,848.07	
Garbage Removal:					
Salaries & Wages	36,442.00	36,442.00		36,442.00	
Other Expenses	1,620,486.00	1,620,486.00	1,449,226.75	171,259.25	
Public Building and Grounds:					
Salaries & Wages	139,242.00	139,242.00	127,892.20	11,349.80	
Other Expenses	29,255.00	29,255.00	21,278.95	7,976.05	
Vehicle Maintenance:					
Salaries & Wages	241,192.00	241,192.00	214,653.84	26,538.16	
Other Expenses	162,500.00	162,500.00	147,110.78	15,389.22	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Board of Health:					
Salaries & Wages	248,148.00	248,148.00	247,155.43	992.57	
Other Expenses	126,608.00	126,608.00	84,891.85	41,716.15	
Animal Control Services:					
Salaries & Wages	2,000.00	2,000.00	960.00	1,040.00	
Other Expenses	27,050.00	27,050.00	26,200.00	850.00	
Administration of Public Assistance:					
Salaries & Wages	50,956.00	50,956.00	50,956.00		
Other Expenses	1,010.00	1,010.00	662.63	347.37	
Aid to Child Care Center - Contractual ( N.J.S. 40:23-8.14 )	5,000.00	5,000.00	5,000.00		
Civic Center:					
Other Expenses	33,800.00	33,800.00	25,423.06	8,376.94	

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PARK AND RECREATION FUNCTIONS:					
Recreation and Playgrounds:					
Salaries & Wages	\$ 88,662.00	\$ 88,662.00	\$ 82,340.40	\$ 6,321.60	
Other Expenses	65,100.00	65,100.00	58,981.15	6,118.85	
Senior Citizens' Programs:					
Salaries & Wages	89,224.00	89,224.00	78,738.80	10,485.20	
Other Expenses	19,630.00	19,630.00	13,365.03	6,264.97	
Teen Center:					
Salaries & Wages	39,780.00	39,780.00	37,876.44	1,903.56	
Other Expenses	8,600.00	8,600.00	3,992.24	4,607.76	
Parks Committee:					
Other Expenses	20,800.00	20,800.00	13,119.64	7,680.36	
OTHER COMMON OPERATING FUNCTIONS:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	25,900.00	25,900.00	19,678.99	6,221.01	
Municipal Court:					
Salaries & Wages	183,283.00	183,283.00	168,803.76	14,479.24	
Other Expenses	19,300.00	19,300.00	13,721.51	5,578.49	
Public Defender (P.L. 1997,C.256):					
Other Expenses	10,000.00	10,000.00	9,139.50	860.50	
Insurance:					
General Liability	247,000.00	247,000.00	222,634.59	24,365.41	
Workers Compensation	194,000.00	194,000.00	184,000.00	10,000.00	
Employee Group Health	1,872,000.00	1,850,000.00	1,778,504.48	71,495.52	
STATE UNIFORM CONSTRUCTION CODE:					
Building Inspector:					
Salaries & Wages	307,033.00	317,033.00	305,033.00	12,000.00	

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
STATE UNIFORM CONSTRUCTION CODE (continued):					
Building Inspector (continued):					
Other Expenses	\$ 32,110.00	\$ 32,110.00	\$ 20,761.65	\$ 11,348.35	
UNCLASSIFIED:					
Salaries & Wages Adjustment Program	40,000.00	40,000.00	16,045.92	23,954.08	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	82,000.00	82,000.00	71,896.43	10,103.57	
Telephone	68,000.00	68,000.00	50,218.88	17,781.12	
Water	15,000.00	15,000.00	2,487.91	12,512.09	
Gas	110,000.00	110,000.00	76,182.01	33,817.99	
Sewerage Processing and Disposal	14,000.00	14,000.00	11,300.00	2,700.00	
Gasoline	158,000.00	158,000.00	135,543.04	22,456.96	
Contingency	40,000.00	40,000.00	25,420.36	14,579.64	
Subtotal - Operations	16,303,179.00	16,303,179.00	15,092,940.36	1,210,238.64	
Detail:					
Salaries and Wages	9,651,760.00	9,657,760.00	9,214,485.77	443,274.23	
Other Expenses Including Contingency	6,651,419.00	6,645,419.00	5,878,454.59	766,964.41	
STATUTORY EXPENDITURES:					
Public Employees' Retirement System	224,000.00	224,000.00	217,609.97	6,390.03	
Social Security System (O.A.S.I.)	436,000.00	436,000.00	422,759.73	13,240.27	
Consolidated Police and Firemen's Retirement Pension Fund	18,000.00	18,000.00	15,216.11	2,783.89	
Police and Fireman's Retirement System of New Jersey	918,000.00	918,000.00	915,984.11	2,015.89	
Total Statutory Expenditures - Municipal Within "CAPS"	1,596,000.00	1,596,000.00	1,571,569.92	24,430.08	

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total General Appropriations for Municipal Purposes Within "CAPS"	\$ 17,899,179.00	\$ 17,899,179.00	\$ 16,664,510.28	\$ 1,234,668.72	
Operations Excluded from "CAPS" (Continued):					
Sanitation:					
Madison-Chatham Joint Meeting	1,280,103.00	1,280,103.00	1,280,102.91	0.09	
Maintenance of Free Public Library (c. 82, P.L. 1985):					
Other Expenses	1,224,201.00	1,224,201.00	1,224,201.00		
Other Expenses - Technology	77,470.00	77,470.00	77,470.00		
Inter-Municipal Agreement for "Southeast Morris Project Community Pride":					
Salaries & Wages	65,000.00	65,000.00	65,000.00		
Inter-Municipal Health Contracts for Local Community Health Services:					
Board of Health:					
Salaries & Wages	225,000.00	225,000.00	225,000.00		
Inter-Municipal Contract for Tax Assessor Services:					
Salaries & Wages	72,000.00	72,000.00	72,000.00		
Public and Private Programs Offset by Revenues:					
Public Health Priority Funding Act of 1977:					
Chronic Illness Services:					
Salaries & Wages	10,474.00	10,474.00	10,474.00		
Drunk Driving Enforcement Fund:					
Police:					
Salaries & Wages	11,194.56	11,194.56	11,194.56		
Alcohol and Drug Abuse Grant (M.A.A.S.A.):					
State Share	14,844.00	14,844.00	14,844.00		

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (continued):					
Public and Private Programs Offset by Revenues (continued):					
Alcohol and Drug Abuse Grant (M.A.A.S.A.):					
Borough Share	\$ 3,711.00	\$ 3,711.00	\$ 3,711.00		
Supplemental	2,500.00	2,500.00	2,500.00		
Alcohol Education and Rehabilitation Fund:					
Other Expenses	2,998.55	2,998.55	2,998.55		
Cops in Shops Grant:					
Salaries & Wages	2,400.00	2,400.00	2,400.00		
Obey the Sign Grant	4,000.00	4,000.00	4,000.00		
Over the Limit Grant	4,750.00	4,750.00	4,750.00		
Recycling Tonnage Grant	24,064.17	24,064.17	24,064.17		
Clean Communities Program	17,820.05	17,820.05	17,819.32		\$ 0.73
Local Public Health Emergency Response H1N1 Grant (N.J.S.A. 40A:4-87 + \$110,786.00)		110,786.00	110,786.00		
<b>Total Operations Excluded From "CAPS"</b>	<b>3,042,530.33</b>	<b>3,153,316.33</b>	<b>3,153,315.51</b>	<b>\$ 0.09</b>	<b>0.73</b>
Detail:					
Salaries & Wages	386,068.56	386,068.56	386,068.56		
Other Expenses	2,656,461.77	2,656,461.77	2,767,246.95	0.09	0.73
Capital Improvements Excluded From "CAPS"					
Capital Improvement Fund	500,000.00	500,000.00	500,000.00		
<b>Total Capital Improvements Excluded From "CAPS"</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>500,000.00</b>		

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(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	\$ 760,000.00	\$ 760,000.00	\$ 760,000.00		
Interest on Bonds	1,257,975.00	1,257,975.00	1,257,975.00		
New Jersey Wastewater Treatment Trust:					
Interest on Loan	14,576.00	14,576.00	2,924.08		\$ 11,651.92
Principal on Loan	209,425.00	209,425.00	209,424.99		0.01
Total Municipal Debt Service Excluded from "CAPS"	<u>2,241,976.00</u>	<u>2,241,976.00</u>	<u>2,230,324.07</u>		<u>11,651.93</u>
Subtotal General Appropriations	23,683,685.33	23,794,471.33	22,548,149.86	\$ 1,234,668.81	11,652.66
Reserve for Uncollected Taxes	<u>1,497,009.00</u>	<u>1,497,009.00</u>	<u>1,497,009.00</u>		
Total General Appropriations	<u>\$ 25,180,694.33</u>	<u>\$ 25,291,480.33</u>	<u>\$ 24,045,158.86</u>	<u>\$ 1,234,668.81</u>	<u>\$ 11,652.66</u>

Ref.

A

BOROUGH OF MADISON  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 25,180,694.33	
Added by N.J.S.A. 40A:4-87		110,786.00	
		\$ 25,291,480.33	
Cash Disbursed			\$ 21,860,462.13
Encumbrances	A		695,170.02
Due to Federal and State Grant Fund			209,541.60
Reserve for Uncollected Taxes			1,497,009.00
			24,262,182.75
Less: Appropriation Refunds			217,023.89
			\$ 24,045,158.86

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

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
TRUST FUNDS

BOROUGH OF MADISON  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 17,993.74	\$ 30,064.82
		<u>17,993.74</u>	<u>30,064.82</u>
Open Space Trust Fund:			
Cash and Cash Equivalents		1,241,571.21	424,241.45
Investments			650,000.00
	B-4	<u>1,241,571.21</u>	<u>1,074,241.45</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,012,624.59	1,070,603.11
Due from Current Fund	A		4,000.00
Due from General Capital Fund	C	2.00	369.51
		<u>1,012,626.59</u>	<u>1,074,972.62</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	B-4		382,122.32
			<u>382,122.32</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,272,191.54</u>	<u>\$ 2,561,401.21</u>

BOROUGH OF MADISON  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET

		December 31,	
		2009	2008
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Amount Due to State of New Jersey		\$ 84.60	\$ 92.40
Due to Current Fund	A		4,852.91
Prepaid Licenses		786.60	910.80
Reserve for Animal Control Fund Expenditures	B-7	17,122.54	24,208.71
		17,993.74	30,064.82
Open Space Trust Fund:			
Reserve for Open Space Trust		281,571.21	1,074,241.45
Due to General Capital Fund	C	960,000.00	
		1,241,571.21	1,074,241.45
Other Trust Funds:			
Due to Current Fund - Other Trusts	A	75.61	73.97
Unallocated Receipts		1.00	1.00
Amount Due to State of New Jersey:			
Marriage License Fees		360.00	285.00
Burial Permits		240.00	530.00
Construction Code Surcharge Fees		4,861.00	3,572.00
Reserve for:			
Unemployment Insurance		48,660.07	87,861.99
Special Funds		958,428.91	982,648.66
		1,012,626.59	1,074,972.62
Assessment Trust Fund:			
Due to Current Fund	A		23.92
Fund Balance	B-1		382,098.40
			382,122.32
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,272,191.54</u>	<u>\$ 2,561,401.21</u>

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

BOROUGH OF MADISON  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 382,098.40
Decreased by:		
Due to Current Fund:		
Anticipated Revenue		<u>382,098.40</u>
Balance December 31, 2009	B	<u>\$ -0-</u>

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

BOROUGH OF MADISON  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

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

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
GENERAL CAPITAL FUND

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2009	2008
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 12,882,510.34	\$ 15,264,470.51
Deferred Charges to Future Taxation:			
Funded		25,561,000.00	26,525,037.50
Unfunded	C-4	6,861,500.00	6,805,000.00
Due from Open Space Trust Fund	B	960,000.00	
Grants Receivable:			
Morris County Open Space Preservation Trust Fund		3,050,000.00	
State of New Jersey Green Acres		175,000.00	175,000.00
Morris County Community Development Grant		32,475.00	112,475.00
Transportation Enhancement Grant		100,000.00	100,000.00
New Jersey Department of Transportation Grants:			
ISTEA - Madison Bike Path		155,000.00	155,000.00
Green Avenue Reconstruction		43,750.00	43,750.00
New Jersey Historic Trust		539,303.45	600,000.00
Hartley Dodge Memorial Trustees		420,000.00	420,000.00
Morris County Historic Preservation Trust Fund		150,000.00	150,000.00
New Jersey Department of Community Affairs:			
New Jersey Statewide Livable Communities Grant		30,000.00	30,000.00
<u>TOTAL ASSETS</u>		<u>\$ 50,960,538.79</u>	<u>\$ 50,380,733.01</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 25,561,000.00	\$ 26,321,000.00
Bond Anticipation Notes Payable	C-7	4,700,000.00	
Wastewater Treatment Financing Program -			
Loan Payable	C-9		204,037.50
Improvement Authorizations:			
Funded	C-5	5,658,120.95	11,693,406.58
Unfunded	C-5	3,477,626.24	1,468,134.74
Due to Current Fund	A	35,498.75	
Due to Water Utility Capital Fund	D		79,849.27
Due to Other Trust Fund - Fire Department Trust	B	2.00	369.51
Reserve for Encumbrances		8,123,807.75	5,700,821.76
Capital Improvement Fund	C-6	3,221,223.66	4,786,725.40
Amount Due to Museum of Early Trades and Crafts		19,061.75	19,042.31
Fund Balance	C-1	164,197.69	107,345.94
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 50,960,538.79</u>	<u>\$ 50,380,733.01</u>

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

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 107,345.94
Increased By:		
Improvement Authorizations Cancelled		<u>56,851.75</u>
Balance December 31, 2009	C	<u><u>\$ 164,197.69</u></u>

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

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
WATER UTILITY FUND

BOROUGH OF MADISON  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 1,053,031.95	\$ 1,580,987.04
Change Fund		25.00	25.00
		<u>1,053,056.95</u>	<u>1,581,012.04</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	233,112.60	212,160.12
Revenue Accounts Receivable		1,658.60	1,658.60
		<u>234,771.20</u>	<u>213,818.72</u>
Total Operating Fund		<u>1,287,828.15</u>	<u>1,794,830.76</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	1,219,612.05	494,455.51
Investments	D-4		1,000,000.00
Due from General Capital Fund	C		79,849.27
Fixed Capital	D-7	11,052,133.25	10,059,634.46
Fixed Capital Authorized and Uncompleted	D-8	1,138,000.00	1,862,500.00
Total Capital Fund		<u>13,409,745.30</u>	<u>13,496,439.24</u>
<u>TOTAL ASSETS</u>		<u>\$ 14,697,573.45</u>	<u>\$ 15,291,270.00</u>

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

	Ref.	December 31,	
		2009	2008
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;D-9	\$ 207,592.63	\$ 255,610.99
Encumbrances Payable	D-3;D-9	69,525.31	154,424.48
		<u>277,117.94</u>	<u>410,035.47</u>
Reserve for Receivables	D	234,771.20	213,818.72
Reserve for Security Deposits		100.00	
Fund Balance	D-1	<u>775,839.01</u>	<u>1,170,976.57</u>
Total Operating Fund		<u>1,287,828.15</u>	<u>1,794,830.76</u>
Capital Fund:			
Improvement Authorizations - Funded	D-10	7,933.57	64,740.08
Encumbrances Payable		30,800.38	360,687.81
Capital Improvement Fund	D-11	1,072,582.45	1,043,091.19
Reserve for:			
Filtration System		50,768.90	48,258.95
Amortization		11,052,133.25	10,059,634.46
Deferred Reserve for Amortization	D-12	1,138,000.00	1,862,500.00
Fund Balance	D-1a	<u>57,526.75</u>	<u>57,526.75</u>
Total Capital Fund		<u>13,409,745.30</u>	<u>13,496,439.24</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 14,697,573.45</u>	<u>\$ 15,291,270.00</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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 100,000.00	\$ 295,848.00
Rents		1,669,408.64	1,662,964.74
Miscellaneous Revenue		43,679.68	104,142.28
Other Credits to Income:			
Cancellation of Prior Year Reconciling Items		24.19	8.90
Unexpended Balance of Appropriation Reserves		223,490.93	64,257.06
Total Income		<u>2,036,603.44</u>	<u>2,127,220.98</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,575,741.00	1,509,848.00
Capital Improvements		300,000.00	200,000.00
Deferred Charges and Statutory Expenditures		156,000.00	126,000.00
Total Expenditures		<u>2,031,741.00</u>	<u>1,835,848.00</u>
Excess in Revenue		4,862.44	291,372.98
<u>Fund Balance</u>			
Balance January 1		<u>1,170,976.57</u>	<u>1,475,451.59</u>
		1,175,839.01	1,766,824.57
Decreased by:			
Utilized as Anticipated Revenue		100,000.00	295,848.00
Anticipated as Current Fund Budget Revenue		300,000.00	300,000.00
Balance December 31	D	<u>\$ 775,839.01</u>	<u>\$ 1,170,976.57</u>

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

BOROUGH OF MADISON  
WATER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2008	D	<u>\$ 57,526.75</u>
Balance December 31, 2009	D	<u><u>\$ 57,526.75</u></u>

WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2009

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 100,000.00	\$ 100,000.00	
Water Rents	1,662,741.00	1,662,741.00	
Miscellaneous Revenue	80,000.00	43,679.68	\$ 36,320.32 *
Additional Rents - Rate Increase	<u>189,000.00</u>	<u>6,667.64</u>	<u>182,332.36 *</u>
	<u><u>\$ 2,031,741.00</u></u>	<u><u>\$ 1,813,088.32</u></u>	<u><u>\$ 218,652.68 *</u></u>

Analysis of Realized Revenue

Miscellaneous Revenue:

Interest on Investments:

Water Utility Operating Fund

Other Miscellaneous Revenue

\$ 38,554.11
<u>5,125.57</u>
<u><u>\$ 43,679.68</u></u>

BOROUGH OF MADISON  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009

	<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	\$ 617,041.00	\$ 617,041.00	\$ 568,808.92	\$ 48,232.08
Other Expenses	958,700.00	958,700.00	808,159.32	150,540.68
Capital Improvements:				
Capital Improvement Fund	300,000.00	300,000.00	300,000.00	
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	110,000.00	110,000.00	106,000.00	4,000.00
Social Security System (O.A.S.I.)	46,000.00	46,000.00	41,180.13	4,819.87
	<u>\$ 2,031,741.00</u>	<u>\$ 2,031,741.00</u>	<u>\$ 1,824,148.37</u>	<u>\$ 207,592.63</u>

Ref.

D

BOROUGH OF MADISON  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 2,031,741.00	
		\$ 2,031,741.00	
Cash Disbursed			\$ 1,754,623.06
Encumbrances Payable	D		69,525.31
			\$ 1,824,148.37

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

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
ELECTRIC UTILITY FUND

BOROUGH OF MADISON  
ELECTRIC UTILITY FUND  
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 5,172,257.88	\$ 3,202,382.82
Investments	E-5		3,800,000.00
Change Fund		25.00	25.00
Due from Electric Utility Capital Fund	E	49,199.95	
		<u>5,221,482.83</u>	<u>7,002,407.82</u>
Receivables and Other Assets With Full Reserves:			
Consumer Accounts Receivable	E-8	1,572,473.49	1,153,607.61
Total Receivables and Other Assets With Full Reserves		<u>1,572,473.49</u>	<u>1,153,607.61</u>
Total Operating Fund		<u>6,793,956.32</u>	<u>8,156,015.43</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	1,929,328.85	174,141.76
Investments	E-5		1,800,000.00
Fixed Capital	E-9	11,217,637.87	10,486,958.21
Fixed Capital Authorized and Uncompleted	E-10	289,000.00	1,007,500.00
Total Capital Fund		<u>13,435,966.72</u>	<u>13,468,599.97</u>
<u>TOTAL ASSETS</u>		<u>\$ 20,229,923.04</u>	<u>\$ 21,624,615.40</u>

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

	Ref.	December 31,	
		2009	2008
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-4;E-11	\$ 2,040,378.74	\$ 2,086,672.00
Unencumbered	E-4;E-11	462,752.12	438,420.12
		<u>2,503,130.86</u>	<u>2,525,092.12</u>
Reserve for Receivables	E	1,572,473.49	1,153,607.61
Reserve for Security Deposit		460.00	
Fund Balance	E-1	<u>2,717,891.97</u>	<u>4,477,315.70</u>
Total Operating Fund		<u>6,793,956.32</u>	<u>8,156,015.43</u>
Capital Fund:			
Encumbrances Payable		212,491.64	69,699.00
Improvement Authorizations:			
Funded	E-12	30,438.47	255,064.31
Due to Electric Utility Operating Fund	E	49,199.95	
Capital Improvement Fund	E-13	1,330,947.19	1,343,126.85
Reserve for:			
Amortization		11,217,637.87	10,486,958.21
Deferred Amortization	E-14	289,000.00	1,007,500.00
Fund Balance	E-2	<u>306,251.60</u>	<u>306,251.60</u>
Total Capital Fund		<u>13,435,966.72</u>	<u>13,468,599.97</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 20,229,923.04</u>	<u>\$ 21,624,615.40</u>

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

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

	Ref.	<u>Year Ended December 31</u>	
		<u>2009</u>	<u>2008</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized			\$ 3,428,190.00
Metered Service		\$ 19,535,557.34	16,622,771.51
Miscellaneous Revenue		231,830.85	452,867.50
Other Credits to Incomes:			
Unexpended Balance of Appropriation Reserves		1,295,964.76	724,024.17
Cancellation of Prior Year Outstanding Reconciling Items		53.32	142.93
Interfunds Returned			96,369.71
Total Income		<u>21,063,406.27</u>	<u>21,324,365.82</u>
<u>Expenditures</u>			
Operating		19,094,830.00	18,708,190.00
Deferred Charges and Statutory Expenditures		278,000.00	220,000.00
Total Expenditures		<u>19,372,830.00</u>	<u>18,928,190.00</u>
Excess in Revenue		1,690,576.27	2,396,175.82
<u>Fund Balance</u>			
Balance January 1		4,477,315.70	8,959,329.88
		6,167,891.97	11,355,505.70
Decreased by:			
Utilized as Anticipated Revenue			3,428,190.00
Anticipated as Current Fund Budget Revenue		3,450,000.00	3,450,000.00
Balance December 31	E	<u>\$ 2,717,891.97</u>	<u>\$ 4,477,315.70</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

Balance December 31, 2008	<u>Ref.</u> E	\$ 306,251.60
Balance December 31, 2009	E	<u>\$ 306,251.60</u>

ELECTRIC UTILITY OPERATING FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2009

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Metered Service	\$ 16,622,771.00	\$ 16,622,771.00	
Miscellaneous Revenue	200,000.00	231,830.85	\$ 31,830.85
Metered Service - Rate Increase	2,550,059.00	2,912,786.34	362,727.34
	<u>\$ 19,372,830.00</u>	<u>\$ 19,767,388.19</u>	<u>\$ 394,558.19</u>

Analysis of Realized Revenue

Miscellaneous Revenue:

Miscellaneous Receipts \$ 32,867.28

Due from Electric Capital Fund:

Miscellaneous Receipts 49,199.95

Interest Earned:

Electric Utility Operating Fund 149,763.62

\$ 231,830.85

Metered Services:

Consumer Accounts Receivable \$ 19,527,007.34

Life Line Credits 8,550.00

\$ 19,535,557.34

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

BOROUGH OF MADISON  
ELECTRIC UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009

	<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	\$ 1,459,810.00	\$ 1,459,810.00	\$ 1,332,980.78	\$ 126,829.22
Other Expenses	17,346,170.00	17,346,170.00	17,059,034.70	287,135.30
Rosenet Web Site:				
Other Expenses	288,850.00	288,850.00	274,519.49	14,330.51
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	160,000.00	160,000.00	138,000.00	22,000.00
Social Security System	118,000.00	118,000.00	105,542.91	12,457.09
	<u>\$ 19,372,830.00</u>	<u>\$ 19,372,830.00</u>	<u>\$ 18,910,077.88</u>	<u>\$ 462,752.12</u>

Ref.

E

BOROUGH OF MADISON  
ELECTRIC UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	<u>Ref.</u>	Analysis of	
		Budget After Modification	Paid or Charged
Adopted Budget		\$ 19,372,830.00	
		\$ 19,372,830.00	
Cash Disbursed			\$ 16,946,211.00
Reserve for Encumbrances	E		2,040,378.74
			18,986,589.74
Less: Refunds			76,511.86
			\$ 18,910,077.88

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

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
PUBLIC ASSISTANCE FUND

BOROUGH OF MADISON  
PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 21,538.22	\$ 25,064.69
<u>TOTAL ASSETS</u>		<u>\$ 21,538.22</u>	<u>\$ 25,064.69</u>
 <u>RESERVES</u>			
Reserve for Public Assistance Trust Fund I		\$ 2,062.46	\$ 2,169.96
Reserve for Public Assistance Trust Fund II		19,475.76	22,894.73
<u>TOTAL RESERVES</u>		<u>\$ 21,538.22</u>	<u>\$ 25,064.69</u>

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

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF MADISON  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	December 31,	
	2009	2008
Land	\$ 37,924,400.00	\$ 37,924,400.00
Buildings	25,087,745.73	25,087,745.73
Improvements Other than Buildings	575,626.61	575,626.61
Machinery and Equipment	10,488,196.49	10,511,461.69
<u>TOTAL ASSETS</u>	\$ 74,075,968.83	\$ 74,099,234.03
<u>RESERVES</u>		
Investment in General Fixed Assets	\$ 74,075,968.83	\$ 74,099,234.03

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

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Description of Funds

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

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

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

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

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

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

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

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

B. Description of Funds (cont'd)

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

C. Basis of Accounting

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

The accounting policies of the Borough of Madison conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant policies.

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

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

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

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

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

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

C. Basis of Accounting (Cont'd)

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

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

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

E. Other significant accounting policies include:

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

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

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

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

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

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

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

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

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

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

E. Other Significant Accounting Policies (Cont'd)

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

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

General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Group may also be recorded in the Current Fund, General Capital Fund and Utility Funds. The values recorded in the General Fixed Asset Account and the Current and Capital Funds may not always agree due to differences in valuation methods, timing or recognition of assets and the recognition of infrastructures. Capital assets are reviewed for impairment.

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

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

Note 2: Long-Term Debt

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

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

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

Summary of Municipal Debt

	December 31,		
	2009	2008	2007
<b>Issued:</b>			
General:			
Bonds and Notes	\$ 30,261,000.00	\$ 26,321,000.00	\$ 20,000,000.00
Wastewater Treatment Loan Payable		204,037.50	874,683.88
Total Issued	<u>30,261,000.00</u>	<u>26,525,037.50</u>	<u>20,874,683.88</u>
<b>Authorized but not Issued:</b>			
General:			
Bonds and Notes	2,161,500.00	6,805,000.00	431,000.00
Total Authorized but not Issued	<u>2,161,500.00</u>	<u>6,805,000.00</u>	<u>431,000.00</u>
<b>Net Bonds, Notes and Loans Issued and Authorized but not Issued</b>	<u>\$ 32,422,500.00</u>	<u>\$ 33,330,037.50</u>	<u>\$ 21,305,683.88</u>

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/2008	Additions	Retirements	Balance 12/31/2009
Serial Bonds:				
General Capital Fund	\$ 26,321,000.00		\$ 760,000.00	\$ 25,561,000.00
Loans Payable:				
General Capital Fund:				
Wastewater Treatment Loans	204,037.50		204,037.50	
Bond Anticipation Notes:				
General Capital Fund		\$ 4,700,000.00		4,700,000.00
<b>Total</b>	<u>\$ 26,525,037.50</u>	<u>\$ 4,700,000.00</u>	<u>\$ 964,037.50</u>	<u>\$ 30,261,000.00</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/2007	Additions	Retirements	Balance 12/31/2008
Serial Bonds:				
General Capital Fund		\$ 26,321,000.00		\$ 26,321,000.00
Loans Payable:				
General Capital Fund:				
Wastewater Treatment Loans	\$ 874,683.88		\$ 670,646.38	204,037.50
Bond Anticipation Notes:				
General Capital Fund	20,000,000.00		20,000,000.00	
<b>Total</b>	<u>\$ 20,874,683.88</u>	<u>\$ 26,321,000.00</u>	<u>\$ 20,670,646.38</u>	<u>\$ 26,525,037.50</u>

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

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

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.88%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 43,945,000.00	\$ 43,945,000.00	
General Debt	32,422,500.00		\$ 32,422,500.00
	<u>\$ 76,367,500.00</u>	<u>\$ 43,945,000.00</u>	<u>\$ 32,422,500.00</u>

Net Debt \$32,422,500.00 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,693,499,130.67 = 0.88%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 129,272,469.57
Net Debt	<u>32,422,500.00</u>
Remaining Borrowing Power	<u>\$ 96,849,969.57</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, 2009

General Capital Serial Bonds Payable

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
General Improvement Bonds of 2008	10/15/2028	4.50%-5.00%	<u>\$ 25,561,000.00</u>

General Capital Bond Anticipation Notes

<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
01/22/10	2.00%	<u>\$ 4,700,000.00</u>
Total Debt Issued and Outstanding		<u>\$ 30,261,000.00</u>

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

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

NJ Wastewater Treatment Financing Program

In 1989, two separate loan agreements were entered into by the Borough of Madison for the improvement to the Wastewater Treatment Plant. Loans payable in the amount of \$3,084,257.00 were issued as follows:

New Jersey Wastewater Treatment Trust	\$ 1,555,000.00
New Jersey Wastewater Treatment Fund	1,529,257.00
	3,084,257.00
Less: 1996 Trust Refunding Bonds Savings Credit	39,485.36
	\$ 3,044,771.64

On January 15, 1997, Trust Refunding Bonds were issued providing savings credits of \$56,164.68 (interest) and \$39,485.36 (principal). The Borough made the last loan payment in 2009.

Note 3: Fund Balance Appropriated

Fund balances at December 31, 2009, which are appropriated and included in the Current, Water Utility Operating, and Electric Utility Operating Fund introduced budgets for the year ending December 31, 2010, are as follows:

Current Fund	\$ 5,226,695.00
Water Utility Fund	100,000.00
Electric Utility Fund	- 0 -

Note 4: Deferred Charges to be Raised in Succeeding Years

There were no deferred charges to be raised in succeeding years at December 31, 2009.

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 Fireman's Retirement System (PFRS) of New Jersey. The State of New Jersey sponsors and administers these two plans which cover substantially all Borough employees. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. Several retired Borough police and firemen are enrolled in the Consolidated Police and Firemen's Pension (CPFPP) of New Jersey.

Employees who are members of PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal year's compensation for each year of membership 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 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, 2009  
(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. Employee contributions are based on percentages of 5.50% for PERS and 8.5% for PFRS of employees' annual compensation, as defined. There are no active members in the CPFPPF. Employers are required to contribute at an actuarially determined rate in the three Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits.

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PERS for local employers for State fiscal years 2005-2008. The local employer PERS normal and accrued liability contributions required for State fiscal years 2007-2009 are as follows:

Three-Year Trend of PERS			
Year Funding December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 529,609.97	100.00%	\$ 529,609.97
2008	456,829.00	80.00%	365,463.20
2007	332,794.03	60.00%	199,676.42

20% for payments due in State fiscal year 2005

Not more than 40% for payments due in State fiscal year 2006

Not more than 60% for payments due in State fiscal year 2007

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PFRS for local employers for State fiscal years 2004-2007. The local employer PFRS normal and accrued liability contributions required for State fiscal years 2007-2009 are as follows:

Three-Year Trend of PFRS			
Year Funding December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 915,984.11	100.00%	\$ 915,984.11
2008	898,877.72	100.00%	898,877.72
2007	735,278.75	80.00%	588,223.00

20% for payments due in State fiscal year 2004

Not more than 40% for payments due in State fiscal year 2005

Not more than 60% for payments due in State fiscal year 2006

Note 6: Local School District Taxes

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

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

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

Note 7: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$4,512,490.35 at December 31, 2009. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used.

Note 8: Selected Tax Information

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

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	\$ 2.533	\$ 2.478	\$ 2.350
<u>Apportionment of Tax Rate</u>			
Municipal	.594	.576	.550
County - Regular	.347	.327	.319
County Open Space	.059	.074	.081
Local School	1.533	1.501	1.400
<u>Assessed Valuations</u>			
2009	<u>\$ 2,106,509,966.00</u>		
2008		<u>\$ 2,126,394,341.00</u>	
2007			<u>\$ 2,131,307,423.00</u>

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2009	\$ 53,534,391.57	\$ 53,163,238.79	99.30%
2008	52,944,534.21	52,607,364.42	99.36%
2007	50,359,944.85	49,866,131.31	99.02%

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

Note 8: Selected Tax Information (Cont'd)

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

Note 9: Cash and Cash Equivalents and Investments

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

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

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

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

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

Deposits:

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

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

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

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

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

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009

(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2009, cash and cash equivalents and investments of the Borough of Madison consisted of the following:

**BOROUGH OF MADISON**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2009**  
(Continued)

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

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Money Market Accounts</u>	<u>Totals</u>
Current	\$ 450.00	\$ 7,842,035.67	\$ 1,025,869.38	\$ 8,868,355.05
Animal Control		17,993.74		17,993.74
Open Space Trust		1,241,571.21		1,241,571.21
Other Trust		1,012,624.59		1,012,624.59
General Capital		9,022,473.98	3,860,036.36	12,882,510.34
Water Utility Operating	25.00	1,053,031.95		1,053,056.95
Water Utility Capital		1,219,612.05		1,219,612.05
Electric Utility Operating	25.00	4,172,257.88	1,000,000.00	5,172,282.88
Electric Utility Capital		929,328.85	1,000,000.00	1,929,328.85
Public Assistance		21,538.22		21,538.22
	<u>\$ 500.00</u>	<u>\$ 26,532,468.14</u>	<u>\$ 6,885,905.74</u>	<u>\$ 33,418,873.88</u>

The Borough did not hold any investments during the year ended December 31, 2009 other than certificates of deposit. The carrying amount of the Borough of Madison's cash and cash equivalents at December 31, 2009, was \$33,418,873.88 and the bank balance was \$33,062,925.34.

Note 10: Risk Management

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

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

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

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

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

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

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

Note 10: Risk Management (Cont'd)

As a member of these Funds, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The December 31, 2009 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, 2008, are as follows:

	<u>Morris County Municipal Joint Insurance Fund</u>	<u>North Jersey Municipal Employee Benefits Fund</u>
Total Assets	\$ 21,921,036	\$ 12,344,896
Net Assets	\$ 11,702,735	\$ 10,343,600
Total Revenue	\$ 14,908,798	\$ 24,640,673
Total Expenses	\$ 14,371,982	\$ 22,622,437
Change in Net Assets for the Year Ended December 31	\$ 536,816	\$ 2,018,236
Net Assets Distribution to Participating Members	\$ (700,000)	\$ (900,000)

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

Morris County Municipal Joint Insurance Fund

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

North Jersey Municipal Employee Benefits Fund

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

New Jersey Unemployment Compensation Insurance

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

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

Note 10: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

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

<u>Fiscal Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Refunds from State of NJ</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009	\$ -0-	\$ -0-	\$ 34,448.57	\$ 845.84	\$ 74,496.33	\$ 48,660.07
2008	-0-	-0-	-0-	2,043.58	31,884.22	87,861.99
2007	-0-	-0-	-0-	10,228.30	194,943.55	117,702.63

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2009:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 35,574.36	\$ 280,879.00
Federal and State Grant Fund	280,879.00	
Other Trust Fund	2.00	75.61
Open Space Trust Fund		960,000.00
General Capital Fund	960,000.00	35,500.75
Electric Utility Operating Fund	49,199.95	
Electric Utility Capital Fund		49,199.95
	<u>\$ 1,325,655.31</u>	<u>\$ 1,325,655.31</u>

The interfund receivable in the Current Fund comprises of interest earned in the Other Trust Fund and the General Capital Fund and insurance refunds deposited in the General Capital Fund in error. The interfund receivable in the Federal and State Grant Fund from the Current Fund is for the receipt of funds for the grants funds directly deposited into the Current Fund. The interfund receivable in the Other Trust Fund and the interfund payable in the General Capital Fund is due to the cancellation of an old capital improvement authorization. The interfund receivable in the Electric Utility Operating Fund and the interfund payable in the Electric Utility Capital Fund represent insurance refunds deposited in the Electric Utility Capital Fund in error.

Note 12: Related Party Transactions

The Mayor and Borough Council members also serve as members of the Madison-Chatham Joint Meeting. The Borough of Madison appropriated and paid to the Joint Meeting \$1,280,102.91 in 2009 for operating expenses.

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

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

Note 13: Contingent Liabilities

As of December 31, 2009, the Borough reserved a total \$277,657.00 in the Reserve for Pending Tax Appeals for several material pending tax appeals in 2009.

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, 2009.

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

Note 14: Deferred Compensation

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

Note 15: Accounts Payable

Payables as of December 31, 2009 were as follows:

	2009
Federal and State Grant Fund:	
Various Vendors	\$ 12,811.91

Note 16: Economic Dependency

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

Note 17: Grants and Contributions Receivable – General Capital Fund

During the year ended December 31, 2008, the Borough authorized a capital ordinance (No. 58-08) in the amount of \$2,875,000, which is an amendment to an older capital ordinance (No. 42-05), for the renovation of the Hartley Dodge Memorial Building. As of December 31, 2009, the project was not complete. Therefore, the General Capital Fund reflects a receivable of \$539,303.45 from the New Jersey Historic Trust, \$420,000 from the Hartley Dodge Memorial Trustee, \$150,000 from the Morris County Historic Preservation Trust Fund and \$30,000 from the New Jersey Department of Community Affairs. The Borough expects to complete the renovation project and fully collect the grants and contributions supporting it in 2010.

BOROUGH OF MADISON  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

Note 17: Grants and Contributions Receivable – General Capital Fund (Cont'd)

During the year ended December 31, 2009, the Borough authorized capital ordinances (No. 20-09 & 56-09) in the amount of \$2,760,000 to purchase property at 205 Madison Avenue from the Diocese of Paterson. The Borough expects to complete the transaction for the purchase and fully collect the \$1,750,000 grant associated with these ordinances from the Morris County Open Space Preservation Trust Fund in 2010.

During the year ended December 31, 2009, the Borough also authorized an amendment to capital ordinance No. 73-08, for the acquisition of real property for open space preservation and recreation purposes, to recognize a change in funding source of a \$1,300,000 grant from the Morris County Open Space Preservation Trust Fund. The Borough expects to fully collect the grant when the project is complete in 2010.

Note 18: 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 2009 Open Space tax levy is \$422,771.39. The balance in the Reserve for Open Space at December 31, 2009 is \$281,571.21.

Note 19: 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.

BOROUGH OF MADISON

SUPPLEMENTARY DATA

BOROUGH OF MADISON  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2009

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Mary-Anna Holden	Mayor		
Robert H. Conley	Council President		
Astri J. Baillie	Council Member		
Sebastian Cerciello	Council Member		
Vincent Esposito	Council Member		
Donald Links	Council Member		
Jeannie Tsukamoto	Council Member		
Raymond M. Cody	Administrator		
Marilyn R. Schaeffer	Clerk (thru 6/8/09)		
Elizabeth Osborne	Clerk (from 6/8/09)		
Elizabeth Crescibene	Purchasing/Personnel Officer		
Robert F. Kalafut	Director of Finance	*	
	Chief Financial Officer		
Francine DeAngelis	Chief Accountant		
	Tax Collector	\$ 1,000,000	Municipal Excess Liability JIF
Mary Bednarick	Utility Rent Collector	1,000,000	Municipal Excess Liability JIF
Lisa Baratto	Tax Assessor		
Russell Brown	Building Subcode Construction Official		
Douglas O. Atchison	Fire Chief		
Joseph Mezzacca, Jr., Esq.	Borough Attorney		
Vincent Chirico	Police Chief (thru 6/1/09)		
John Treyena	Police Chief (from 6/1/09)		
Linda B. Durney	Director of Welfare		
John W. Theese	Health Officer		
Carol Hilligas	Secretary Board of Health Registrar, Vital Statistics		
Gary F. Troxell	Magistrate	*	
Frank Ciampi	Court Administrator	*	
Dawn Allgeier	Deputy Court Administrator (from 2/17/09)		
Angela Esposito	Deputy Court Administrator	*	

All bonds were examined and were properly executed.

\* All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by the Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
CURRENT FUND

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

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 11,046,238.74
Increased by Receipts:		
Taxes Receivable		\$ 52,745,276.07
Revenue Accounts Receivable		8,183,882.50
Miscellaneous Revenue Not Anticipated		192,294.22
Prepaid Taxes		327,871.35
Tax Overpayments		446,074.49
Appropriation Refunds		217,023.89
Due to Federal and State Grant Fund:		
Grants Receivable		59,640.20
Unappropriated Reserves		96,731.25
Due from/to State of New Jersey:		
Veterans' and Senior Citizens' Deductions		130,750.00
Construction Code Fees		18,083.00
Due from Assessment Trust Fund:		
Prior Year Interfund Returned		23.92
Due from Other Trust Fund:		
Prior Year Interfund Returned		73.97
Due from Animal Control Fund:		
Prior Year Interfund Returned		4,852.91
Tax Sale Premiums		1,100.00
Reserve for Outside Lien Redemption		44,210.14
Cancel Prior Year Reconciling Items		2,297.02
Change Funds		600.00
		<hr/>
		62,470,784.93
		<hr/>
		73,517,023.67
Decreased by Disbursements:		
2009 Appropriation Expenditures		21,860,462.13
2008 Appropriation Reserve Expenditures		730,987.96
Local School District Taxes		32,301,887.31
County Taxes		8,572,577.20
Tax Overpayments Refunded		532,166.54
Due State of New Jersey - Construction Code Fees		17,525.00
Due from Federal and State Grant Fund:		
Appropriated Reserves		107,236.19
Accounts Payable		3,451.25
Due Open Space Trust Fund:		
Open Space Tax Levy		422,771.39
Due Other Trusts Fund:		
Prior Year Interfund Returned		4,000.00
Reserve for Outside Lien Redemption		65,453.65
Refund of Tax Sale Premiums		30,500.00
Change Funds		100.00
		<hr/>
		64,649,118.62
		<hr/>
Balance December 31, 2009	A	\$ 8,867,905.05
		<hr/> <hr/>

BOROUGH OF MADISON  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

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

Year	Balance	2009 Levy	Added Taxes	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2008			2008	2009				Dec. 31, 2009
2006	\$ 8,929.80						\$ 8,929.80		
2007	9,538.65						4,464.90		\$ 5,073.75
2008	315,519.47		\$ 8,945.17		\$ 61,065.81	\$ (750.00)	254,090.63		10,058.20
	<u>333,987.92</u>		<u>8,945.17</u>		<u>61,065.81</u>	<u>(750.00)</u>	<u>267,485.33</u>		<u>15,131.95</u>
2009		\$ 53,534,391.57		\$ 347,951.85	52,684,210.26	131,076.68	45,517.26	\$ 1,833.89	323,801.63
	<u>\$ 333,987.92</u>	<u>\$ 53,534,391.57</u>	<u>\$ 8,945.17</u>	<u>\$ 347,951.85</u>	<u>\$ 52,745,276.07</u>	<u>\$ 130,326.68</u>	<u>\$ 313,002.59</u>	<u>\$ 1,833.89</u>	<u>\$ 338,933.58</u>
Ref.	A								A

Analysis of 2009 Property Tax Levy

General Purpose Tax	\$ 53,357,899.61
Added Taxes (54:4-63.1 et seq.)	<u>176,491.96</u>
	<u>\$ 53,534,391.57</u>
Tax Levy:	
Local School District Taxes	32,301,887.31
County Taxes:	
County Taxes	8,530,713.15
Due County for Added and Omitted Taxes	<u>-29,736.45</u>
	8,560,449.60
Local Tax for Municipal Purposes	12,092,851.00
Municipal Open Space Taxes	421,301.99
Add: Additional Open Space - Municipal	1,469.40
Add: Additional Tax Levied	<u>156,432.27</u>
	<u>12,672,054.66</u>
	<u>\$ 53,534,391.57</u>

BOROUGH OF MADISON  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 16,202.95
Increased by:		
Transferred From Taxes Receivable		<u>1,833.89</u>
Balance December 31, 2009	A	<u>\$ 18,036.84</u>

BOROUGH OF MADISON  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Accrued</u> <u>in 2009</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Borough Clerk:				
ABC Licenses		\$ 26,450.10	\$ 26,450.10	
Other		22,187.75	22,187.75	
Fees and Permits		322,923.00	322,923.00	
Municipal Court	\$ 23,872.78	296,217.84	296,118.81	\$ 23,971.81
Interest and Costs on Taxes		83,690.97	83,690.97	
Parking Meters		38,220.00	38,220.00	
Interest on Investments and Deposits		698,819.05	698,819.05	
Police Burglar Alarms		17,055.00	17,055.00	
Cablevision Franchise Fee		67,081.14	67,081.14	
Sewer Fees on Tax Exempt Properties		295,049.84	295,049.84	
Consolidated Municipal Property Tax Relief Aid		309,863.00	309,863.00	
Energy Receipts Tax		726,049.00	726,049.00	
Uniform Construction Code Fees		232,572.40	232,572.40	
Intermunicipal Health Contracts for Local Community				
Health Services		262,648.16	262,648.16	
Intermunicipal Agreements for "Southeast Morris				
Project Community Pride"		55,300.00	55,300.00	
Inter-Municipal Contract for Tax Assessor Services		84,590.00	84,590.00	
Utility Operating Surplus of Prior Years - Electric		3,450,000.00	3,450,000.00	
Payment in Lieu of Taxes on Exempt Property - Madison				
Housing Authority		35,171.65	35,171.65	
Life Hazard User Fees		37,912.94	37,912.94	
Madison Cell Tower Lease		266,543.29	266,543.29	
Utility Operating Surplus of Prior Years - Water Utility		300,000.00	300,000.00	
Rosenet User Fees		30,750.00	30,750.00	
Bond Anticipation Note Premium		62,788.00	62,788.00	
Assessment Trust Fund Balance		382,098.40	382,098.40	
Police Outside Duty Trust		80,000.00	80,000.00	
	<u>\$ 23,872.78</u>	<u>\$ 8,183,981.53</u>	<u>\$ 8,183,882.50</u>	<u>\$ 23,971.81</u>

Ref.

A

A

BOROUGH OF MADISON  
CURRENT FUND  
SCHEDULE OF 2008 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2009

	Balance Dec. 31, 2008	Balance After Modi- fication	Paid or Charged	Balance Lapsed
General Administration:				
Salaries and Wages	\$ 8,061.03	\$ 8,061.03		\$ 8,061.03
Other Expenses	6,562.91	6,562.91	\$ 1,073.20	5,489.71
Municipal Support:				
Salaries and Wages	1,211.93	1,211.93		1,211.93
Other Expenses	25,172.38	25,172.38	17,651.45	7,520.93
Human Resources:				
Other Expenses	10,972.37	10,972.37	3,694.19	7,278.18
Mayor and Council:				
Salaries and Wages	1,094.26	1,094.26		1,094.26
Other Expenses	11,224.74	11,224.74	6,609.62	4,615.12
Borough Clerk:				
Salaries and Wages	4,650.21	4,650.21		4,650.21
Other Expenses	8,304.08	8,304.08	3,425.67	4,878.41
Financial Administration (Treasury):				
Salaries and Wages	2,455.53	2,455.53		2,455.53
Other Expenses	7,315.37	7,315.37	2,819.81	4,495.56
Elections:				
Other Expenses	5,930.13	5,930.13		5,930.13
Audit Services:				
Other Expenses	26,780.00	26,780.00	24,780.00	2,000.00
Revenue Administration (Tax Collection):				
Other Expenses	1,811.32	1,811.32	637.89	1,173.43
Tax Assessment Administration:				
Salaries and Wages	10,000.00	10,000.00		10,000.00
Other Expenses	10,425.27	10,425.27	6,281.69	4,143.58
Legal Services and Costs:				
Other Expenses	19,859.65	19,859.65	19,859.19	0.46
Engineering Services:				
Salaries and Wages	24,553.27	24,553.27		24,553.27
Other Expenses	28,420.53	28,420.53	20,216.30	8,204.23
Environmental Commission:				
Other Expenses	1,300.00	1,300.00		1,300.00
Downtown Development Commission:				
Salaries and Wages	22,800.08	22,800.08		22,800.08
Other Expenses	5,278.32	5,278.32	2,638.89	2,639.43
Historic Preservation:				
Other Expenses	18,040.00	18,040.00	170.00	17,870.00
Planning Board:				
Other Expenses	4,969.35	4,969.35	3,944.97	1,024.38
Zoning Board of Adjustment:				
Salaries and Wages	638.18	638.18		638.18
Other Expenses	9,876.12	9,876.12	4,918.30	4,957.82
Police and Fire Building:				
Other Expenses	18,640.02	18,640.02	4,833.10	13,806.92
Police:				
Salaries & Wages	144,752.84	144,752.84		144,752.84
Other Expenses	75,053.17	75,053.17	20,405.71	54,647.46

BOROUGH OF MADISON  
CURRENT FUND  
SCHEDULE OF 2008 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	Balance Dec. 31, 2008	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Project Community Pride:				
Salaries & Wages	\$ 157.17	\$ 157.17		\$ 157.17
Other Expenses	4,822.71	4,822.71	\$ 2,609.60	2,213.11
Emergency Management:				
Other Expenses	2,255.63	2,255.63	694.80	1,560.83
Fire Department:				
Salaries & Wages	44,202.96	44,202.96		44,202.96
Other Expenses	14,809.65	14,809.65	8,067.98	6,741.67
Municipal Prosecutor's Office:				
Other Expenses	11,232.50	11,232.50	4,371.00	6,861.50
Public Works:				
Salaries and Wages	153,537.79	153,537.79		153,537.79
Other Expenses	71,268.41	71,268.41	16,530.74	54,737.67
Sewer Department:				
Salaries and Wages	26,341.53	26,341.53		26,341.53
Other Expenses	21,463.23	21,463.23	6,125.13	15,338.10
Shade Tree Authority:				
Other Expenses	21,462.78	21,462.78	14,626.38	6,836.40
Garbage Removal:				
Other Expense	481,617.90	481,617.90	362,408.94	119,208.96
Public Building & Grounds:				
Salaries & Wages	3,563.05	3,563.05		3,563.05
Other Expenses	40,543.77	40,543.77	1,415.70	39,128.07
Vehicle Maintenance:				
Salaries and Wages	15,950.23	15,950.23		15,950.23
Other Expenses	55,373.83	55,373.83	8,374.55	46,999.28
Board of Health:				
Salaries & Wages	13,165.62	13,165.62		13,165.62
Other Expenses	40,239.11	40,239.11	24,952.30	15,286.81
Animal Control Services:				
Salaries and Wages	2,000.00	2,000.00		2,000.00
Other Expenses	850.00	850.00		850.00
Administration of Public Assistance:				
Other Expenses	400.77	400.77	143.50	257.27
Civic Center:				
Other Expenses	6,624.24	6,624.24	1,928.23	4,696.01
Recreation & Playgrounds:				
Salaries & Wages	13,111.50	13,111.50		13,111.50
Other Expenses	17,558.73	17,558.73	2,736.02	14,822.71
Senior Citizens Programs:				
Salaries & Wages	9,383.56	9,383.56		9,383.56
Other Expenses	5,452.15	5,452.15	678.09	4,774.06
Teen Center:				
Salaries & Wages	2,119.42	2,119.42		2,119.42
Other Expenses	5,346.28	5,346.28	1,550.12	3,796.16
Parks Commission:				
Other Expenses	4,448.50	4,448.50		4,448.50

BOROUGH OF MADISON  
CURRENT FUND  
SCHEDULE OF 2008 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2009  
(Continued)

	Balance Dec. 31, 2008	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Celebration of Public Events:				
Other Expenses	\$ 1,392.63	\$ 1,392.63		\$ 1,392.63
Municipal Court:				
Salaries and Wages	20,840.76	20,840.76		20,840.76
Other Expenses	14,079.55	14,079.55	\$ 693.62	13,385.93
Public Defender:				
Other Expenses	2,455.00	2,455.00	2,125.00	330.00
Insurance:				
General Liability	28,223.40	28,223.40	26,397.59	1,825.81
Workers Compensation Insurance	9,000.00	9,000.00		9,000.00
Employee Group Health	128,901.88	128,901.88	116.61	128,785.27
Building Inspector:				
Salaries and Wages	29,498.24	29,498.24		29,498.24
Other Expenses	14,505.25	14,505.25	7,419.19	7,086.06
Salary & Wage Adjustment Program	30,074.76	30,074.76	743.97	29,330.79
Utility Expenses:				
Electricity	97,409.73	97,409.73	22,686.98	74,722.75
Telephone	5,407.40	5,407.40	4,747.00	660.40
Water	18,840.21	18,840.21	1,235.09	17,605.12
Natural Gas	66,985.09	66,985.09	29,902.27	37,082.82
Sewerage Processing/Disposal	3,830.00	3,830.00		3,830.00
Gasoline	49,875.70	49,875.70	13,678.91	36,196.79
Contingency	21,389.28	21,389.28	20,068.67	1,320.61
Social Security	16,380.79	16,380.79		16,380.79
Consolidated Police & Firemen's Retirement Pension Fund	1,644.28	1,644.28		1,644.28
Maintenance of Free Public Library:				
Other Expenses	40,484.33	40,484.33		40,484.33
Police and Firemen's Retirement System of New Jersey	5,478.00	5,478.00		5,478.00
Contribution to Public Employees Retirement System	16,599.07	16,599.07		16,599.07
	<u>\$ 2,228,751.43</u>	<u>\$ 2,228,751.43</u>	<u>\$ 730,987.96</u>	<u>\$ 1,497,763.47</u>
	<u>Ref.</u>			
Unencumbered	A	\$ 1,482,361.04		
Encumbered	A	<u>746,390.39</u>		
		<u>\$ 2,228,751.43</u>		

BOROUGH OF MADISON  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2009

Increased by:

Levy - Calendar Year 2009

\$ 32,301,887.31

Decreased by:

Payments to Local School District

\$ 32,301,887.31

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

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>From</u> <u>Unappropriated</u> <u>Reserves</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Municipal Alliance Program:					
Supplemental - 2008		\$ 2,500.00		\$ 2,500.00	
2008	\$ 14,844.00		\$ 14,844.00		
2009		14,844.00			\$ 14,844.00
Public Health Funding Act:					
Contracted Municipalities - 2008		10,474.00		10,474.00	
Clean Communities Grant - 2008		17,819.32		17,819.32	
Alcohol Education and Rehabilitation Grant - 2008		2,998.55		2,998.55	
Recycling Tonnage Grant - 2008		24,064.17		24,064.17	
COPS in Shops Grant - 2008		2,400.00		2,400.00	
Drunk Driving Enforcement Grant - 2008		11,194.56		11,194.56	
New Jersey Department of Health and Senior Services Grant	10,105.00				10,105.00
Obey the Signs or Pay the Fines Grant - 2008		4,000.00		4,000.00	
Over the Limit, Under Arrest Grant - 2008		4,750.00		4,750.00	
Community Stewardship Incentive Program Grant	3,750.00				3,750.00
Local Public Health Emergency Response H1N1 Grant		110,786.00	44,796.20		65,989.80
	<u>\$ 28,699.00</u>	<u>\$ 205,830.60</u>	<u>\$ 59,640.20</u>	<u>\$ 80,200.60</u>	<u>\$ 94,688.80</u>
<u>Ref.</u>	A				A

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

	Balance Dec. 31, 2008	Transferred from 2009 Budget	Cash Disbursed	Accounts Payable	Balance Dec. 31, 2009
<b>Public Health Priority Funding Act of 1977:</b>					
2008		\$ 10,474.00	\$ 10,474.00		
<b>Clean Communities Program:</b>					
2005	\$ 1,731.45				\$ 1,731.45
2006	6,708.23				6,708.23
2007	11,149.27				11,149.27
2008		17,819.32	10,841.95		6,977.37
<b>Recycling Tonnage Grant:</b>					
2002	4,973.32				4,973.32
2003	7,950.67				7,950.67
2004	11,199.16				11,199.16
2005	11,928.00				11,928.00
2006	16,119.68				16,119.68
2007	13,252.94		12,377.43		875.51
2008		24,064.17	24,064.17		
<b>Drunk Driving Enforcement Fund:</b>					
2007	6,653.45				6,653.45
2008		11,194.56	1,895.80		9,298.76
<b>Health Education Risk Development Grant</b>	1,000.16				1,000.16
<b>Alcoholism Education and Rehabilitation Fund:</b>					
2003	974.13				974.13
2004	624.14				624.14
2005	681.40				681.40
2006	3,124.46				3,124.46
2007	2,370.07				2,370.07
2008		2,998.55	900.00		2,098.55
<b>Municipal Alliance on Alcoholism and Drug Abuse:</b>					
Borough Share - Prior Years	6,417.54				6,417.54
State Share - 2006	4,165.47				4,165.47
Borough Share - 2006	3,847.00				3,847.00
State Share - 2007	14,569.00		135.38		14,433.62
Borough Share - 2007	3,643.00				3,643.00
Supplemental - County - 2008		2,500.00	2,500.00		
State Share - 2009		14,844.00	6,291.25	\$ 8,552.75	

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

	Balance Dec. 31, 2008	Transferred from 2009 Budget	Cash Disbursed	Accounts Payable	Balance Dec. 31, 2009
Municipal Alliance on Alcoholism and Drug Abuse:					
Borough Share - 2008	\$ 3,610.21		\$ 3,610.21		
Borough Share - 2009		\$ 3,711.00	3,711.00		
COPS in Shops:					
2006	400.00				\$ 400.00
2007	400.00				400.00
2008		2,400.00	1,600.00		800.00
Body Armor Grant:					
2002	1,063.70				1,063.70
2003	1,222.59		1,200.00		22.59
Green Communities Challenge - 2002	2,000.00				2,000.00
Office of Environmental Services - 2002	4,236.79				4,236.79
Stormwater Management Grant - 2004	9,022.00				9,022.00
Pandemic Influenza Grant:					
2006	171.60				171.60
2008	1,725.71				1,725.71
Community Stewardship Incentive Program Grant - 2008	3,842.00				3,842.00
Obey the Sign Grant:					
2007	3,125.00		3,125.00		
2008		4,000.00			4,000.00
Over the Limit Grant - 2008		4,750.00	2,875.00		1,875.00
Local Public Health Emergency Response H1N1 Grant		110,786.00	21,635.00	\$ 3,659.16	85,491.84
	<u>\$ 163,902.14</u>	<u>\$ 209,541.60</u>	<u>\$ 107,236.19</u>	<u>\$ 12,211.91</u>	<u>\$ 253,995.64</u>

Ref.

Federal Grants  
State Grants  
Local Grants  
Local Matching Funds

A

	\$ 11,150.00	\$ 7,600.00		
	192,180.60	89,814.98	\$ 12,211.91	
	2,500.00	2,500.00		
	3,711.00	7,321.21		
	<u>\$ 209,541.60</u>	<u>\$ 107,236.19</u>	<u>\$ 12,211.91</u>	

A

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

	Balance Dec. 31, 2008	Cash Received	Transferred to Budget Revenue	Balance Dec. 31, 2009
Alcohol Education and Rehabilitation Fund:				
2008	\$ 2,998.55		\$ 2,998.55	
2009		\$ 1,113.83		\$ 1,113.83
Clean Communities Grant:				
2008	17,819.32		17,819.32	
2009		22,735.07		22,735.07
Recycling Tonnage Grant:				
2008	24,064.17		24,064.17	
2009		49,335.70		49,335.70
Public Health Funding Act:				
2008	10,474.00		10,474.00	
2009		8,188.50		8,188.50
Cops in Shops - 2008	2,400.00		2,400.00	
Drunk Driving Enforcement Fund:				
2008	11,194.56		11,194.56	
2009		6,858.15		6,858.15
Obey the Signs or Pay the Fines Grant - 2008	4,000.00		4,000.00	
Over the Limit, Under Arrest Grant:				
2008	4,750.00		4,750.00	
2009		6,000.00		6,000.00
MAASA Supplemental - County:				
2008	2,500.00		2,500.00	
2009		2,500.00		2,500.00
Stormwater Management Grant - 2008	12,029.00			12,029.00
	\$ 92,229.60	\$ 96,731.25	\$ 80,200.60	\$ 108,760.25

Ref.      A

A

Federal	\$ 6,000.00
State	88,231.25
Local	2,500.00
	\$ 96,731.25

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
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>	<u>Assessment Trust Fund</u>
Balance December 31, 2008	B	\$ 30,064.82	\$ 1,074,241.45	\$ 382,122.32
Increased by Receipts:				
Borough Dog License Fees		\$ 28,948.00		
Prepaid Borough Dog License Fees		786.60		
State Dog License Fees		1,075.80		
Open Space Tax Levy			\$ 422,771.39	
Investment Interest Earned		381.24		
		<u>31,191.64</u>	<u>422,771.39</u>	
		61,256.46	1,497,012.84	382,122.32
Decreased by Disbursements:				
State Board of Health		1,083.60		
Expenditures Under R.S. 4:19-15.11		37,326.21		
Open Space Expenditures			205,441.63	
Due to General Capital Fund:				
Improvement Authorizations			50,000.00	
Due to Current Fund:				
Anticipated Revenue				\$ 382,098.40
Prior Year Interfund Returned		4,852.91		23.92
		<u>43,262.72</u>	<u>255,441.63</u>	<u>382,122.32</u>
Balance December 31, 2009	B	<u>\$ 17,993.74</u>	<u>\$ 1,241,571.21</u>	<u>\$ -0-</u>

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

	<u>Ref.</u>	<u>Other Trust Funds</u>
Balance December 31, 2008	B	\$ 1,070,603.11
Increased by Receipts:		
Due from Current Fund		
Prior Year Interfund Returned	\$	4,000.00
Due from General Capital Fund - Fire Department Trust:		
Prior Year Interfund Returned		369.51
Due to State of New Jersey:		
Marriage License Fees		1,900.00
Burial Permits		710.00
Construction Code Surcharge Fees		17,525.00
Interest Earned in Unemployment Insurance		845.84
Reserve for Unemployment Insurance		34,448.57
Reserve for Special Funds		701,879.54
Investment Interest Earned		7,019.02
Investment Interest Earned Due Current Fund		75.61
		<u>768,773.09</u>
		<u>1,839,376.20</u>
Decreased by Disbursements:		
Due to Current Fund:		
Prior Year Interfund Returned		73.97
Due to State of New Jersey:		
Marriage License Fees		1,825.00
Burial Permits		1,000.00
Construction Code Surcharge Fees		16,236.00
Reserve for Unemployment Insurance		74,496.33
Reserve for Special Funds		733,120.31
		<u>826,751.61</u>
Balance December 31, 2009	B	<u>\$ 1,012,624.59</u>

BOROUGH OF MADISON  
ASSESSMENT TRUST FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

BOROUGH OF MADISON  
ASSESSMENT TRUST FUND  
SCHEDULE OF RESERVE FOR ASSESSMENTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

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

	<u>Ref.</u>		
Balance December 31, 2008	B		\$ 24,208.71
Increased by:			
Dog License Clerk		\$ 28,948.00	
Interest Earned		381.24	
Prior Year Prepays		910.80	
			30,240.04
			54,448.75
Decreased by:			
Animal Control Fund Expenditures			37,326.21
Balance December 31, 2009	B		\$ 17,122.54

License Fees Collected

<u>Year</u>	<u>Amount</u>
2007	\$ 14,688.91
2008	24,304.40
Maximum Allowable Reserve	\$ 38,993.31

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
GENERAL CAPITAL FUND

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 15,264,470.51
Increased by Receipts:		
Current Fund Appropriations:		
Capital Improvement Fund		\$ 500,000.00
Due to Current Fund:		
Morris County Joint Insurance Fund:		
Insurance Claim for Damaged Leaf Vaccum		34,835.00
Due From Other Trust Funds:		
Fire Department Trust Fund		2,000.00
Open Space Trust Fund		50,000.00
Bond Anticipation Notes Issued		4,700,000.00
Bond Anticipation Notes Premium		62,788.00
Grant Receivables:		
Morris County Community Development Grant		80,000.00
New Jersey Historic Trust		60,696.55
Interest on Investment Due to Current Fund		663.75
Due Museum of Early Trades and Crafts		19.44
		5,491,002.74
		20,755,473.25
Decreased by Disbursements:		
Due to Current Fund:		
Anticipated Revenue:		
Bond Anticipation Notes Premium		62,788.00
Due to Other Trust Funds:		
Fire Department Trust Fund		369.51
Due to Water Utility Capital Fund:		
Prior Year Interfund Returned		79,849.27
Improvement Authorization Expenditures		7,729,956.13
		7,872,962.91
Balance December 31, 2009	C	\$ 12,882,510.34

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2008	Receipts			Disbursements			Balance (Deficit) Dec. 31, 2009	
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers		
							From		To
Fund Balance	\$ 107,345.94						\$ 56,851.75	\$ 164,197.69	
Capital Improvement Fund	4,786,725.40		\$ 500,000.00			\$ 2,341,561.20	276,059.46	3,221,223.66	
Due Current Fund				\$ 35,498.75				35,498.75	
Due Other Trust Fund - Fire Department Trust	369.51			2,000.00		\$ 369.51	2,000.00	2.00	
Due Other Trust Fund - Open Space				50,000.00			1,010,000.00	(960,000.00)	
Due Water Utility Capital Fund	79,849.27						79,849.27		
State of New Jersey Green Acres Receivable	(175,000.00)							(175,000.00)	
Morris County Community Development	(112,475.00)			80,000.00				(32,475.00)	
Morris County Open Space Preservation Trust Fund							3,050,000.00	(3,050,000.00)	
New Jersey Department of Transportation - Reconstruction of Intersection									
New Jersey Department of Transportation	(43,750.00)							(43,750.00)	
New Jersey Department of Transportation (ISTEA)	(155,000.00)							(155,000.00)	
Transportation Enhancement Grant	(100,000.00)							(100,000.00)	
New Jersey Historic Trust	(600,000.00)			60,696.55				(539,303.45)	
Hartley Dodge Memorial Trustees	(420,000.00)							(420,000.00)	
Morris County Historic Preservation Trust Fund	(150,000.00)							(150,000.00)	
New Jersey Statewide Livable Communities Grant	(30,000.00)							(30,000.00)	
Reserve for Bond Anticipation Note Premium				62,788.00			62,788.00		
Reserve for Encumbrances	5,700,821.76						2,792,890.55	8,123,807.75	
Amount Due to Museum of Early Trades and Crafts	19,042.31			19.44				19,061.75	
<b>Ord. Number</b>	<b>Improvement Description</b>								
42-05;	Various Public Improvements and Acquisition of New Fire								
58-08	Engines, Including Original Apparatus and Equipment	8,409,018.05			\$ 4,164,680.12		3,606,518.32	637,819.61	
45-05	Document Imaging, Management, Storage	22,050.02			3,020.61		31,718.43	12,689.02	
58-05	Professional Design Services for an Elevator at the Madison Civic Center				23,800.00			23,800.00	
1-06	Environmental Phase II Investigation of Borough Property Located at Block 4312, Lots 14.15 and 16	15,080.00					15,080.00		
30-06	2006 Road Program Including Fairview Avenue, Hoyt Street and Westerly Avenue	98,083.75					169,042.52	70,958.77	
33-06	Exterior Lighting, Site Development Plan, Signage and Chairs for the Madison Public Library	11,300.00			7,342.50		7,342.50	11,300.00	
42-06	Improvements at the Madison Train Station	100,000.00			9,136.00		74,006.25	16,857.75	
16-07	Pump Station Modernization Work	27,723.66					27,723.66		
17-07	Woodland Road Design Work	300.00			5,750.00		300.00	5,750.00	
26-07;	Assessment of HVAC, Bathroom Repairs, New Book Stack,								
66-07	Interior Signage, Reupholster Chairs, Drainage Ditch Stabilization, Design Work, and Parking Lot at Library	27,870.00			14,929.00		7,929.00	20,870.00	
39-07; 13-08	Design of Drainage Improvements on Green Village Road	200.00			3,420.00		1,282.43	4,502.43	
40-07; 12-08	Flow Monitoring Study of North Street Service Area				768.00		1.40	769.40	
46-07	2007 Sanitary Sewer Main Lining Program	256,702.85			139,202.64		139,202.64	256,702.85	
50-07	Purchase of Computer Hardware for the Madison Public Library	3,926.65			3,926.65				
51-07;	2007 Road Reconstruction Program								
60-08; 47-09		(257,266.06)			841,783.47		1,121,711.66	22,662.13	

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

Ord. Number	Improvement Description	Balance (Deficit) Dec. 31, 2008	Receipts			Disbursements			Balance (Deficit) Dec. 31, 2009	
			Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers		
								From		To
78-07	Emergency Work on Storm Drain Culvert at Rear of Private Properties on the North Side of Elmer Street	\$ 10,600.00					\$ 10,600.00			
24-08; 56-08	Purchase of a New Catch Basin Cleaner Truck & Accessories				\$ 156,750.00			\$ 156,750.00		
79-07	Design Services and Improved Storm Drainage Structures to Existing Culvert at Rear of Private Properties on the North Side of Elmer Street				14,247.24			14,247.24		
27-08	Purchase of Equipment including Rubber Mats for the Apparatus Floor, a Floor Scrubber, Additional Shelving and Vacuums for the Fire Department	3,097.99					3,097.99			
28-08	Purchase of Office Equipment including Copier Machine, Fax Machine, Printer and Storage Unit with Countertop for the Madison Fire Department	269.82					269.82			
31-08	Purchase of New Replacement Antenna for the Radio at Midwood Tank	5,140.00					5,140.00			
34-08	Resurfacing Improvements to the Dodge Field and Lucy D. Anthony Basketball Courts	1,925.00					1,925.00			
35-08	Purchase of Fire Department Vehicle	30,000.00			30,000.00					
41-08	Purchase of Window Replacements and a New Generator for the Civic Center	24,637.00							\$ 24,637.00	
47-08;										
61-08; 48-09	2008 Road Reconstruction Program	(399,634.36)			1,310,183.38			1,792,191.00	82,373.26	
48-08	2008 Road Milling and Overlay Program	32,631.26			31,143.71		56,851.75	55,364.20		
49-08	2008 Storm Sewer Improvement Program	1,612,737.77			5,912.50		665,267.50		941,557.77	
50-08	2008 Sanitary Sewer Main Lining Program	865,736.76			314,028.12			169,018.12	720,726.76	
53-08	Purchase Portable Generators and Accessories	2,575.00			2,104.08		470.92			
64-08	Purchase of Fire Department Protective Clothing	25,000.00			24,528.60		471.40			
67-08	Two New Thermal Imaging Cameras	8,801.00			17,598.00		2.00	8,799.00		
69-08	Modifications and Improvements to the Madison Storm Sewer System in the Area of Rachael Avenue				6,750.00			6,750.00		
70-08	Swale Construction, Purchase of Computer Equipment, Sidewalk Paving and Exterior Ramp Construction for the Madison Public Library	98,000.00			76,926.74		14,172.49		6,900.77	
73-08;	Acquisition of Real Property for Open Space Preservation and Recreation Purposes	(4,679,964.84)	\$ 4,700,000.00		3,274.49			1,300,115.57	1,316,876.24	
49-09										
03-09	Three Emergencies during 2008 (Emergency Repair of Sanitary Sewer at Central Ave and Bardon Street; Emergency Replacement of Pump at North Street Pump Station; and Emergency Replacement of Sewer Main on Ridgedale Ave and Burnet Road)				41,064.37		8,935.63	50,000.00		
07-09	Environmental Engineering, Survey and Fence at 22 Orchard Street, Block 4312, Lots 14, 15 and 16				2,950.00			84,663.00	81,713.00	
20-09;	Purchase of Property Located at 205 Madison Avenue,									
56-09	Lot 1.02, Block 201				50,000.00			2,760,000.00	2,710,000.00	
21-09	Purchase of Rescue Lift Bags				1,973.00			2,000.00	27.00	
22-09	Emergency Sewer Main Work and Tree Removal at Woodside Road and Glendale Road				26,863.20			26,863.20		
23-09	Douglas Avenue Road Project							44,095.00	44,095.00	

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

Ord. Number	Improvement Description	Balance (Deficit) Dec. 31, 2008	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2009	
			Bond Anticipation Notes	Budget Appropriation	Improvement Authorizations	Miscellaneous	From	To		
25-09	Emergency Repairs to the Department of Public Works Garage Roof Main Truss Supports				\$ 14,300.00			\$ 15,000.00	\$ 700.00	
26-09	Emergency Sewer Main Problem on Park Avenue				48,499.74		\$ 0.26	48,500.00		
28-09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility				750.00				(750.00)	
29-09	Dodge Field Improvements				9,075.00		47,152.45	95,000.00	38,772.55	
32-09	Construction of Elevator at Madison Civic Center				55,182.23		241,311.27	300,000.00	3,506.50	
33-09	Borough Clerk Office Copier/Scanner				13,671.00			14,000.00	329.00	
34-09	Signal Improvements at Kings Road School, Central Avenue School, St. Vincent School and Torey J. Sabatini School				77,571.00		8,619.00	86,190.00		
35-09	Drainage Repairs and Improvements to the Museum of Early Trades & Crafts				10,530.00		1,470.00	12,000.00		
38-09	Reconstruction of South Street				153,358.24		84,024.76	238,000.00	617.00	
43-09	Purchase of an Attachment for Tractor				12,250.00			12,250.00		
46-09	Reconstruction of Pomeroy Road				712.50		473,334.50	510,000.00	35,953.00	
		<u>\$ 15,264,470.51</u>	<u>\$ 4,700,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 291,002.74</u>	<u>\$ 7,729,956.13</u>	<u>\$ 143,006.78</u>	<u>\$ 14,745,241.50</u>	<u>\$ 14,745,241.50</u>	<u>\$ 12,882,510.34</u>

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

Date of Ordinance/ Number	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Funded by Capital Improvement Fund	Funded by Morris County Open Space Preservation Trust Fund	Balance Dec. 31, 2009	Analysis of Balance Dec. 31, 2009		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
51-07; 60-08; 47-09	2007 Road Reconstruction Program	\$ 330,000.00		\$ 330,000.00					
47-08; 61-08; 48-09	2008 Road Reconstruction Program	475,000.00		475,000.00					
73-08; 49-09	Acquisition of Real Property for Open Space Preservation and Recreation Purposes	6,000,000.00			\$ 1,300,000.00	\$ 4,700,000.00	\$ 4,700,000.00		
28-09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility		\$ 2,161,500.00			2,161,500.00		\$ 750.00	\$ 2,160,750.00
		<u>\$ 6,805,000.00</u>	<u>\$ 2,161,500.00</u>	<u>\$ 805,000.00</u>	<u>\$ 1,300,000.00</u>	<u>\$ 6,861,500.00</u>	<u>\$ 4,700,000.00</u>	<u>\$ 750.00</u>	<u>\$ 2,160,750.00</u>
	<u>Ref.</u>	C				C			

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations - Unfunded	\$ 3,477,626.24
Less: Unexpended Proceeds of Bond Anticipation Notes Issued: Ordinance 73-08	<u>(1,316,876.24)</u>
	<u>\$ 2,160,750.00</u>

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

Improvement Description	Ordinance		Balance Dec. 31, 2008		2009 Authorizations			Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2009	
	Number	Amount	Funded	Unfunded	Capital Improvement Fund	Other Sources	Deferred Charges To Future Taxation Unfunded				Funded	Unfunded
Various Public Improvements and Acquisition of New Fire Engines, Including Original Apparatus and Equipment	42-05; 58-08	\$ 23,367,000.00	\$ 8,409,018.05						\$ 7,771,198.44		\$ 637,819.61	
Document Imaging, Management, Storage	45-05	105,000.00	22,050.02					\$ 9,668.41		\$ 31,718.43		
Environmental Phase II Investigation of Borough Property Located at Block 4312, Lots 14.15 and 16	01-06	26,000.00	15,080.00							15,080.00		
2006 Road Program Including Fairview Avenue, Hoyt Street and Westerly Avenue	30-06	480,000.00	98,083.75					70,958.77		169,042.52		
Exterior Lighting, Site Development Plan, Signage and Chairs for the Madison Public Library	33-06	85,000.00	11,300.00								11,300.00	
Improvements at the Madison Train Station	42-06	100,000.00	100,000.00						83,142.25		16,857.75	
Pump Station Modernization Work	16-07	50,000.00	27,723.66							27,723.66		
Woodland Road Design Work	17-07	55,000.00	300.00							300.00		
Assessment of HVAC, Bathroom Repairs, New Book Stack, Interior Signage, Reupholster Chairs, Drainage Ditch Stabilization, Design Work, and Parking Lot at Library	26-07; 66-07	142,000.00	27,870.00						7,000.00		20,870.00	
Design of Drainage Improvements on Green Village Road	39-07; 13-08	63,000.00	200.00					1,082.43		1,282.43		
Flow Monitoring Study of North Street Service Area	40-07; 12-08	77,100.00						1.40		1.40		
2007 Sanitary Sewer Main Lining Program	46-07	450,000.00	256,702.85								256,702.85	
Purchase of Computer Hardware for the Madison Public Library	50-07	8,000.00	3,926.65						3,926.65			
2007 Road Reconstruction Program	51-07; 60-08; 47-09	1,492,000.00		\$ 72,733.94					50,071.81		22,662.13	
Emergency Work on Storm Drain Culvert at Rear of Private Properties on the North Side of Elmer Street	78-07	20,000.00	10,600.00							10,600.00		
Purchase of Equipment including Rubber Mats for the Apparatus Floor, a Floor Scrubber, Additional Shelving and Vacuums for the Fire Department	27-08	10,000.00	3,097.99							3,097.99		
Purchase of Office Equipment including Copier Machine, Fax Machine, Printer and Storage Unit with Countertop for the Madison Fire Department	28-08	6,000.00	269.82							269.82		
Purchase of New Replacement Antenna for the Radio at Midwood Tank	31-08	10,000.00	5,140.00							5,140.00		
Resurfacing Improvements to the Dodge Field and Lucy D. Anthony Basketball Courts	34-08	15,000.00	1,925.00							1,925.00		
Purchase of Fire Department Vehicle	35-08	30,000.00	30,000.00						30,000.00			
Purchase of Window Replacements and a New Generator for the Civic Center	41-08	31,000.00	24,637.00								24,637.00	
2008 Road Reconstruction Program	47-08; 61-08; 48-09	1,395,000.00		75,365.64					7,007.62		82,373.26	
2008 Road Milling and Overlay Program	48-08	680,000.00	32,631.26					19,820.49	(4,400.00)	56,851.75		
2008 Storm Sewer Improvement Program	49-08	1,615,000.00	1,612,737.77						671,180.00		941,557.77	
2008 Sanitary Sewer Main Lining Program	50-08	1,470,000.00	865,736.76						145,010.00		720,726.76	
Purchase Portable Generators and Accessories	53-08	20,000.00	2,575.00						2,104.08	470.92		
Purchase of Fire Department Protective Clothing	64-08	25,000.00	25,000.00						24,528.60	471.40		
Two New Thermal Imaging Cameras	67-08	17,600.00	8,801.00						8,799.00	2.00		
Swale Construction, Purchase of Computer Equipment, Sidewalk Paving and Exterior Ramp Construction and Legal Fees for the Madison Public Library	70-08; 19-09	98,000.00	98,000.00						91,099.23		6,900.77	

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

Improvement Description	Ordinance		Balance Dec. 31, 2008		2009 Authorizations			Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2009	
	Number	Amount	Funded	Unfunded	Capital Improvement Fund	Other Sources	Deferred Charges To Future Taxation Unfunded				Funded	Unfunded
Acquisition of Real Property for Open Space Preservation and Recreation Purposes	73-08; 49-09	\$ 12,800,000.00		\$ 1,320,035.16					\$ 3,158.92		\$ 1,316,876.24	
Three Emergencies during 2008 (Emergency Repair of Sanitary Sewer at Central Ave and Bardon Street; Emergency Replacement of Pump at North Street Pump Station; and Emergency Replacement of Sewer Main on Ridgedale Ave and Burnet Road)	03-09	50,000.00			\$ 50,000.00				41,064.37	\$ 8,935.63		
Environmental Engineering, Survey and Fence at 22 Orchard Street, Block 4312, Lots 14, 15 and 16	07-09	84,663.00			84,663.00				2,950.00		\$ 81,713.00	
Purchase of Property Located at 205 Madison Avenue, Lot 1.02, Block 201	20-09; 56-09	2,760,000.00				\$ 2,760,000.00			50,000.00		2,710,000.00	
Purchase of Rescue Lift Bags	21-09	2,000.00				2,000.00			1,973.00		27.00	
Emergency Sewer Main Work and Tree Removal at Woodside Road and Glendale Road	22-09	26,863.20			26,863.20				26,863.20			
Douglas Avenue Road Project	23-09	44,095.00			44,095.00						44,095.00	
Emergency Repairs to the Department of Public Works Garage Roof Main Truss Supports	25-09	15,000.00			15,000.00				14,300.00		700.00	
Emergency Sewer Main Problem on Park Avenue	26-09	48,500.00			48,500.00				48,499.74	0.26		
Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility	28-09	2,161,500.00					\$ 2,161,500.00		750.00		2,160,750.00	
Dodge Field Improvements	29-09	95,000.00			95,000.00				56,227.45		38,772.55	
Construction of Elevator at Madison Civic Center	32-09	300,000.00			300,000.00				296,493.50		3,506.50	
Borough Clerk Office Copier/Scanner	33-09	14,000.00			14,000.00				13,671.00		329.00	
Signal Improvements at Kings Road School, Central Avenue School, St. Vincent School and Torey J. Sabatini School	34-09	86,190.00			86,190.00				86,190.00			
Drainage Repairs and Improvements to the Museum of Early Trades & Crafts	35-09	12,000.00			12,000.00				12,000.00			
Reconstruction of South Street	38-09	238,000.00			238,000.00				237,383.00		617.00	
Purchase of an Attachment for Tractor	43-09	12,250.00			12,250.00				12,250.00			
Reconstruction of Pomeroy Road	46-09	510,000.00			510,000.00				474,047.00		35,953.00	
			<u>\$ 11,693,406.58</u>	<u>\$ 1,468,134.74</u>	<u>\$ 1,536,561.20</u>	<u>\$ 2,762,000.00</u>	<u>\$ 2,161,500.00</u>	<u>\$ 108,539.12</u>	<u>\$ 10,261,481.24</u>	<u>\$ 332,913.21</u>	<u>\$ 5,658,120.95</u>	<u>\$ 3,477,626.24</u>

Ref.

	C	C								C	C
Morris County Open Space Preservation Trust Fund			\$ 1,750,000.00						Cash Disbursed	\$ 7,729,956.13	
Due from Open Space Trust Fund			1,010,000.00						Current Year Encumbrances	5,215,876.54	
Due from Fire Department Trust			2,000.00						Prior Year Encumbrances	(2,684,351.43)	
			<u>\$ 2,762,000.00</u>							<u>\$ 10,261,481.24</u>	
									Capital Improvement Fund	\$ 276,059.46	
									Capital Fund Balance	56,851.75	
									Due to Fire Department Trust Fund	2.00	
										<u>\$ 332,913.21</u>	

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 4,786,725.40
Increased By:		
Improvement Authorizations Cancelled		\$ 276,059.46
Current Fund Budget Appropriation		500,000.00
		776,059.46
		5,562,784.86
Decreased By:		
Appropriation to Finance		
Improvement Authorizations		1,536,561.20
Appropriation to Finance Amended		
Improvement Authorizations		805,000.00
		2,341,561.20
Balance December 31, 2009	C	\$ 3,221,223.66

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2009

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2009
		Original Issue	Issue	Maturity			
73-08	Acquisition of Real Property for Open Space Preservation and Recreation Purposes	01/23/2009	01/23/2009	01/22/2010	2.00%	\$ 4,700,000.00	\$ 4,700,000.00
						\$ 4,700,000.00	\$ 4,700,000.00
					<u>Ref.</u>		C
				New Issues		\$ 4,700,000.00	
						\$ 4,700,000.00	

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2008	Matured	Balance Dec. 31, 2009
			Outstanding Dec. 31, 2009 Date	Amount				
General Improvement	10/15/08	\$26,321,000.00	10/15/10	\$ 980,000.00	4.50%			
			10/15/11	1,020,000.00	4.50%			
			10/15/12	1,065,000.00	4.50%			
			10/15/13	1,110,000.00	4.50%			
			10/15/14	1,160,000.00	4.50%			
			10/15/15	1,210,000.00	4.50%			
			10/15/16	1,260,000.00	4.50%			
			10/15/17	1,310,000.00	4.50%			
			10/15/18	1,370,000.00	4.625%			
			10/15/19	1,425,000.00	4.75%			
			10/15/20	1,495,000.00	5.00%			
			10/15/21-27	1,520,000.00	5.00%			
			10/15/28	1,516,000.00	5.00%			
					<u>\$26,321,000.00</u>	<u>\$ 760,000.00</u>	<u>\$25,561,000.00</u>	
					<u>\$26,321,000.00</u>	<u>\$ 760,000.00</u>	<u>\$25,561,000.00</u>	
					C		C	
		<u>Ref.</u>						

BOROUGH OF MADISON  
GENERAL CAPITAL FUND  
SCHEDULE OF LOANS PAYABLE

	<u>Ref.</u>	<u>Total</u>	<u>1989 Trust Refunding</u>
Balance December 31, 2008	C	\$ 204,037.50	\$ 204,037.50
Decreased by:			
Principal Matured		<u>204,037.50</u>	<u>204,037.50</u>
Balance December 31, 2009	C	<u>\$ -0-</u>	<u>\$ -0-</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>2009</u>	<u>Funded by</u>	<u>Funded by</u>	<u>Bond</u>	<u>Balance</u>
<u>No.</u>	<u>Date</u>		<u>Dec. 31, 2008</u>	<u>Authorizations</u>	<u>Capital</u>	<u>Morris County</u>	<u>Anticipation</u>	<u>Dec. 31, 2009</u>
					<u>Improvement</u>	<u>Open Space</u>	<u>Notes Issued</u>	
					<u>Fund</u>	<u>Preservation</u>		
						<u>Trust Fund</u>		
51-07; 60-08	08/31/07; 09/22/08	2007 Road Reconstruction Program	\$ 330,000.00		\$ 330,000.00			
47-08; 61-08	07/14/08 09/22/08	2008 Road Reconstruction Program	475,000.00		475,000.00			
73-08; 49-09	11/24/08	Acquisition of Real Property for Open Space Preservation and Recreation Purposes	6,000,000.00			\$ 1,300,000.00	\$ 4,700,000.00	
28-09	07/16/09	Improvement of the Madison-Chatham Joint Meeting's Molitor Water Pollution Control Facility		\$ 2,161,500.00				\$ 2,161,500.00
			<u>\$ 6,805,000.00</u>	<u>\$ 2,161,500.00</u>	<u>\$ 805,000.00</u>	<u>\$ 1,300,000.00</u>	<u>\$ 4,700,000.00</u>	<u>\$ 2,161,500.00</u>

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
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, 2008	D	\$ 1,580,987.04	\$ 1,494,455.51
Increased by Receipts:			
Consumer Accounts Receivable		\$ 1,669,408.64	
Water Rent Overpayments		6,842.03	
Interest on Investments		38,554.11	
Miscellaneous Revenue		5,125.57	
Cancellation of Prior Year Reconciling Items		24.19	
Water Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			\$ 300,000.00
Due from General Capital Fund:			
Prior Year Interfund Returned			79,849.27
Reserve for Security Deposit		100.00	
		<u>1,720,054.54</u>	<u>379,849.27</u>
		3,301,041.58	1,874,304.78
Decreased by Disbursements:			
2009 Appropriation Expenditures		1,754,623.06	
2008 Appropriation Reserves		186,544.54	
Refund of Water Rent Overpayments		6,842.03	
Due to Current Fund:			
Anticipated Revenue		300,000.00	
Improvement Authorization Expenditures			654,692.73
		<u>2,248,009.63</u>	<u>654,692.73</u>
Balance December 31, 2009	D	<u>\$ 1,053,031.95</u>	<u>\$ 1,219,612.05</u>

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

	Balance (Deficit) Dec. 31, 2008	Receipts		Disbursements	Transfers		Balance Dec. 31, 2009	
		2009 Budget Appropriation	Miscel- laneous	Improvement Authori- zations	From	To		
Fund Balance	\$ 57,526.75						\$ 57,526.75	
Encumbrances Payable	360,687.81				\$ 334,672.06	\$ 4,784.63	30,800.38	
Due from General Capital Fund	(79,849.27)		\$ 79,849.27					
Capital Improvement Fund	1,043,091.19	\$ 300,000.00			305,000.00	34,491.26	1,072,582.45	
Reserve for Filtration System	48,258.95					2,509.95	50,768.90	
<u>Ord. No.</u>	<u>General Improvements</u>							
54-05	Paint Madison Avenue Water Tank	1,645.32		\$ 5,711.00	16,570.32	20,636.00		
28-07	Various Repairs at Five Water Wells	205.00			205.00			
47-07;								
40-08	Water Main Replacements on Municipal Roads	1,763.63		102,922.71	2,509.95	103,669.03		
25-08	Computer Upgrades and Replacements in the Water System Water Wells	21,850.00		12,840.41	9,009.59			
33-08	Purchase of a Water Leak Detector for the Water Department	6,505.35			6,505.35			
39-08;	Water Main Replacement Projects Covering the							
54-08	Main Replacement of Municipal Roads Including Pomeroy, Brooklake, Pine Tree, Durwood, Fletcher and a Portion of Niles Avenue	30,569.78		289,097.90		265,068.03	6,539.91	
72-08	Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	2,201.00		10,299.00	2,201.00	10,299.00		
37-09	Water Main Replacement on Green Avenue (Shunpike Rd to Midwood Terr)			233,821.71	4,784.63	240,000.00	1,393.66	
		<u>\$ 1,494,455.51</u>	<u>\$ 300,000.00</u>	<u>79,849.27</u>	<u>\$ 654,692.73</u>	<u>\$ 681,457.90</u>	<u>\$ 681,457.90</u>	<u>\$ 1,219,612.05</u>

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

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 212,160.12
Increased by:		
Water Rents Levied		<u>1,690,361.12</u>
		1,902,521.24
Decreased by:		
Water Collections		<u>1,669,408.64</u>
Balance December 31, 2009	D	<u>\$ 233,112.60</u>

BOROUGH OF MADISON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2008	Additions by Ordinance	Balance Dec. 31, 2009
Land Reservations	\$ 10,957.98		\$ 10,957.98
Land Pump Station	10,020.00		10,020.00
Land Storage Reservoir	3,515.80		3,515.80
Springs and Wells	249,427.04		249,427.04
Supply Mains	3,727.00		3,727.00
Pump Station Structure	103,777.04		103,777.04
Electric Pumping Equipment	173,571.25		173,571.25
Other Pumping Equipment	13,282.28		13,282.28
Standpipe Tanks	267,878.60		267,878.60
Distribution Mains	2,289,647.42		2,289,647.42
Service Pipes and Stops	209,906.91		209,906.91
Meters	199,478.71		199,478.71
Fire Hydrants	100,316.90		100,316.90
Foundations	328.40		328.40
General Structure	27,605.56		27,605.56
General Equipment	31,112.46		31,112.46
Ford Station Wagon	947.99		947.99
Chevrolet Biscayne Sedan	730.00		730.00
Engineering and Superintendence	1,570.18		1,570.18
Office Equipment	6,651.24		6,651.24
Ford Pickup	611.00		611.00
Buildings and Renovations	75,712.19		75,712.19
New Services	35.00		35.00
Bursting Machine	1,423.25		1,423.25
Utility Truck and Mailing Equipment	21,925.72		21,925.72
Improvement to Well "B"	3,932.08		3,932.08
Utility Trucks	37,042.00		37,042.00
Removal of Underground Storage Tanks	27,810.40		27,810.40
Engineering	130,000.00		130,000.00
Utility Truck	23,052.00		23,052.00
Pipe and Road Repair	150,000.00		150,000.00
Water Mains	14,015.69		14,015.69
Madison Avenue Water Tank	113,012.50		113,012.50
Green Village Road Water Main	191,014.67		191,014.67
Midwood Terrace Water Tank	159,671.00		159,671.00
Improvements on Morris Place	50,000.00		50,000.00
Backhoe	35,000.00		35,000.00
Repair of Well Leaks	6,827.57		6,827.57
Construction of Air Stripping Facility	1,255,712.10		1,255,712.10

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

	Balance Dec. 31, 2008	Additions by Ordinance	Balance Dec. 31, 2009
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
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

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

	Balance Dec. 31, 2008	Additions by Ordinance	Balance Dec. 31, 2009
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
	<u>\$ 10,059,634.46</u>	<u>\$ 992,498.79</u>	<u>\$ 11,052,133.25</u>
	D		D

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

Improvement Description	Ord. No.	Balance Dec. 31, 2008	2009 Authorizations	Transferred to Fixed Capital	Authorizations Cancelled	Balance Dec. 31, 2009
Paint Madison Avenue Water Tank	54-05	\$ 250,000.00		\$ 233,429.68	\$ 16,570.32	
Various Repairs at Five Water Wells	28-07	15,000.00		14,795.00	205.00	
Water Main Replacements on Municipal Roads	47-07; 40-08	637,000.00	\$ 65,000.00	699,490.05	2,509.95	
Computer Upgrades and Replacements in the Water System Water Wells	25-08	30,000.00		20,990.41	9,009.59	
Purchase of a Water Leak Detector for the Water Department	33-08	20,000.00		13,494.65	6,505.35	
Water Main Replacement Projects Covering the Main Replacement of Municipal Roads Including Pomeroy, Brooklake, Pine Tree, Durwood, Fletcher and a Portion of Niles Avenue	39-08; 54-08	898,000.00				\$ 898,000.00
Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	72-08	12,500.00		10,299.00	2,201.00	
Water Main Replacement on Green Avenue (Shunpike Rd to Midwood Terr)	37-09		240,000.00			240,000.00
		<u>\$ 1,862,500.00</u>	<u>\$ 305,000.00</u>	<u>\$ 992,498.79</u>	<u>\$ 37,001.21</u>	<u>\$ 1,138,000.00</u>

Ref.

D

D

BOROUGH OF MADISON  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2008 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2009

	<u>Balance</u> <u>Dec. 31, 2008</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	\$ 57,289.99	\$ 57,289.99		\$ 57,289.99
Other Expenses	337,325.50	337,325.50	\$ 186,544.54	150,780.96
Statutory Expenditures:				
Contribution to:				
Public Employees Retirement System	10,306.26	10,306.26		10,306.26
Social Security System	5,113.72	5,113.72		5,113.72
	<u>\$ 410,035.47</u>	<u>\$ 410,035.47</u>	<u>\$ 186,544.54</u>	<u>\$ 223,490.93</u>

Analysis of Balance December 31, 2008

	<u>Ref.</u>	
Encumbered	D	\$ 154,424.48
Unencumbered	D	255,610.99
		<u>\$ 410,035.47</u>

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2008 Funded	2009 Authorizations		Paid or Charged	Authorizations Canceled	Balance Dec. 31, 2009 Funded
		Date	Amount		Improvement Fund	Encumbrances Canceled			
54-05	Paint Madison Avenue Water Tank	11/14/05	\$ 250,000.00	\$ 1,645.32			\$ 14,925.00	\$ 16,570.32	
28-07	Various Repairs at Five Water Wells	05/30/07	15,000.00	205.00				205.00	
47-07;									
40-08; 15-09	Water Main Replacements on Municipal Roads	07/23/07	702,000.00	1,763.63	\$ 65,000.00		\$ 64,253.68	2,509.95	
25-08	Computer Upgrades and Replacements in the Water System Water Wells	04/28/08	30,000.00	21,850.00			12,840.41	9,009.59	
33-08	Purchase of a Water Leak Detector for the Water Department	05/12/08	20,000.00	6,505.35				6,505.35	
39-08;	Water Main Replacement Projects Covering the								
54-08	Main Replacement of Municipal Roads Including Pomeroy, Brooklake, Pine Tree, Durwood, Fletcher and a Portion of Niles Avenue	05/12/08; 07/28/08	898,000.00	30,569.78			24,029.87		\$ 6,539.91
72-08	Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	11/24/08	12,500.00	2,201.00				2,201.00	
37-09	Water Main Replacement on Green Avenue (Shunpike Rd to Midwood Terr)	07/27/09	240,000.00		240,000.00		238,606.34		1,393.66
				<u>\$ 64,740.08</u>	<u>\$ 305,000.00</u>	<u>\$ 14,925.00</u>	<u>\$ 339,730.30</u>	<u>\$ 37,001.21</u>	<u>\$ 7,933.57</u>
<u>Ref.</u>				D					D
							Cash Disbursed	\$ 654,692.73	
							Prior Year Encumbrances	(319,747.06)	
							Current Year Encumbrances	4,784.63	
								<u>\$ 339,730.30</u>	
							Capital Improvement Fund	\$ 34,491.26	
							Reserve for Filtration System	2,509.95	
								<u>\$ 37,001.21</u>	

BOROUGH OF MADISON  
WATER UTILITY FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 1,043,091.19
Increased by:		
Improvement Authorizations Cancelled	\$	34,491.26
Water Operating Fund Budget Appropriation		<u>300,000.00</u>
		<u>334,491.26</u>
		1,377,582.45
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>305,000.00</u>
Balance December 31, 2009	D	<u><u>\$ 1,072,582.45</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, 2008	2009 Authorizations	Transferred to Reserve for Amortization	Authorizations Cancelled	Balance Dec. 31, 2009
54-05	Paint Madison Avenue Water Tank	11/14/05	\$ 250,000.00		\$ 233,429.68	\$ 16,570.32	
28-07	Various Repairs at Five Water Wells	5/30/07	15,000.00		14,795.00	205.00	
47-07;							
10-08; 15-09	Water Main Replacements on Municipal Roads	7/23/07	637,000.00	\$ 65,000.00	699,490.05	2,509.95	
25-08	Computer Upgrades and Replacements in the Water System Water Wells	04/28/08	30,000.00		20,990.41	9,009.59	
33-08	Purchase of a Water Leak Detector for the Water Department	05/12/08	20,000.00		13,494.65	6,505.35	
39-08;	Water Main Replacement Projects Covering the						
54-08	Main Replacement of Municipal Roads Including Pomeroy, Brooklake, Pine Tree, Durwood, Fletcher and a Portion of Niles Avenue	05/12/08; 07/28/08	898,000.00				\$ 898,000.00
72-08	Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	11/24/08	12,500.00		10,299.00	2,201.00	
37-09	Water Main Replacement on Green Avenue (Shunpike Rd to Midwood Terr)	07/27/09		240,000.00			240,000.00
			<u>\$ 1,862,500.00</u>	<u>\$ 305,000.00</u>	<u>\$ 992,498.79</u>	<u>\$ 37,001.21</u>	<u>-\$ 1,138,000.00</u>
		<u>Ref.</u>	D				D

BOROUGH OF MADISON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

BOROUGH OF MADISON  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
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, 2008	E	\$ 7,002,382.82	\$ 1,974,141.76
Increased by Receipts:			
Electric Utility Charges Receivable		\$ 19,527,007.34	
Miscellaneous Revenue		32,867.28	
State Aid - "Lifeline"		8,550.00	
Interest Earned on Investments		149,763.62	
Appropriation Refunds		76,511.86	
Overpayments of Electric Charges		2,957.66	
Due to Electric Operating Fund:			
Insurance Claim			\$ 49,199.95
Reserve for Security Deposits		460.00	
Cancellation of Prior Year Outstanding Reconciling Items		53.32	
		<u>19,798,171.08</u>	<u>49,199.95</u>
		26,800,553.90	2,023,341.71
Decreased by Disbursements:			
2009 Appropriation Expenditures		16,946,211.00	
2008 Appropriation Reserves		1,229,127.36	
Due to Current Fund:			
Anticipated Revenue		3,450,000.00	
Electric Overpayments Refunded		2,957.66	
Improvement Authorization Expenditures			94,012.86
		<u>21,628,296.02</u>	<u>94,012.86</u>
Balance December 31, 2009	E	<u>\$ 5,172,257.88</u>	<u>\$ 1,929,328.85</u>

BOROUGH OF MADISON  
ELECTRIC UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2009

NOT APPLICABLE

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

	Balance Dec. 31, 2008	Receipts	Disbursements	Transfers		Balance Dec. 31, 2009	
		Miscel- laneous	Improvement Authorizations	From	To		
Fund Balance	\$ 306,251.60					\$ 306,251.60	
Encumbrances	69,699.00			\$ 69,699.00	\$ 212,491.64	212,491.64	
Capital Improvement Fund	1,343,126.85			219,000.00	206,820.34	1,330,947.19	
Due to Electric Operating Fund		\$ 49,199.95				49,199.95	
Improvement Authorizations:							
Ord. No.	General Improvements						
35-06; 01-08	Purchase Two Bucket Trucks	12,825.88	\$ 9,271.82	3,554.06			
23-07	Purchase of Pad-Mount Transformer and Metering/Switch Cabinet for the HDM Building Reconstruction	12,530.25		12,530.25			
42-07; 55-08	Preparation and Painting of the Kings Road & James Park Substations	45,600.00		45,600.00			
49-07	Excavation and Installation of Underground Conduit for the New Feeder Circuit to the Reckson Building at Giralda Farms	27,000.00		4,686.00		22,314.00	
36-08	Purchase of New Style Pennnglobe Victorian Fixtures for the Commercial District	600.00	59,400.00	600.00	59,400.00		
37-08	Reconstruction of the Underground Electric Distribution System at the Madison Commons	150,264.26	7,929.23	142,335.03			
38-08	Purchase of a Covered Trailer and Accessories to be used for All Underground Distribution Equipment	4,042.92	2,122.81			1,920.11	
74-08	Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	2,201.00	10,299.00	2,201.00	10,299.00		
39-09; 55-09	Purchase of New Replacement Single Bucket Truck			133,317.00	137,000.00	3,683.00	
40-09	Purchase and Installation of Two New Tap Changers and Two Nitrogen Systems on Transformers Banks 1 & 2 at Kings Road Substation			74,488.64	75,000.00	511.36	
41-09	Purchase of Two Hydraulic Lift Tailgates for Pick-up Trucks 136 & 137		4,990.00		7,000.00	2,010.00	
		<u>\$ 1,974,141.76</u>	<u>\$ 49,199.95</u>	<u>\$ 94,012.86</u>	<u>\$ 708,010.98</u>	<u>\$ 708,010.98</u>	<u>\$ 1,929,328.85</u>

BOROUGH OF MADISON  
ELECTRIC UTILITY FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2008	<u>Ref.</u> E	\$ 1,153,607.61
Increased by:		
2009 Charges		19,945,873.22
		<u>21,099,480.83</u>
Decreased by:		
2009 Revenue:		
Cash Received		19,527,007.34
		<u>19,527,007.34</u>
Balance December 31, 2009	E	<u><u>\$ 1,572,473.49</u></u>

BOROUGH OF MADISON  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2008	Additions by Ordinance	Balance Dec. 31, 2009
Land and Land Rights	\$ 48,113.12		\$ 48,113.12
Station Structure and Improvements	2,183,502.21		2,183,502.21
Station Equipment	196,242.41		196,242.41
Poles, Towers and Fixtures	48,489.60		48,489.60
Overhead Conductors and Devices	247,446.57		247,446.57
Underground Conduits	129,411.16		129,411.16
Underground Conductors and Devices	91,422.26		91,422.26
Electric Cable and Equipment	261,785.71		261,785.71
Line Transformers	576,344.16		576,344.16
Services	70,578.16		70,578.16
Meters	256,744.65		256,744.65
Street Lighting and Signal System	272,923.39		272,923.39
Office Furniture and Equipment	41,719.56		41,719.56
Plant Structure and Improvements	11,654.57		11,654.57
1961 Chevrolet Ladder Truck	3,729.50		3,729.50
Ford Station Wagon	1,895.99		1,895.99
Chevrolet Biscayne Sedan	1,460.00		1,460.00
Ford Pick-up	1,260.36		1,260.36
G.M.C. Truck with Pettman Body	24,218.02		24,218.02
G.M.C. Dump Truck	5,048.60		5,048.60
G.M.C. Bucket Truck	28,080.29		28,080.29
Cable Trailer	786.03		786.03
Line Truck	24,459.65		24,459.65
Pole Trailer	918.64		918.64
Transformer Trailer	1,114.26		1,114.26
Portable Lift Truck	402.00		402.00
Transportation Equipment	713.16		713.16
Shop Equipment	3,646.32		3,646.32
Laboratory Equipment	417.73		417.73
Tools and Work Equipment	6,127.07		6,127.07
Communication Equipment	3,577.41		3,577.41
General Equipment	391.00		391.00
Power Operated Lift Mechanism	13,537.51		13,537.51
General Equipment	1,459.82		1,459.82
Miscellaneous Equipment	4,750.73		4,750.73
Bucket Truck, Mailing Equipment and Hole Digger	92,191.00		92,191.00
Kings Road Substation Conversion	43,000.00		43,000.00
Utility Building Repairs	115,000.00		115,000.00
Removal and Disposal of Underground Storage Tanks	13,949.72		13,949.72
James Park Circuit Breakers	62,400.00		62,400.00
Computerized Utility Billing Equipment	13,567.20		13,567.20
Distribution Lines	425,001.50		425,001.50

BOROUGH OF MADISON  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

(Continued)

	Balance Dec. 31, 2008	Additions by Ordinance	Balance Dec. 31, 2009
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
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

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

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Additions by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
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
	<u>\$ 10,486,958.21</u>	<u>\$ 730,679.66</u>	<u>\$ 11,217,637.87</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, 2008</u>	<u>2009 Authorizations Capital Improvement Fund</u>	<u>Transferred to Fixed Capital</u>	<u>Authorizations Cancelled</u>	<u>Balance Dec. 31, 2009</u>
Purchase Two Bucket Trucks	35-06	\$ 330,000.00		\$ 326,445.94	\$ 3,554.06	
Purchase of Pad-Mount Transformer and Metering/ Switch Cabinet for the HDM Building Reconstruction	23-07	55,000.00		42,469.75	12,530.25	
Preparation and Painting of the Kings Road and James Park Substations	42-07; 55-08	180,000.00		134,400.00	45,600.00	
Excavation and Installation of Underground Conduit for the New Feeder Circuit to the Reckson Building at Giralda Farms	49-07	60,000.00				\$ 60,000.00
Purchase of New Style Pennnglobe Victorian Fixtures for the Commercial District	36-08	60,000.00		59,400.00	600.00	
Reconstruction of the Underground Electric Distribution System at the Madison Commons	37-08	300,000.00		157,664.97	142,335.03	
Purchase of a Covered Trailer and Accessories to be used for All Underground Distribution Equipment	38-08	10,000.00				10,000.00
Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	74-08	12,500.00		10,299.00	2,201.00	
Purchase of New Replacement Single Bucket Truck	39-09; 55-09		\$ 137,000.00			137,000.00
Purchase and Installation of Two New Tap Changers and Two Nitrogen Systems on Transformers Banks 1 & 2 at Kings Road Substation	40-09		75,000.00			75,000.00
Purchase of Two Hydraulic Lift Tailgates for Pick-up Trucks 136 & 137	41-09		7,000.00			7,000.00
		<u>\$ 1,007,500.00</u>	<u>\$ 219,000.00</u>	<u>\$ 730,679.66</u>	<u>\$ 206,820.34</u>	<u>\$ 289,000.00</u>
	<u>Ref.</u>	E				E

BOROUGH OF MADISON  
ELECTRIC UTILITY OPERATING FUND  
SCHEDULE OF 2008 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2009

	<u>Balance</u> <u>Dec. 31, 2008</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	\$ 60,559.29	\$ 60,559.29		\$ 60,559.29
Other Expenses	2,390,154.10	2,390,154.10	\$ 1,190,826.75	1,199,327.35
Rosenet Web Site:				
Other Expenses	52,729.50	52,729.50	38,300.61	14,428.89
Contribution to:				
Public Employees Retirement System	13,825.47	13,825.47		13,825.47
Social Security System	7,823.76	7,823.76		7,823.76
	<u>\$ 2,525,092.12</u>	<u>\$ 2,525,092.12</u>	<u>\$ 1,229,127.36</u>	<u>\$ 1,295,964.76</u>

Analysis of Balance December 31, 2008

	<u>Ref.</u>	
Encumbered	E	\$ 2,086,672.00
Unencumbered	E	<u>438,420.12</u>
		<u>\$ 2,525,092.12</u>

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

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2008 Funded	2009 Authorizations Capital Improvement Fund	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2009 Funded
		Date	Amount					
35-06; 01-08	Purchase Two Bucket Trucks	06/12/06; 01/28/08	\$ 330,000.00	\$ 12,825.88		\$ 9,271.82	\$ 3,554.06	
23-07	Purchase of Pad-Mount Transformer and Metering/ Switch Cabinet for the HDM Building Reconstruction	04/23/07	55,000.00	12,530.25			12,530.25	
42-07; 55-08	Preparation and Painting of the Kings Road and James Park Substations	06/25/07; 7/28/08	180,000.00	45,600.00			45,600.00	
49-07	Excavation and Installation of Underground Conduit for the New Feeder Circuit to the Reckson Building at Giralda Farms	08/13/07	60,000.00	27,000.00		4,686.00		\$ 22,314.00
36-08	Purchase of New Style Pennnglobe Victorian Fixtures for the Commercial District	05/12/08	60,000.00	600.00			600.00	
37-08	Reconstruction of the Underground Electric Distribution System at the Madison Commons	05/12/08	300,000.00	150,264.26		7,929.23	142,335.03	
38-08	Purchase of a Covered Trailer and Accessories to be used for All Underground Distribution Equipment	05/12/08	10,000.00	4,042.92		2,122.81		1,920.11
74-08	Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	11/24/08	12,500.00	2,201.00			2,201.00	
39-09; 55-09	Purchase of New Replacement Single Bucket Truck	07/27/09; 11/23/09	137,000.00		\$ 137,000.00	133,317.00		3,683.00
40-09	Purchase and Installation of Two New Tap Changers and Two Nitrogen Systems on Transformers Banks 1 & 2 at Kings Road Substation	07/27/09	75,000.00		75,000.00	74,488.64		511.36
41-09	Purchase of Two Hydraulic Lift Tailgates for Pick-up Trucks 136 & 137	07/27/09	7,000.00		7,000.00	4,990.00		2,010.00
				<u>\$ 255,064.31</u>	<u>\$ 219,000.00</u>	<u>\$ 236,805.50</u>	<u>\$ 206,820.34</u>	<u>\$ 30,438.47</u>

Ref.

E

E

Cash Disbursed	\$ 94,012.86
Current Year Encumbrances	212,491.64
Prior Year Encumbrances	(69,699.00)
	<u>\$ 236,805.50</u>

Capital Improvement Fund	\$ 206,820.34
	<u>\$ 206,820.34</u>

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

	<u>Ref.</u>	
Balance December 31, 2008	E	\$ 1,343,126.85
Increased by:		
Improvement Authorizations Cancelled		<u>206,820.34</u>
		1,549,947.19
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>219,000.00</u>
Balance December 31, 2009	E	<u>\$ 1,330,947.19</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2008	2009 Authorizations	Transferred to Reserve for Amortization	Authorizations Cancelled	Balance Dec. 31, 2009
35-06; 01-08	Purchase Two Bucket Trucks	6/12/06	\$ 330,000.00		\$ 326,445.94	\$ 3,554.06	
23-07	Purchase of Pad-Mount Transformer and Metering/ Switch Cabinet for the HDM Building Reconstruction	4/23/07	55,000.00		42,469.75	12,530.25	
42-07; 55-08	Preparation and Painting of the Kings Road and James Park Substations	6/25/07; 7/28/08	180,000.00		134,400.00	45,600.00	
49-07	Excavation and Installation of Underground Conduit for the New Feeder Circuit to the Reckson Building at Giralda Farms	8/13/07	60,000.00				\$ 60,000.00
36-08	Purchase of New Style Pennnglobe Victorian Fixtures for the Commercial District	05/12/08	60,000.00		59,400.00	600.00	
37-08	Reconstruction of the Underground Electric Distribution System at the Madison Commons	05/12/08	300,000.00		157,664.97	142,335.03	
38-08	Purchase of a Covered Trailer and Accessories to be used for All Underground Distribution Equipment	05/12/08	10,000.00				10,000.00
74-08	Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	11/24/08	12,500.00		10,299.00	2,201.00	
39-09; 55-09	Purchase of New Replacement Single Bucket Truck	07/27/09; 11/23/09		\$ 137,000.00			137,000.00
40-09	Purchase and Installation of Two New Tap Changers and Two Nitrogen Systems on Transformers Banks 1 & 2 at Kings Road Substation	07/27/09		75,000.00			75,000.00
41-09	Purchase of Two Hydraulic Lift Tailgates for Pick-up Trucks 136 & 137	07/27/09		7,000.00			7,000.00
			<u>\$ 1,007,500.00</u>	<u>\$ 219,000.00</u>	<u>\$ 730,679.66</u>	<u>\$ 206,820.34</u>	<u>\$ 289,000.00</u>
	<u>Ref.</u>		E				E

BOROUGH OF MADISON  
COUNTY OF MORRIS  
2009  
PUBLIC ASSISTANCE FUND

BOROUGH OF MADISON  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Fund Total</u>	<u>Public Assistance Trust Fund I</u>	<u>Public Assistance Trust Fund II</u>
Balance December 31, 2008	F	\$ 25,064.69	\$ 2,169.96	\$ 22,894.73
Increased by Receipts:				
State Aid		32,800.00		32,800.00
U.S. Treasury - Supplemental Security Income		5,647.50		5,647.50
Miscellaneous Reimbursement		1,168.38		1,168.38
		<u>39,615.88</u>		<u>39,615.88</u>
Decreased by Disbursements:				
Public Assistance Expenditures		43,142.35	107.50	43,034.85
		<u>43,142.35</u>	<u>107.50</u>	<u>43,034.85</u>
Balance December 31, 2009	F	<u>\$ 21,538.22</u>	<u>\$ 2,062.46</u>	<u>\$ 19,475.76</u>

BOROUGH OF MADISON

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2009

**BOROUGH OF MADISON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2009**

Name of Federal Agency or Department	Name of Program/ State Account #	C.F.D.A. Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
			From	To				
<u>U.S. Department of Transportation</u>								
(Passed through New Jersey Department of Transportation)	Over the Limit, Under Arrest - Impaired Driving Crackdown Grant	20.605	01/01/08	12/31/09	\$ 4,750.00		\$ 2,875.00	\$ 2,875.00
			01/01/09	12/31/09	6,000.00	\$ 6,000.00	2,875.00	2,875.00
	Cops-in-Shops Grant	20.601	01/01/08	12/31/09	2,400.00		1,600.00	1,600.00
							1,600.00	1,600.00
	Transportation Enhancement Grant: Improvements at the Madison Train Station	20.205	01/01/06	12/31/09	100,000.00		83,142.25	83,142.25
							83,142.25	83,142.25
(Passed through New Jersey Department of Law and Public Safety)	Obey the Signs, or Pay the Fines State #100-066-1160-142-YHTS-6010	20.600	01/01/07	12/31/09	4,000.00		3,125.00	4,000.00
							3,125.00	4,000.00
Total U.S. Department of Transportation						6,000.00	90,742.25	91,617.25
<u>U.S. Department of Housing and Urban Development:</u>								
(Passed through County of Morris)	Community Development Block Grant	14.218	01/01/08	12/31/08	80,000.00	80,000.00		80,000.00
Total U.S. Department of Housing and Urban Development						80,000.00		80,000.00
<u>Social Security Administration:</u>	Supplemental Security Income	96.006	01/01/09	12/31/09	5,647.50	5,647.50	1,447.50	1,447.50
Total Social Security Administration						5,647.50	1,447.50	1,447.50
Total Federal Awards						\$ 91,647.50	\$ 92,189.75	\$ 173,064.75

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

BOROUGH OF MADISON  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2009

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:							
2008	795-042-4900-	1/1/08	12/31/09	\$ 17,819.32		\$ 10,841.95	\$ 10,841.95
2009	004-178910	1/1/09	12/31/09	22,735.07	\$ 22,735.07		
					<u>22,735.07</u>	<u>10,841.95</u>	<u>10,841.95</u>
Recycling Tonnage Grant:							
2007	452-042-4900-	1/1/07	12/31/09	13,252.94		12,377.43	12,377.43
2008	001-V427Y	1/1/08	12/31/09	24,064.17		24,064.17	24,064.17
2009		1/1/09	12/31/09	49,335.70	49,335.70		
					<u>49,335.70</u>	<u>36,441.60</u>	<u>36,441.60</u>
Total Department of Environmental Protection					<u>72,070.77</u>	<u>47,283.55</u>	<u>68,441.55</u>
<u>Department of Law and Public Safety:</u>							
Drunk Driving Enforcement Fund:							
2008	1110-206-	1/1/08	12/31/08	11,194.56		1,895.80	1,895.80
2009	030225-60	1/1/09	12/31/09	6,858.15	6,858.15		
					<u>6,858.15</u>	<u>1,895.80</u>	<u>1,895.80</u>
Body Armor Grant:							
2003	1020-718-066-	1/1/03	12/31/09	3,300.97		1,200.00	3,278.38
Total Department of Law and Public Safety					<u>6,858.15</u>	<u>3,095.80</u>	<u>5,174.18</u>
<u>Department of the Treasury:</u>							
(Passed through County of Morris)							
Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program (M.A.A.S.A.):							
2007	100-082-C001-	1/1/07	12/31/09	14,569.00		135.38	135.38
2008	044-6010	1/1/08	12/31/08	14,844.00	14,844.00		14,844.00
2009		1/1/09	12/31/09	14,844.00		14,844.00	14,844.00
Total Department of the Treasury					<u>14,844.00</u>	<u>14,979.38</u>	<u>29,823.38</u>

BOROUGH OF MADISON  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2009

Name of State Agency or Department	State Account Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
		From	To				
<u>Department of Health and Senior Services:</u>							
Public Health Funding Act:							
2008	100-046-4220-	1/1/08	12/31/09	\$ 10,474.00		\$ 10,474.00	\$ 10,474.00
2009	109-021030	1/1/09	12/31/09	8,188.50	\$ 8,188.50		
					<u>8,188.50</u>	<u>10,474.00</u>	<u>10,474.00</u>
Alcohol Education and Rehabilitation Fund:							
2008	9735-760-	1/1/08	12/31/08	2,998.55		900.00	900.00
2009	098-4900	1/1/09	12/31/09	1,113.83	1,113.83		
					<u>1,113.83</u>	<u>900.00</u>	<u>900.00</u>
Local Public Health Emergency Response H1N1 Grant	N/A	1/1/09	12/31/09	110,786.00	44,796.20	25,294.16	25,294.16
Total Department of Health and Senior Services					<u>54,098.53</u>	<u>36,668.16</u>	<u>36,668.16</u>
<u>New Jersey Historic Trust:</u>							
Garden State Historic Preservation Trust Fund:							
Capital Presevation Grant, Level II - Hartley Dodge Memorial	8049-001-F000-6110	1/1/06	12/31/08	660,719.00	60,696.55	60,696.55	60,696.55
Total New Jersey Historic Trust					<u>60,696.55</u>	<u>60,696.55</u>	<u>60,696.55</u>
<u>New Jersey Department of Community Affairs:</u>							
New Jersey Statewide Livable Communities Grant	04-3606-000	1/1/04	12/31/09	40,000.00		20,000.00	20,000.00
Total New Jersey Department of Community Affairs						<u>20,000.00</u>	<u>20,000.00</u>
<u>Department of Human Services:</u>							
Division of Family Development:							
Work First New Jersey - General Assistance	100-054-7550-	1/1/07	12/31/09	21,900.00		2,797.11	21,900.00
	121-LLLL-6020	1/1/08	12/31/09	35,800.00		5,990.24	35,800.00
		1/1/09	12/31/09	32,800.00	32,800.00	32,800.00	32,800.00
Total Department of Human Services					<u>32,800.00</u>	<u>41,587.35</u>	<u>90,500.00</u>
Total					<u>\$ 241,368.00</u>	<u>\$ 224,310.79</u>	<u>\$ 311,303.82</u>

N/A - Not Available

BOROUGH OF MADISON  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2009

A. GENERAL

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

B. BASIS OF ACCOUNTING

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

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. THRESHOLD FOR FEDERAL AND STATE FINANCIAL REPORTS

The threshold for distinguishing federal Type A and B programs was \$300,000. The threshold for distinguishing state Type A and B programs was \$300,000.



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

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

We have audited the financial statements of the Borough of Madison, in the County of Morris (the "Borough") as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 25, 2010, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2009-01 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

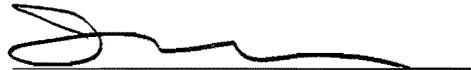
The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Borough's response and we express no opinion on it.

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

May 25, 2010

Mount Arlington, New Jersey

  
NISIVOCCIA & COMPANY 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, 2009

Summary of Auditors' Results:

- An unqualified report was issued on the Borough's financial statements for 2009 prepared on an other comprehensive basis of accounting.
- The audit did not disclose any material weaknesses in the internal control of the Borough.
- The audit did not disclose any noncompliance that is material to the financial statements of the Borough.
- The Borough was not subject to the single audit provisions of Federal OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* for 2009 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the circulars.

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2009-1

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

Management's Response:

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

BOROUGH OF MADISON  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2009

Status of Prior Year Findings:

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

BOROUGH OF MADISON

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

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 July 1, 2005 the bid threshold in accordance with N.J.S.A 40A:11-3 and 40A:11-4 (as amended) is \$21,000 and with a qualified purchasing agent the threshold may be up to \$29,000.

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.

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.

BOROUGH OF MADISON  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Collection of Interest on Delinquent Taxes, Assessments and Utility Charges

On January 1, 2009, the governing body adopted the following resolutions authorizing interest to be charged on delinquent taxes, assessments and utility charges:

BE IT RESOLVED by the Borough Council of the Borough of Madison, Morris County, New Jersey, that, in accordance with R.S. 54:4-67 as amended, the rate of interest to be charged for the nonpayment of taxes, assessment or utility charges on or before the date when they would become delinquent be and the same is hereby fixed as follows:

1. No interest shall be charged if payment of tax, assessment, or utility installment, as the case may be, is made within ten (10) days after the date upon which the same became payable.
2. The rate of interest to be charged for the nonpayment of taxes, assessment or utility installments on or before the date when they become delinquent shall be eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) on any delinquency over \$1,500, to be calculated from the date the tax was payable until the date of actual payment. The interest to be charged a delinquent taxpayer for nonpayment of real property taxes shall be an additional penalty of 6% if the amount of delinquency is in excess of \$10,000 at the end of the calendar year.

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 22, 2009, 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:

Year	Number of Liens
2009	3
2008	3
2007	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:

Type	Number Mailed
Payments of 2009 Taxes	20
Payments of 2010 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)

Grant Reserves and Receivables

There are various appropriated grant reserves and related grant receivables in the Federal and State grant fund and the General Capital Fund which have been on the Borough's records for several years now.

It is recommended that older grant reserves and receivables be investigated, a determination be made as to continued recognition or proper disposition, evidenced by Borough resolution.

Management's Response

The Borough will review all grant reserves and take appropriate action where needed.

Fixed Assets Accounting Records

During our review of fixed assets accounting records, it was noted that several pieces of equipment that were sold at the Borough's auctions during 2009 were not included as deletions on the fixed assets accounting records.

It is recommended that extra care be taken to ensure that all deletions are properly reflected in the fixed assets accounting records.

Management's Response

The Borough will make every effort to ensure that all changes are properly reflected in the fixed assets records.

Municipal Court

The transactions for the year 2009 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance Dec. 31, 2008	Receipts	Dis- bursements	Balance Dec. 31, 2009
Municipal Treasurer:				
Fines and Fees	\$ 23,872.78	\$ 296,217.84	\$ 296,118.81	\$ 23,971.81
Restitution	595.00	1,720.00	2,290.00	25.00
POAA FTA	102.00	1,664.00	1,640.00	126.00
Public Defender	110.50	1,559.50	1,625.00	45.00
Conditional Discharge	870.00	4,455.00	4,748.00	577.00
County:				
Fines	10,023.50	112,919.26	113,023.26	9,919.50
State:				
Fines and Costs	18,358.22	192,001.04	192,819.57	17,539.69
Weights and Measures	6,550.00	54,850.00	59,200.00	2,200.00
Interest	121.27	96.10	96.72	120.65
Overpayments			503.00	(503.00)
Bail	4,481.00	65,639.00	68,720.00	1,400.00
	<u>\$ 65,084.27</u>	<u>\$ 731,121.74</u>	<u>\$ 740,784.36</u>	<u>\$ 55,421.65</u>

BOROUGH OF MADISON  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Outside Offices

During our review of the Health Department's records, we noted that fees collected for dog and cat licenses are not deposited within forty-eight hours of receipt in accordance with state statute.

It is recommended that fees collected for dog and cat licenses be deposited within forty-eight hours of receipt.

Management's Response

The Borough will make every effort to ensure that animal licenses fees are deposited in a timely manner.

The Borough's Welfare Director retired as of March 2010 and all welfare related records and functions were transferred to the County's welfare office. Access to supporting case files was not readily available to us. Since all welfare functions were taken over by the County, a formal recommendation is not deemed necessary.

During the course of the audit, it was noted that the Recreation Department has been maintaining a separate checking account of which the Borough's management has no knowledge. Collection for ticket sales for community theatre, ski trips and other recreational events were deposited into and related expenditures were disbursed out of this separate Recreation account. These activities were not recorded in the Borough's central financial accounting system and purchases were not properly approved by management and Borough Council. Management became aware of this account after the Recreation Director retired in 2010. Since the Borough has implemented procedures to close this account in June of 2010, a formal recommendation is not deemed necessary.

Internal Controls

During our review of the purchase orders, we noted that certain requisitions were approved after the goods have been ordered or services have been provided. Employees should not be allowed to order goods or services until requisitions are approved by the appropriate management.

It is recommended that requisitions are approved before goods or services can be ordered.

Management's Response

Extra care will be taken in the future to ensure that goods or services are ordered only after requisitions are approved.

Unemployment Compensation Insurance Trust Fund

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 deduct worker contributions of 0.425% of taxable wages. Of the total employee contributions withheld, 30% is remitted to the State and 70% is held in the Borough's Unemployment Compensation Insurance Trust Fund. However, upon review of the Borough's procedures regarding this matter, we noted that 100% of employee contributions are remitted to the State by the outside payroll service company. Since the Borough is aware of this and has implemented procedures to correct this issue, a formal recommendation is not deemed necessary.

Corrective Action Plan

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2008 Audit Report. All 2008 recommendations, except for the recommendation regarding segregation of duties, were resolved during 2009.

BOROUGH OF MADISON  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. Older grant reserves and receivables be investigated, a determination be made as to continued recognition or proper disposition, evidenced by Borough resolution.
3. Extra care be taken to ensure that all deletions are properly reflected in the fixed assets accounting records.
4. Fees collected for dog and cat licenses be deposited with forty-eight hours of receipt.
5. Requisitions are approved before goods or services can be ordered.

\* \* \* \* \*