

BOROUGH OF MADISON

COUNTY OF MORRIS

REPORT OF AUDIT

2008

*NISIVOCCIA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF MADISON

COUNTY OF MORRIS

REPORT OF AUDIT

2008

BOROUGH OF MADISON
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BOROUGH OF MADISON
PART I
REPORT ON AUDIT OF
FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2008



NISIVOCCHIA & COMPANY LLP

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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, 2008 and 2007, 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, 2008 and 2007, 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, 2008 and 2007, 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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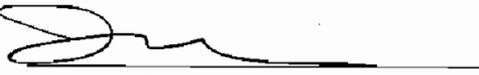
In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2009 on our consideration of the Borough of Madison's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements 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 22, 2009

Mount Arlington, New Jersey


NISIVOCCLIA & COMPANY LLP.


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

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
CURRENT FUND

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BOROUGH OF MADISON
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2008	2007
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer		\$ 4,046,238.74	\$ 12,918,286.07
Investments		7,000,000.00	
	A-4	<u>11,046,238.74</u>	<u>12,918,286.07</u>
Change Fund		950.00	950.00
		<u>11,047,188.74</u>	<u>12,919,236.07</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	333,987.92	249,486.65
Tax Title Liens Receivable	A-7	16,202.95	14,408.88
Property Acquired for Taxes at Assessed Valuation		295,800.00	313,800.00
Amount Due From Housing Authority		17,479.46	17,479.46
Revenue Accounts Receivable	A-8	23,872.78	83,734.48
Interfund Accounts Receivable:			
Assessment Fund	B	23.92	1,085.97
Other Trust Fund	B	73.97	104.58
Animal Control Fund	B	4,852.91	7,087.51
Total Receivables and Other Assets With Full Reserves		<u>692,293.91</u>	<u>687,187.53</u>
Total Regular Fund		<u>11,739,482.65</u>	<u>13,606,423.60</u>
Federal and State Grant Fund:			
State and Federal Grants Receivable	A-11	28,699.00	56,374.00
Due from Current Fund	A	231,483.99	221,222.56
Total Federal and State Grant Fund		<u>260,182.99</u>	<u>277,596.56</u>
<u>TOTAL ASSETS</u>		<u>\$ 11,999,665.64</u>	<u>\$ 13,884,020.16</u>

BOROUGH OF MADISON
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2008	2007
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-9	\$ 1,482,361.04	\$ 1,217,948.48
Encumbered	A-3;A-9	746,390.39	662,610.30
Total Appropriation Reserves		2,228,751.43	1,880,558.78
Prepaid Taxes		347,951.85	616,023.78
County Taxes Payable		41,864.05	
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		13,381.48	11,631.48
Construction Code Fees		626.00	760.00
Due to Federal and State Grant Fund	A	231,483.99	221,222.56
Due to Other Trust Fund - Police Outside Duty	B		31,655.00
Due to Other Trust Fund - Fire Department Trust	B	4,000.00	
Due to Electric Operating Fund	E		96,369.71
Reserve for Sale of Property			1,029,623.99
Reserve for Tax Appeals Pending		337,000.00	72,000.00
Reserve for Tax Sale Premiums		30,700.00	23,300.00
Reserve for Tax Title Lien Redemption		21,243.51	201.74
		3,257,002.31	3,983,347.04
Reserve for Receivables and Other			
Assets		692,293.91	687,187.53
Fund Balance	A-1	7,790,186.43	8,935,889.03
Total Regular Fund		11,739,482.65	13,606,423.60
Federal and State Grant Fund:			
Accounts Payable		4,051.25	25,206.05
Appropriated Reserves	A-12	163,902.14	169,984.52
Unappropriated Reserves	A-13	92,229.60	82,405.99
Total Federal and State Grant Fund		260,182.99	277,596.56
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 11,999,665.64</u>	<u>\$ 13,884,020.16</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,	
		2008	2007
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 5,000,000.00	\$ 4,700,000.00
Miscellaneous Revenue Anticipated		9,193,061.03	9,304,733.78
Receipts from:			
Delinquent Taxes		155,486.35	223,040.23
Current Taxes		52,607,364.42	49,866,131.31
Nonbudget Revenue		373,327.96	317,545.60
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,234,795.05	984,343.64
Cancellation of Appropriated Grant Reserves		6,339.98	
Cancellation of Federal & State Grant Fund Accounts Payable		19,792.43	
Cancellation of Prepaid Taxes		8.04	
Cancellation of Local School District Taxes Payable		0.22	
Interfunds and Other Receivables Returned		8,278.06	46,740.00
Cancellation of Prior Year Reconciling Items		1,418.15	
Total Income		<u>68,599,871.69</u>	<u>65,442,534.56</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		23,537,983.19	22,414,944.18
County Taxes		8,508,050.74	8,447,671.73
Amount Due County for Added and Omitted Taxes		41,864.05	46,757.62
Local School District Taxes		31,903,062.16	29,826,817.70
Municipal Open Space Taxes		448,735.35	428,716.89
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		4,950.80	2,501.50
Prior Year Senior Citizens' Deduction Disallowed		500.00	750.00
Overpayment of 2006 Taxes Due to Appeals		2,728.00	34,273.63
Reserve for Tax Appeals Pending		265,000.00	72,000.00
Total Expenditures		<u>64,745,574.29</u>	<u>61,274,433.25</u>
Excess in Revenue		3,854,297.40	4,168,101.31
<u>Fund Balance</u>			
Balance January 1		8,935,889.03	9,467,787.72
		<u>12,790,186.43</u>	<u>13,635,889.03</u>
Decreased by:			
Utilized as Anticipated Revenue		5,000,000.00	4,700,000.00
Balance December 31	A	<u>\$ 7,790,186.43</u>	<u>\$ 8,935,889.03</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, 2008

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 5,000,000.00	\$ 5,000,000.00	
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	20,000.00	26,301.00	\$ 6,301.00
Other Licenses	10,000.00	17,450.20	7,450.20
Fees and Permits	187,353.00	259,671.51	72,318.51
Fines and Costs:			
Municipal Court	240,000.00	290,933.63	50,933.63
Interest and Costs on Taxes	40,000.00	65,623.74	25,623.74
Parking Meters	45,000.00	48,819.25	3,819.25
Interest on Investments and Deposits	390,000.00	1,014,221.24	624,221.24
Police Burglar Alarm	20,000.00	32,340.38	12,340.38
Cablevision Franchise Fees	27,000.00	62,117.35	35,117.35
Sewer Fees on Tax Exempt Property	200,000.00	283,376.59	83,376.59
Consolidated Municipal Property Tax Relief Aid	384,578.00	391,035.00	6,457.00
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	688,040.00	688,040.00	
Uniform Construction Code Fees	280,000.00	308,763.00	28,763.00
Inter-Municipal Health Contracts for Local Community			
Health Services	250,000.00	250,723.75	723.75
Inter-Municipal Agreements for "Southeast Morris Project			
Community Pride" (S.L.E.P.A.)	65,000.00	65,300.00	300.00
Recycling Tonnage Grant	13,252.94	13,252.94	
Clean Communities Program	17,458.98	17,458.98	
Alcohol Education and Rehabilitation Fund	3,270.07	3,270.07	
County Stewardship Incentive Program Grant	25,000.00	25,000.00	
Public Health Priority Funding Act of 1977 - Contracted			
Municipalities' Share	9,326.00	9,326.00	
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	
School Resource Officer Grant	25,323.00	25,323.00	
Pandemic Flu Preparedness Grant	10,114.00	10,114.00	
Obey the Sign Grant	4,000.00	4,000.00	
Over the Limit Grant	4,875.00	4,875.00	
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	37,490.68	2,509.32 *
Life Hazard Use Fees	25,000.00	50,123.40	25,123.40

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Other Special Items (Continued):			
Madison Cell Tower Leases	\$ 180,000.00	\$ 255,442.33	\$ 75,442.33
Utility Operating Surplus of Prior Years - Water Utility	300,000.00	300,000.00	
Rosenet User Fees	25,000.00	34,500.00	9,500.00
Bond Anticipation Note Premium	98,000.00	98,800.00	800.00
Reserve for Sale of Municipal Assets	1,029,623.99	1,029,623.99	
Total Miscellaneous Revenue	<u>8,126,958.98</u>	<u>9,193,061.03</u>	<u>1,066,102.05</u>
Receipts from Delinquent Taxes	<u>190,000.00</u>	<u>155,486.35</u>	<u>34,513.65 *</u>
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	<u>11,820,662.05</u>	<u>13,202,338.12</u>	<u>1,381,676.07</u>
Budget Totals	<u>25,137,621.03</u>	<u>27,550,885.50</u>	<u>2,413,264.47</u>
Nonbudget Revenue		<u>373,327.96</u>	<u>373,327.96</u>
	<u>\$25,137,621.03</u>	<u>\$27,924,213.46</u>	<u>\$ 2,855,619.73</u>

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008
(Continued)

Allocation of Current Tax Collections

Revenue from Collections - 2008	\$ 51,853,238.03
2007	616,023.78
State's Share of Senior Citizens' and Veterans' Deductions	137,000.00
Overpayments Applied	1,102.61
	52,607,364.42
Allocated to:	
School, County, and Open Space Taxes	40,901,712.30
	11,705,652.12
 Add: Appropriation - Reserve for Uncollected Taxes	 1,496,686.00
 Amount for Support of Municipal Budget	 \$ 13,202,338.12
 Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 155,486.35
	\$ 155,486.35

Analysis of Interest Earned

Cash Received - Treasurer	\$ 1,014,123.35
Interest Due from Assessment Trust Fund	23.92
Interest Due from Other Trust Fund	73.97
	\$ 1,014,221.24

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008
(Continued)

Analysis of Nonbudget Revenue

Miscellaneous Revenue Not Anticipated:

Treasurer:

Morris County Municipal Joint Insurance Fund	\$ 89,837.46
State of New Jersey	9,378.55
State of New Jersey - Inspections	2,952.00
Department Collections:	
Clerk	2,210.02
Municipal Court	8,380.65
Municipal Court - Public Defender Fees	2,414.50
Recycling	40,773.22
Housing Authority	26,305.00
Fire	2,893.48
Tax Collector	1,171.17
Land Use Board	500.00
Building Department	2,300.00
Recreation	975.00
Public Works	2,401.75
Miscellaneous Refunds	10,075.00
Insurance Refunds	46,898.25
Other Miscellaneous	49,009.00

\$ 298,475.05

Municipal Homeland Security Assistance Aid Receivable

70,000.00

Due from Animal Control Fund:

 Statutory Excess in Reserve for Animal Control Fund Expenditures

4,852.91

\$ 373,327.96

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, 2008

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 149,405.00	\$ 149,405.00	\$ 141,343.97	\$ 8,061.03	
Other Expenses	16,150.00	16,150.00	10,844.58	5,305.42	
Municipal Support:					
Salaries & Wages	43,938.00	43,938.00	42,726.07	1,211.93	
Other Expenses	42,450.00	42,450.00	36,458.62	5,991.38	
Human Resources:					
Salaries & Wages	53,309.00	53,309.00	53,309.00		
Other Expenses	39,775.00	39,775.00	38,280.67	1,494.33	
Mayor and Borough Council:					
Salaries & Wages	46,154.00	46,154.00	45,059.74	1,094.26	
Other Expenses	21,410.00	21,410.00	17,082.89	4,327.11	
Borough Clerk:					
Salaries & Wages	93,103.00	93,103.00	88,452.79	4,650.21	
Other Expenses	37,810.00	37,810.00	33,765.87	4,044.13	
Financial Administration:					
Salaries & Wages	176,177.00	176,177.00	173,721.47	2,455.53	
Other Expenses	27,050.00	27,050.00	22,377.76	4,672.24	
Elections:					
Salaries & Wages	1,500.00	1,500.00	1,500.00		
Other Expenses	14,100.00	14,100.00	8,169.87	5,930.13	
Annual Audit	31,000.00	31,000.00	29,000.00	2,000.00	
Finance Department:					
Revenue Administration (Tax Collector):					
Salaries & Wages	83,678.00	83,678.00	83,678.00		
Other Expenses	14,375.00	14,375.00	13,082.68	1,292.32	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(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	\$ 30,462.00	\$ 30,462.00	\$ 20,462.00	\$ 10,000.00	
Other Expenses	26,050.00	26,050.00	24,759.46	1,290.54	
Legal Services and Costs:					
Other Expenses	155,000.00	155,000.00	152,782.57	2,217.43	
Engineering Services and Costs:					
Salaries & Wages	183,881.00	183,881.00	159,327.73	24,553.27	
Other Expenses	49,380.00	49,380.00	42,973.31	6,406.69	
Environmental Commission (N.J.S.A. 40:56A:1et seq.):					
Other Expenses	5,450.00	5,450.00	4,150.00	1,300.00	
Downtown Development:					
Salaries & Wages	55,000.00	55,000.00	32,199.92	22,800.08	
Other Expenses	8,135.00	8,135.00	5,537.38	2,597.62	
Museum of Early Trades and Crafts:					
Other Expenses	18,269.00	18,269.00	18,269.00		
Historic Preservation:					
Other Expenses	19,000.00	19,000.00	1,495.00	17,505.00	
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries & Wages	46,137.00	46,137.00	46,137.00		
Other Expenses	49,480.00	56,480.00	55,336.70	1,143.30	
Zoning Board of Adjustment:					
Salaries & Wages	25,495.00	25,495.00	24,856.82	638.18	
Other Expenses	48,245.00	48,245.00	43,188.74	5,056.26	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(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	\$ 40,000.00	\$ 40,000.00	\$ 27,378.61	\$ 12,621.39	
Police:					
Salaries & Wages	3,851,751.00	3,851,751.00	3,706,998.16	144,752.84	
Other Expenses	289,050.00	289,050.00	248,563.62	40,486.38	
Project Community Pride:					
Salaries & Wages	39,279.00	39,279.00	39,121.83	157.17	
Other Expenses	19,572.00	19,572.00	18,104.38	1,467.62	
Emergency Management Services:					
Other Expenses	6,250.00	6,250.00	4,689.17	1,560.83	
First Aid Organization Contribution	35,000.00	35,000.00	35,000.00		
Fire:					
Salaries & Wages	1,369,346.00	1,369,346.00	1,325,143.04	44,202.96	
Other Expenses:					
Miscellaneous Other Expenses	66,700.00	66,700.00	60,751.20	5,948.80	
Uniform Fire Safety Act:					
Fire Official Safety Code:					
Salaries & Wages	104,272.00	104,272.00	104,272.00		
Municipal Prosecutor:					
Other Expenses	25,000.00	25,000.00	19,250.00	5,750.00	
PUBLIC WORKS FUNCTIONS:					
Public Works:					
Salaries & Wages	1,470,059.00	1,465,059.00	1,311,521.21	153,537.79	
Other Expenses	240,455.00	208,455.00	180,762.02	27,692.98	
Sewer Department:					
Salaries & Wages	365,972.00	365,972.00	339,630.47	26,341.53	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (continued):					
PUBLIC WORKS FUNCTIONS (continued):					
Sewer Department (continued):					
Other Expenses	\$ 53,670.00	\$ 53,670.00	\$ 45,533.49	\$ 8,136.51	
Shade Tree:					
Other Expenses	117,075.00	117,075.00	113,855.60	3,219.40	
Garbage Removal:					
Salaries & Wages	35,040.00	35,040.00	35,040.00		
Other Expenses	1,564,310.00	1,564,310.00	1,412,919.71	151,390.29	
Public Building and Grounds:					
Salaries & Wages	140,294.00	140,294.00	136,730.95	3,563.05	
Other Expenses	58,510.00	58,510.00	26,537.88	31,972.12	
Vehicle Maintenance:					
Salaries & Wages	260,383.00	260,383.00	244,432.77	15,950.23	
Other Expenses	155,500.00	155,500.00	131,890.49	23,609.51	
HEALTH AND HUMAN SERVICES FUNCTIONS:					
Board of Health:					
Salaries & Wages	302,435.00	302,435.00	289,269.38	13,165.62	
Other Expenses	79,958.00	79,958.00	64,266.08	15,691.92	
Animal Control Services:					
Salaries & Wages	2,000.00	2,000.00		2,000.00	
Other Expenses	25,920.00	25,920.00	25,070.00	850.00	
Administration of Public Assistance:					
Salaries & Wages	48,996.00	48,996.00	48,996.00		
Other Expenses	1,040.00	1,040.00	782.73	257.27	
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	31,800.00	31,800.00	27,779.17	4,020.83	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(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	\$ 86,560.00	\$ 86,560.00	\$ 73,448.50	\$ 13,111.50	
Other Expenses	64,000.00	64,000.00	50,386.18	13,613.82	
Senior Citizens' Programs:					
Salaries & Wages	84,609.00	84,609.00	75,225.44	9,383.56	
Other Expenses	17,205.00	17,205.00	12,433.60	4,771.40	
Teen Center:					
Salaries & Wages	38,246.00	38,246.00	36,126.58	2,119.42	
Other Expenses	8,600.00	8,600.00	4,803.84	3,796.16	
Parks Committee:					
Other Expenses	12,800.00	12,800.00	8,560.00	4,240.00	
OTHER COMMON OPERATING FUNCTIONS:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	9,900.00	9,900.00	8,577.33	1,322.67	
Municipal Court:					
Salaries & Wages	204,372.00	204,372.00	183,531.24	20,840.76	
Other Expenses	23,425.00	23,425.00	12,912.07	10,512.93	
Public Defender (P.L. 1997,C.256):					
Other Expenses	9,000.00	9,000.00	8,910.00	90.00	
Insurance:					
General Liability	229,000.00	229,000.00	202,095.79	26,904.21	
Workers Compensation	185,000.00	185,000.00	176,000.00	9,000.00	
Employee Group Health	1,506,000.00	1,506,000.00	1,377,327.64	128,672.36	
STATE UNIFORM CONSTRUCTION CODE:					
Building Inspector:					
Salaries & Wages	335,708.00	331,008.00	301,509.76	29,498.24	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(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	\$ 32,010.00	\$ 36,710.00	\$ 24,323.36	\$ 12,386.64	
UNCLASSIFIED:					
Salaries & Wages Adjustment Program	40,000.00	40,000.00	9,925.24	30,074.76	
UTILITY EXPENSES AND BULK PURCHASES:					
Electricity	214,000.00	214,000.00	127,137.30	86,862.70	
Telephone	58,500.00	63,500.00	62,583.98	916.02	
Water	35,000.00	35,000.00	16,159.79	18,840.21	
Gas	130,000.00	130,000.00	72,570.08	57,429.92	
Sewerage Processing and Disposal	14,000.00	14,000.00	10,170.00	3,830.00	
Gasoline	158,000.00	183,000.00	159,844.49	23,155.51	
Contingency	40,000.00	40,000.00	35,983.65	4,016.35	
Subtotal - Operations	15,951,940.00	15,951,940.00	14,550,165.43	1,401,774.57	
Detail:					
Salaries and Wages	9,767,561.00	9,757,861.00	9,173,697.08	584,163.92	
Other Expenses Including Contingency	6,184,379.00	6,194,079.00	5,376,468.35	817,610.65	
STATUTORY EXPENDITURES:					
Social Security System (O.A.S.I.)	430,000.00	430,000.00	413,619.21	16,380.79	
Consolidated Police and Firemen's Retirement Pension Fund	16,000.00	16,000.00	14,355.72	1,644.28	
Total Statutory Expenditures - Municipal Within "CAPS"	446,000.00	446,000.00	427,974.93	18,025.07	
Total General Appropriations for Municipal Purposes Within "CAPS"	16,397,940.00	16,397,940.00	14,978,140.36	1,419,799.64	

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Sanitation:					
Madison-Chatham Joint Meeting					
Maintenance of Free Public Library (c. 82, P.L. 1985):	\$ 1,211,149.05	\$ 1,211,149.05	\$ 1,211,149.05		
Other Expenses	1,416,231.00	1,416,231.00	1,375,746.67	\$ 40,484.33	
Police and Firemen's Retirement System of New Jersey	890,000.00	890,000.00	884,522.00	5,478.00	
Contribution to Public Employees Retirement System	173,000.00	173,000.00	156,400.93	16,599.07	
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	200,000.00	200,000.00	200,000.00		
Other Expenses	50,000.00	50,000.00	50,000.00		
Public and Private Programs Offset by Revenues: Public Health Priority Funding Act of 1977:					
Chronic Illness Services:					
Salaries & Wages	9,326.00	9,326.00	9,326.00		
Alcohol and Drug Abuse Grant (M.A.A.S.A.):					
State Share	14,844.00	14,844.00	14,844.00		
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	3,270.07	3,270.07	3,270.07		
Cops in Shops Grant:					
Salaries & Wages	2,400.00	2,400.00	2,400.00		

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(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):					
School Resource Officer Grant:					
Salaries & Wages	\$ 25,323.00	\$ 25,323.00	\$ 25,323.00		
Community Stewardship Incentive Program Grant	25,000.00	25,000.00	25,000.00		
Obey the Sign Grant	4,000.00	4,000.00	4,000.00		
Over the Limit Grant	4,875.00	4,875.00	4,875.00		
Recycling Tonnage Grant	13,252.94	13,252.94	13,252.94		
Clean Communities Program	17,458.98	17,458.98	17,458.98		
Pandemic Flu Preparedness:					
Salaries & Wages	10,114.00	10,114.00	10,114.00		
Total Operations Excluded From "CAPS"	4,141,455.04	4,141,455.04	4,078,893.64	\$ 62,561.40	
Detail:					
Salaries & Wages	312,163.00	312,163.00	312,163.00		
Other Expenses	3,829,292.04	3,829,292.04	3,766,730.64	62,561.40	
Capital Improvements Excluded From "CAPS"					
Capital Improvement Fund	1,529,623.99	1,529,623.99	1,529,623.99		
Total Capital Improvements Excluded From "CAPS"	1,529,623.99	1,529,623.99	1,529,623.99		
Municipal Debt Service Excluded from "CAPS":					
Interest on Notes	800,000.00	800,000.00	795,555.54		\$ 4,444.46
New Jersey Wastewater Treatment Trust:					
Interest on Loan	70,536.00	70,536.00			70,536.00
Principal on Loan	701,380.00	701,380.00	673,408.62		27,971.38
Total Municipal Debt Service Excluded from "CAPS"	1,571,916.00	1,571,916.00	1,468,964.16		102,951.84

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Subtotal General Appropriations	\$ 23,640,935.03	\$ 23,640,935.03	\$ 22,055,622.15	\$ 1,482,361.04	\$ 102,951.84
Reserve for Uncollected Taxes	1,496,686.00	1,496,686.00	1,496,686.00		
Total General Appropriations	\$ 25,137,621.03	\$ 25,137,621.03	\$ 23,552,308.15	\$ 1,482,361.04	\$ 102,951.84

Ref.

A

BOROUGH OF MADISON
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Ref.</u>	Analysis of	
		Budget After Modification	Paid or Charged
Adopted Budget		\$ 25,137,621.03	
Cash Disbursed			\$ 21,431,741.72
Encumbrances	A		746,390.39
Due to Federal and State Grant Fund			136,074.99
Reserve for Uncollected Taxes			1,496,686.00
			23,810,893.10
Less: Appropriation Refunds			258,584.95
			\$ 23,552,308.15

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
TRUST FUNDS

BOROUGH OF MADISON
TRUST FUNDS
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2008	2007
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 30,064.82	\$ 22,344.01
		<u>30,064.82</u>	<u>22,344.01</u>
Open Space Trust Fund:			
Cash and Cash Equivalents		424,241.45	951,941.48
Investments		650,000.00	
	B-4	<u>1,074,241.45</u>	<u>951,941.48</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,070,603.11	1,460,524.35
Due from Current Fund	A	4,000.00	31,655.00
Due from General Capital Fund	C	369.51	
		<u>1,074,972.62</u>	<u>1,492,179.35</u>
Assessment Trust Fund:			
Cash and Cash Equivalents	B-4	382,122.32	370,836.44
Assessments Receivable	B-5		12,348.28
		<u>382,122.32</u>	<u>383,184.72</u>
<u>TOTAL ASSETS</u>		<u>\$ 2,561,401.21</u>	<u>\$ 2,849,649.56</u>

BOROUGH OF MADISON
TRUST FUNDS
COMPARATIVE BALANCE SHEET

		December 31,	
		2008	2007
	Ref.		
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Amount Due to State of New Jersey		\$ 92.40	\$ 93.60
Due to Current Fund	A	4,852.91	7,087.51
Prepaid Licenses		910.80	924.60
Reserve for Animal Control Fund Expenditures	B-7	24,208.71	14,238.30
		30,064.82	22,344.01
Open Space Trust Fund:			
Reserve for Open Space Trust		1,074,241.45	951,941.48
		1,074,241.45	951,941.48
Other Trust Funds:			
Due to Current Fund - Other Trusts	A	73.97	104.58
Due to General Capital Fund	C		6,000.00
Unallocated Receipts		1.00	1.00
Amount Due to State of New Jersey:			
Marriage License Fees		285.00	360.00
Burial Permits		530.00	480.00
Construction Code Surcharge Fees		3,572.00	3,779.00
Reserve for:			
Unemployment Insurance		87,861.99	117,702.63
Special Funds		982,648.66	1,363,752.14
		1,074,972.62	1,492,179.35
Assessment Trust Fund:			
Due to Current Fund	A	23.92	1,085.97
Reserve for Assessments Receivable	B-6		12,348.28
Fund Balance	B-1	382,098.40	369,750.47
		382,122.32	383,184.72
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,561,401.21</u>	<u>\$ 2,849,649.56</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, 2007	B	\$ 369,750.47
Increased by:		
Collection of Unpledged Assessments		<u>12,347.93</u>
Balance December 31, 2008	B	<u>\$ 382,098.40</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, 2008

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
GENERAL CAPITAL FUND

BOROUGH OF MADISON
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2008	2007
ASSETS			
Cash and Cash Equivalents	C-2	\$ 15,264,470.51	\$ 16,782,520.47
Deferred Charges to Future Taxation:			
Funded		26,525,037.50	874,683.88
Unfunded	C-4	6,805,000.00	20,431,000.00
Due from Other Trust Fund - Fire Department Trust	B		6,000.00
Grants Receivable:			
State of New Jersey Green Acres		175,000.00	775,000.00
Morris County Community Development Grant		112,475.00	112,475.00
Transportation Enhancement Grant		100,000.00	100,000.00
New Jersey Department of Transportation Grants:			
Reconstruction of Intersection (Brittin Street)			65,000.00
ISTEA - Madison Bike Path		155,000.00	155,000.00
Garfield Avenue Reconstruction			75,000.00
Kings Road Reconstruction			2,412.19
Green Avenue Reconstruction		43,750.00	175,000.00
New Jersey Historic Trust		600,000.00	
Hartley Dodge Memorial Trustees		420,000.00	
Morris County Historic Preservation Trust Fund		150,000.00	
New Jersey Department of Community Affairs:			
New Jersey Statewide Livable Communities Grant		30,000.00	
TOTAL ASSETS		<u>\$ 50,380,733.01</u>	<u>\$ 39,554,091.54</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-8	\$ 26,321,000.00	
Bond Anticipation Notes Payable	C-7		\$ 20,000,000.00
Wastewater Treatment Financing Program -			
Loan Payable	C-9	204,037.50	874,683.88
Improvement Authorizations:			
Funded	C-5	11,693,406.58	1,114,503.79
Unfunded	C-5	1,468,134.74	8,218,990.68
Due to Water Utility Capital Fund	D	79,849.27	
Due to Other Trust Fund - Fire Department Trust	B	369.51	
Reserve for Encumbrances		5,700,821.76	4,227,477.80
Reserve for Bond Anticipation Note Premium			98,800.00
Capital Improvement Fund	C-6	4,786,725.40	4,791,008.48
Amount Due to Museum of Early Trades and Crafts		19,042.31	18,875.56
Fund Balance	C-1	107,345.94	209,751.35
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 50,380,733.01</u>	<u>\$ 39,554,091.54</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, 2007	\ C	\$ 209,751.35
Increased By:		
Improvement Authorizations Cancelled		\ 179,756.78
		<u>389,508.13</u>
Decreased By:		
Appropriation to Finance		
Improvement Authorizations	\$ 214,750.00	
Cancellation of Grants Receivable	<u>67,412.19</u>	
		<u>282,162.19</u>
Balance December 31, 2008	C	<u>\$ 107,345.94</u>

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
WATER UTILITY FUND

BOROUGH OF MADISON
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

		December 31,	
		2008	2007
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 1,580,987.04	\$ 1,592,488.89
Change Fund		25.00	25.00
		<u>1,581,012.04</u>	<u>1,592,513.89</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	212,160.12	137,442.18
Revenue Accounts Receivable		1,658.60	1,658.60
		<u>213,818.72</u>	<u>139,100.78</u>
Total Operating Fund		<u>1,794,830.76</u>	<u>1,731,614.67</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	494,455.51	2,333,755.74
Investments	D-4	1,000,000.00	500,000.00
Due from General Capital Fund	C	79,849.27	
Fixed Capital	D-7	10,059,634.46	9,927,331.25
Fixed Capital Authorized and Uncompleted	D-8	1,862,500.00	1,119,000.00
Total Capital Fund		<u>13,496,439.24</u>	<u>13,880,086.99</u>
<u>TOTAL ASSETS</u>		<u>\$ 15,291,270.00</u>	<u>\$ 15,611,701.66</u>

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

	Ref.	December 31,	
		2008	2007
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;D-9	\$ 255,610.99	\$ 66,386.14
Encumbrances Payable	D-3;D-9	154,424.48	50,676.16
		<u>410,035.47</u>	<u>117,062.30</u>
Reserve for Receivables	D	213,818.72	139,100.78
Fund Balance	D-1	1,170,976.57	1,475,451.59
Total Operating Fund		<u>1,794,830.76</u>	<u>1,731,614.67</u>
Capital Fund:			
Improvement Authorizations - Funded	D-10	64,740.08	969,769.00
Encumbrances Payable		360,687.81	39,306.64
Capital Improvement Fund	D-11	1,043,091.19	1,371,894.40
Reserve for:			
Filtration System		48,258.95	95,258.95
Amortization		10,059,634.46	9,927,331.25
Deferred Reserve for Amortization	D-12	1,862,500.00	1,119,000.00
Fund Balance	D-1a	57,526.75	357,526.75
Total Capital Fund		<u>13,496,439.24</u>	<u>13,880,086.99</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 15,291,270.00</u>	<u>\$ 15,611,701.66</u>

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

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

	Ref.	Year Ended December 31,	
		2008	2007
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 295,848.00	\$ 145,898.00
Rents		1,662,964.74	1,560,434.31
Miscellaneous Revenue		104,142.28	129,520.74
Other Credits to Income:			
Prior Year Bank Adjustments			20.61
Cancellation of Prior Year Reconciling Items		8.90	
Unexpended Balance of Appropriation Reserves		64,257.06	66,499.74
Total Income		<u>2,127,220.98</u>	<u>1,902,373.40</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,509,848.00	1,145,898.00
Capital Improvements		200,000.00	400,000.00
Deferred Charges and Statutory Expenditures		126,000.00	80,000.00
Refund of Prior Year Revenue			66.65
Total Expenditures		<u>1,835,848.00</u>	<u>1,625,964.65</u>
Excess in Revenue		291,372.98	276,408.75
<u>Fund Balance</u>			
Balance January 1		1,475,451.59	1,614,940.84
		<u>1,766,824.57</u>	<u>1,891,349.59</u>
Decreased by:			
Utilized as Anticipated Revenue		295,848.00	145,898.00
Anticipated as Current Fund Budget Revenue		300,000.00	270,000.00
Balance December 31	D	<u>\$ 1,170,976.57</u>	<u>\$ 1,475,451.59</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, 2007	D	\$ 357,526.75
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>300,000.00</u>
Balance December 31, 2008	D	<u>\$ 57,526.75</u>

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 295,848.00	\$ 295,848.00	
Water Rents	1,460,000.00	1,662,964.74	\$ 202,964.74
Miscellaneous Revenue	80,000.00	104,142.28	24,142.28
	<u>\$ 1,835,848.00</u>	<u>\$ 2,062,955.02</u>	<u>\$ 227,107.02</u>

Analysis of Realized Revenue

Miscellaneous Revenue:

Interest on Investments:

Water Utility Operating Fund

Other Miscellaneous Revenue

\$ 83,660.17

20,482.11

\$ 104,142.28

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008

	Appropriations		Expended by		Unexpended Balance Cancelled
	Budget	Budget After Modi- fication	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 594,448.00	\$ 594,448.00	\$ 537,158.01	\$ 57,289.99	
Other Expenses	915,400.00	915,400.00	732,498.98	182,901.02	
Capital Improvements:					
Capital Improvement Fund	200,000.00	200,000.00	200,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	82,000.00	82,000.00	71,693.74	10,306.26	
Social Security System (O.A.S.I.)	44,000.00	44,000.00	38,886.28	5,113.72	
	<u>\$ 1,835,848.00</u>	<u>\$ 1,835,848.00</u>	<u>\$ 1,580,237.01</u>	<u>\$ 255,610.99</u>	<u>\$ -0-</u>

Ref.

D

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>
Adopted Budget		<u>\$ 1,835,848.00</u>	
		<u>\$ 1,835,848.00</u>	
Cash Disbursed			\$ 1,425,812.53
Encumbrances Payable	D		<u>154,424.48</u>
			<u>\$ 1,580,237.01</u>

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
ELECTRIC UTILITY FUND

BOROUGH OF MADISON
ELECTRIC UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2008	2007
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 3,202,382.82	\$ 5,231,660.09
Investments	E-5	3,800,000.00	5,800,000.00
Change Fund		25.00	25.00
		<u>7,002,407.82</u>	<u>11,031,685.09</u>
Receivables and Other Assets With Full Reserves:			
Consumer Accounts Receivable	E-8	1,153,607.61	1,216,579.41
Due from Current Fund	A		96,369.71
Lifeline Credit Receivable			1,575.00
Total Receivables and Other Assets With Full Reserves		<u>1,153,607.61</u>	<u>1,314,524.12</u>
Total Operating Fund		<u>8,156,015.43</u>	<u>12,346,209.21</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	174,141.76	341,816.15
Investments	E-5	1,800,000.00	2,000,000.00
Fixed Capital	E-9	10,486,958.21	9,750,097.88
Fixed Capital Authorized and Uncompleted	E-10	1,007,500.00	1,373,894.39
Total Capital Fund		<u>13,468,599.97</u>	<u>13,465,808.42</u>
<u>TOTAL ASSETS</u>		<u>\$ 21,624,615.40</u>	<u>\$ 25,812,017.63</u>

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

	Ref.	December 31,	
		2008	2007
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-4;E-11	\$ 2,086,672.00	\$ 1,487,774.58
Unencumbered	E-4;E-11	438,420.12	584,580.63
		<u>2,525,092.12</u>	<u>2,072,355.21</u>
Reserve for Receivables	E	1,153,607.61	1,314,524.12
Fund Balance	E-1	<u>4,477,315.70</u>	<u>8,959,329.88</u>
Total Operating Fund		<u>8,156,015.43</u>	<u>12,346,209.21</u>
Capital Fund:			
Encumbrances Payable		69,699.00	33,438.00
Improvement Authorizations:			
Funded	E-12	255,064.31	288,533.76
Capital Improvement Fund	E-13	1,343,126.85	1,713,592.79
Reserve for:			
Amortization		10,486,958.21	9,750,097.88
Deferred Amortization	E-14	1,007,500.00	1,373,894.39
Fund Balance	E-2	<u>306,251.60</u>	<u>306,251.60</u>
Total Capital Fund		<u>13,468,599.97</u>	<u>13,465,808.42</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 21,624,615.40</u>	<u>\$ 25,812,017.63</u>

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

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

	Ref.	Year Ended December 31	
		2008	2007
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 3,428,190.00	
Metered Service		16,622,771.51	\$ 15,341,632.87
Miscellaneous Revenue		452,867.50	609,744.48
Other Credits to Incomes:			
Unexpended Balance of Appropriation Reserves		724,024.17	857,471.10
Cancellation of Prior Year Outstanding Reconciling Items		142.93	14.50
Interfunds Returned		96,369.71	
Total Income		<u>21,324,365.82</u>	<u>16,808,862.95</u>
<u>Expenditures</u>			
Operating		18,708,190.00	10,704,771.00
Deferred Charges and Statutory Expenditures		220,000.00	172,000.00
Cancellation of Outstanding Reconciling Items			0.06
Total Expenditures		<u>18,928,190.00</u>	<u>10,876,771.06</u>
Excess in Revenue		2,396,175.82	5,932,091.89
<u>Fund Balance</u>			
Balance January 1		8,959,329.88	7,387,237.99
		<u>11,355,505.70</u>	<u>13,319,329.88</u>
Decreased by:			
Utilized as Anticipated Revenue		3,428,190.00	
Anticipated as Current Fund Budget Revenue		3,450,000.00	4,360,000.00
Balance December 31	E	<u>\$ 4,477,315.70</u>	<u>\$ 8,959,329.88</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

	<u>Ref.</u>	
Balance December 31, 2007	E	\$ 306,251.60
Balance December 31, 2008	E	<u>\$ 306,251.60</u>

ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2008

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 3,428,190.00	\$ 3,428,190.00	
Metered Service	15,300,000.00	16,622,771.51	\$ 1,322,771.51
Miscellaneous Revenue	200,000.00	452,867.50	252,867.50
	<u>\$ 18,928,190.00</u>	<u>\$ 20,503,829.01</u>	<u>\$ 1,575,639.01</u>
 <u>Analysis of Realized Revenue</u>			
Miscellaneous Revenue:			
Miscellaneous Receipts		\$ 25,327.18	
Interest Earned:			
Electric Utility Operating Fund		427,540.32	
		<u>\$ 452,867.50</u>	
 Metered Services:			
Consumer Accounts Receivable		\$ 16,604,209.01	
Life Line Credits		18,562.50	
		<u>\$ 16,622,771.51</u>	

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, 2008

	<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	\$ 1,379,803.00	\$ 1,379,803.00	\$ 1,319,243.71	\$ 60,559.29
Other Expenses	17,051,470.00	17,051,470.00	16,698,137.09	353,332.91
Rosenet Web Site:				
Other Expenses	276,917.00	276,917.00	274,038.31	2,878.69
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	110,000.00	110,000.00	96,174.53	13,825.47
Social Security System	110,000.00	110,000.00	102,176.24	7,823.76
	<u>\$18,928,190.00</u>	<u>\$18,928,190.00</u>	<u>\$18,489,769.88</u>	<u>\$ 438,420.12</u>

Ref.

\ E

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	<u>Ref.</u>	Analysis of	
		Budget After Modification	Paid or Charged
Adopted Budget		\$ 18,928,190.00	
		\$ 18,928,190.00	
Cash Disbursed			\$ 16,477,297.88
Reserve for Encumbrances	E		2,086,672.00
			18,563,969.88
Less: Refunds			74,200.00
			\$ 18,489,769.88

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
PUBLIC ASSISTANCE FUND

BOROUGH OF MADISON
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		<u>2008</u>	<u>2007</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 25,064.69	\$ 15,736.95
<u>TOTAL ASSETS</u>		<u>\$ 25,064.69</u>	<u>\$ 15,736.95</u>
 <u>RESERVES</u>			
Reserve for Public Assistance Trust Fund I		\$ 2,169.96	\$ 2,277.46
Reserve for Public Assistance Trust Fund II		22,894.73	13,459.49
<u>TOTAL RESERVES</u>		<u>\$ 25,064.69</u>	<u>\$ 15,736.95</u>

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

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF MADISON
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET

	December 31,	
	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Land	\$ 37,924,400.00	\$ 24,924,400.00
Buildings	25,087,745.73	25,067,147.73
Improvements Other than Buildings	575,626.61	575,626.61
Machinery and Equipment	10,511,461.69	10,863,988.69
<u>TOTAL ASSETS</u>	<u>\$ 74,099,234.03</u>	<u>\$ 61,431,163.03</u>
 <u>RESERVES</u>		
Investment in General Fixed Assets	<u>\$ 74,099,234.03</u>	<u>\$ 61,431,163.03</u>

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

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

B. Description of Funds (cont'd)

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.

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 and Trust 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, Water and Electric Utility Funds.

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, 2008
(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, 2008

(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, 2008

(Continued)

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

Summary of Municipal Debt

	December 31,		
	2008	2007	2006
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 26,321,000.00	\$ 20,000,000.00	\$ 18,000,000.00
Wastewater Treatment Loan Payable	204,037.50	874,683.88	1,632,451.07
Total Issued	<u>26,525,037.50</u>	<u>20,874,683.88</u>	<u>19,632,451.07</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	6,805,000.00	431,000.00	750,000.00
Total Authorized but not Issued	<u>6,805,000.00</u>	<u>431,000.00</u>	<u>750,000.00</u>
 Net Bonds, Notes and Loans Issued and Authorized but not Issued	 <u>\$ 33,330,037.50</u>	 <u>\$ 21,305,683.88</u>	 <u>\$ 20,382,451.07</u>

Summary of Municipal Debt Issued and Outstanding – Current 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	
Total	<u>\$ 20,874,683.88</u>	<u>\$ 26,321,000.00</u>	<u>\$ 20,670,646.38</u>	<u>\$ 26,525,037.50</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/2006	Additions	Retirements	Balance 12/31/2007
Loans Payable:				
General Capital Fund:				
Wastewater Treatment Loans	\$ 1,632,451.07		\$ 757,767.19	\$ 874,683.88
Bond Anticipation Notes:				
General Capital Fund	18,000,000.00	\$ 20,000,000.00	18,000,000.00	20,000,000.00
Total	<u>\$ 19,632,451.07</u>	<u>\$ 20,000,000.00</u>	<u>\$ 18,757,767.19</u>	<u>\$ 20,874,683.88</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(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 .91%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 45,010,000.00	\$ 45,010,000.00	
General Debt	33,330,037.50		\$ 33,330,037.50
	<u>\$ 78,340,037.50</u>	<u>\$ 45,010,000.00</u>	<u>\$ 33,330,037.50</u>

Net Debt \$33,330,037.50 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,643,170,906.33 = .91%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 127,510,981.72
Net Debt	<u>33,330,037.50</u>
Remaining Borrowing Power	<u>\$ 94,180,944.22</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, 2008

General Capital Serial Bonds Payable

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2008</u>
General Improvement Bonds of 2008	10/15/2028	4.50%-5.00%	<u>\$ 26,321,000.00</u>

NJ Wastewater Treatment Financing Program

Loan Number 1:

In 1988, two separate loan agreements were entered into by the Borough of Madison for the purpose of improvements to the Wastewater Treatment Plant. Loans payable in the amount of \$8,190,010.00 are detailed as follows:

New Jersey Wastewater Treatment Trust	\$ 4,050,000.00
New Jersey Wastewater Treatment Fund	4,140,010.00
	<u>8,190,010.00</u>
1996 Trust Refunding Bonds Savings Credit	90,248.96
	<u>\$ 8,099,761.04</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

Loan Number 1: (Cont'd)

On June 19, 1996, Trust Refunding Bonds were issued producing savings credits of \$164,214.39 (Interest) and \$90,248.96 (Principal). The Borough made the last loan payment in 2008.

Loan Number 2:

In 1989, additional 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).

Schedules of annual principal and interest payments for the two combined loans are detailed as follows:

Year	Loan Number 2		Total
	Principal	Interest	
2009	\$ 209,424.71	\$ 6,858.63	\$ 216,283.34
	\$ 209,424.71	\$ 6,858.63	\$ 216,283.34

Installment payments of principal and interest on the above-described Wastewater Treatment 1989 loan are due on April 15th and October 15th of each year. Savings credits of \$5,387.21 for Loan Number 2 has not yet been applied in the above schedule of annual principal and interest payments.

Note 3: Fund Balance Appropriated

Fund balances at December 31, 2008, which are included in the Current, Water Utility Operating, and Electric Utility Operating Fund budgets for the year ending December 31, 2009, are as follows:

Current Fund	\$ 5,200,000.00
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, 2008.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

(Continued)

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 Township 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.

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 CPFPP. 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 2006-2008 are as follows:

Three-Year Trend of PERS			
Year Funding December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 456,829.00	80.00%	\$ 365,463.20
2007	332,794.03	60.00%	199,676.42
2006	241,923.68	40.00%	96,769.47

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

Not more than 80% for payments due in State fiscal year 2008

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 5: Pension Plans (Cont'd)

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 2006-2008 are as follows:

Three-Year Trend of PFRS			
Year Funding December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 898,877.72	100.00%	\$ 898,877.72
2007	735,278.75	80.00%	588,223.00
2006	603,485.43	60.00%	362,091.26

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

Not more than 80% for payments due in State fiscal year 2007

Note 6: Local School District Taxes

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

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

Note 7: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$4,182,458.02 at December 31, 2008. 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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 8: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Tax Rate</u>	\$ 2.478	\$ 2.350	\$ 2.200
<u>Apportionment of Tax Rate</u>			
Municipal	.576	.550	.487
County - Regular	.327	.319	.305
County Open Space	.074	.081	.074
Local School	1.501	1.400	1.334
<u>Assessed Valuations</u>			
2008	<u>\$ 2,126,394,341.00</u>		
2007		<u>\$ 2,131,307,423.00</u>	
2006			<u>\$ 2,116,844,789.00</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>
2008	\$ 52,944,534.21	\$ 52,607,364.42	99.36%
2007	50,359,944.85	49,866,131.31	99.02%
2006	46,811,520.18	46,572,382.10	99.49%

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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

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 below.

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

- (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, 2008, cash and cash equivalents and investments of the Borough of Madison consisted of the following:

Fund	Cash on Hand	Checking Accounts	Money Market Accounts	Certificates of Deposit	Totals
Current	\$ 950.00	\$ 4,040,301.45	\$ 5,937.29	\$ 7,000,000.00	\$11,047,188.74
Animal Control		30,064.82			30,064.82
Open Space Trust		424,241.45		650,000.00	1,074,241.45
Other Trust		1,070,603.11			1,070,603.11
Assessment Trust		32,122.32		350,000.00	382,122.32
General Capital		45,428.20	19,042.31	15,200,000.00	15,264,470.51
Water Utility Operating	25.00	1,580,987.04			1,581,012.04
Water Utility Capital		494,455.51		1,000,000.00	1,494,455.51
Electric Utility Operating	25.00	3,202,382.82		3,800,000.00	7,002,407.82
Electric Utility Capital		174,141.76		1,800,000.00	1,974,141.76
Public Assistance		25,064.69			25,064.69
	<u>\$1,000.00</u>	<u>\$11,119,793.17</u>	<u>\$ 24,979.60</u>	<u>\$29,800,000.00</u>	<u>\$40,945,772.77</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

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

The Borough did not hold any investments during the year ended December 31, 2008 other than certificates of deposit. The carrying amount of the Borough of Madison's cash and cash equivalents at December 31, 2008, was \$40,945,772.77 and the bank balance was \$41,099,073.82.

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 obtains their health benefit coverage through Aetna Insurance Company.

The Borough of Madison is a member of the Morris County Municipal Joint Insurance Fund. This fund is 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 fund 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

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

The Fund 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, 2008 audit report for the Fund was not available as of the date of this report. Selected summarized financial information for the Fund as of December 31, 2007, is as follows:

Total Assets	\$ 18,885,544
Net Assets	\$ 10,343,146
Total Revenue	\$ 12,122,530
Total Expenses	\$ 10,109,429
Change in Net Assets for the Year Ended December 31	\$ 2,013,101
Net Assets Distribution to Participating Members	\$ -0-

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 10: Risk Management (Cont'd)

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

Perma Risk Management Services
Park 80 West, Plaza One
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.

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

Fiscal Year	Borough Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2008	\$ -0-	\$ -0-	\$ 2,043.58	\$ 31,884.22	\$ 87,861.99
2007	-0-	-0-	10,228.30	194,943.55	117,702.63
2006	-0-	-0-	14,040.28	19,304.47	302,417.88

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2008:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 4,950.80	\$ 235,483.99
Federal and State Grant Fund	231,483.99	
Animal Control Fund		4,852.91
Other Trust Fund	4,369.51	73.97
Assessment Trust Fund		23.92
General Capital Fund		80,218.78
Water Utility Capital Fund	79,849.27	
	<u>\$ 320,653.57</u>	<u>\$ 320,653.57</u>

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008
(Continued)

Note 11: Interfund Receivables and Payables (Cont'd)

The interfund receivable in the Current Fund and the interfund payable in the Animal Control Fund is due to a statutory excess in the Animal Control Fund due to the Current Fund. The interfund receivable in the Current Fund and the interfund payable in the Other Trust Fund and Assessment Trust Fund is due to interest earned. 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 Current Fund is due to the collection of fire fines in the Current Fund that have not been turned over to the Fire Department Trust Fund. The interfund receivable in the Other Trust Fund and the interfund payable in the General Capital Fund is due to cancellation of old capital improvement authorizations. The interfund receivable in the Water Utility Capital Fund and the interfund payable in the General Capital Fund represent an interfund loan to the General Capital Fund for the acquisition of open space property at year end.

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 \$1,211,149.05 in 2008 for operating expenses.

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

Note 13: Contingent Liabilities

Of the \$390,000 reserve the Borough established for pending tax appeals in 2004, \$72,000.00 remains as of December 31, 2008. The Borough reserved an additional \$265,000.00 for pending tax appeals in 2008. The total amount in the Reserve for Pending tax appeals at December 31, 2008 is \$337,000.00.

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, 2008.

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.

The Borough is a third party defendant, along with a number of other municipalities, in a lawsuit filed by the United States and New Jersey DEP against several industrial generators, which involves previous use of the Combe Fill South Landfill and subsequent environmental concerns allegedly involving refuse generated by several municipalities. The litigation is pending and there is a potential for a settlement where the settlement amount will be paid by insurance.

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.

BOROUGH OF MADISON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2008

(Continued)

Note 15: Accounts Payable

Payables as of December 31, 2008 were as follows:

	2008
Federal and State Grant Fund:	
Various Vendors	\$ 4,051.25

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, 2006, the Borough authorized a capital ordinance in the amount of \$1,800,000 to purchase property familiarly known as "195 Kings Road". The Borough completed the transaction for the purchase and fully collected the grants and contributions supporting it during 2008. The Borough collected the \$600,000 receivable from the State of New Jersey Green Acres Trust during 2008.

During the year ended December 31, 2008, the Borough also 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, 2008, the project was not complete. Therefore, the General Capital Fund reflects a receivable of \$600,000 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.

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 2008 Open Space tax levy is \$448,735.35. The balance in the Reserve for Open Space at December 31, 2008 is \$1,074,241.45.

BOROUGH OF MADISON

SUPPLEMENTARY DATA

BOROUGH OF MADISON
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2008

Name	Title	Amount of Bond	Name of Corporate Surety
Mary-Anna Holden	Mayor		
Robert H. Conley	Council President		
Astri J. Baillie	Council Member		
John M. Elias	Council Member		
Vincent Esposito	Council Member		
Jeannie Tsukamoto	Council Member		
Carmela Vitale	Council Member		
Raymond M. Cody	Administrator		
Marilyn R. Schaeffer	Clerk		
Elizabeth Crescibene	Purchasing/Personnel Officer		
Robert F. Kalafut	Director of Finance Chief Financial Officer		
Francine DeAngelis	Chief Accountant Tax Collector	\$ 1,000,000	Morris County Municipal JIF
Mary Bednarick	Utility Rent Collector	1,000,000	Morris County Municipal 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		
Linda B. Durney	Director of Welfare		
John W. Theese	Health Officer		
Carol Hilligas	Secretary Board of Health Registrar, Vital Statistics		
Gary F. Troxell	Magistrate	5,000	* Selective Insurance
Denis Murray	Court Administrator (thru 9/3/08)		
Frank Ciampi	Court Administrator (from 9/23/08) Deputy Court Administrator (thru 9/23/08)	1,000,000	Morris County Municipal JIF
Angela Esposito	Deputy Court Administrator	10,000	* Selective Insurance
Cherise Locket	Assistant Violations Clerk (thru 9/18/08)		

All bonds were examined and were properly executed.

A Public Employee Faithful Performance Blanket Position Bond is in force for \$1,000,000 through the Morris County Municipal JIF. This bond covers all employees not having their own coverage under the JIF.

* This coverage is in additional to the \$1,000,000 Public Employee Blanket Position Bond provided by the JIF.

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
CURRENT FUND

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

	<u>Ref.</u>	
Balance December 31, 2007	A	\$ 12,918,286.07
Increased by Receipts:		
Taxes Receivable		\$ 52,008,724.38
Revenue Accounts Receivable		8,100,975.16
Miscellaneous Revenue Not Anticipated		298,475.05
Prepaid Taxes		347,959.89
Tax Overpayments		205,240.80
Appropriation Refunds		258,584.95
Appropriation Refunds - Grants		3,750.00
Due to Federal and State Grant Fund:		
Grants Receivable		45,933.00
Unappropriated Reserves		92,229.60
Due from/to State of New Jersey:		
Veterans' and Senior Citizens' Deductions		138,250.00
Construction Code Fees		22,612.00
Due from Assessment Trust Fund:		
Prior Year Interfund Returned		1,085.97
Due from Other Trust Fund:		
Prior Year Interfund Returned		104.58
Due from Animal Control Fund:		
Prior Year Interfund Returned		7,087.51
Fire Fines Due to Fire Department Trust Fund		3,000.00
Tax Sale Premiums		7,400.00
Reserve for Outside Lien Redemption		68,950.77
Cancel Prior Year Reconciling Items		1,418.15
		<hr/> 61,611,781.81
		<hr/> 74,530,067.88
Decreased by Disbursements:		
2008 Appropriation Expenditures		21,431,741.72
2007 Appropriation Reserve Expenditures		645,763.73
Local School District Taxes		31,903,061.94
County Taxes		8,508,050.74
Tax Overpayments Refunded		206,866.19
Due State of New Jersey - Construction Code Fees		22,746.00
Due from Federal and State Grant Fund:		
Appropriated Reserves		135,516.14
Accounts Payable		5,413.62
Due Open Space Trust Fund:		
Open Space Tax Levy		448,735.35
Due Electric Utility Operating Fund:		
Prior Year Interfund Returned		96,369.71
Due Other Trusts Fund:		
Prior Year Interfund Returned		31,655.00
Reserve for Outside Lien Redemption		47,909.00
		<hr/> 63,483,829.14
Balance December 31, 2008	A	<u>\$ 11,046,238.74</u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

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

Year	Balance Dec. 31, 2007	2008 Levy	Added Taxes	2007	2008	Over- payments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Trans- ferred to Tax Title Liens	Balance Dec. 31, 2008
2006	\$ 8,929.80		\$ 5,911.44		\$ 155,486.35		\$ (500.00)	\$ 81,943.29		\$ 8,929.80
2007	240,556.85		5,911.44		155,486.35		(500.00)	81,943.29		9,538.65
	249,486.65		5,911.44							18,468.45
2008		\$ 52,944,534.21		\$ 616,023.78	51,853,238.03	\$ 1,102.61	137,000.00	19,856.25	\$ 1,794.07	315,519.47
	\$ 249,486.65	\$ 52,944,534.21	\$ 5,911.44	\$ 616,023.78	\$ 52,008,724.38	\$ 1,102.61	\$ 136,500.00	\$ 101,799.54	\$ 1,794.07	\$ 333,987.92

Ref. A

Analysis of 2008 Property Tax Levy

General Purpose Tax	\$ 52,692,051.78
Added Taxes (54:4-63.1 et seq.)	252,482.43
	<u>\$ 52,944,534.21</u>
Tax Levy:	
Local School District Taxes	
County Taxes:	
County Taxes	\$ 8,508,050.74
Due County for Added and Omitted Taxes	41,864.05
	<u>8,549,914.79</u>
Local Tax for Municipal Purposes	
Municipal Open Space Taxes	11,820,662.05
Add: Additional Open Space - Municipal	446,542.81
Add: Additional Tax Levied	2,192.54
	<u>12,491,557.26</u>
	<u>\$ 52,944,534.21</u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2007	A	\$ 14,408.88
Increased by:		
Transferred From Taxes Receivable.		<u>1,794.07</u>
Balance December 31, 2008	A	<u>\$ 16,202.95</u>

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2007</u>	<u>Accrued</u> <u>in 2008</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2008</u>
Borough Clerk:				
ABC Licenses		\$ 26,301.00	\$ 26,301.00	
Other		17,450.20	17,450.20	
Fees and Permits		259,671.51	259,671.51	
Municipal Court	\$ 13,734.48	301,071.93	290,933.63	\$ 23,872.78
Interest and Costs on Taxes		65,623.74	65,623.74	
Parking Meters		48,819.25	48,819.25	
Interest on Investments and Deposits		1,014,123.35	1,014,123.35	
Police Burglar Alarms		32,340.38	32,340.38	
Cablevision Franchise Fee		62,117.35	62,117.35	
Sewer Fees on Tax Exempt Properties		283,376.59	283,376.59	
Consolidated Municipal Property Tax Relief Aid		391,035.00	391,035.00	
Energy Receipts Tax		688,040.00	688,040.00	
Municipal Homeland Security Assistance Aid	70,000.00		70,000.00	
Uniform Construction Code Fees		308,763.00	308,763.00	
Intermunicipal Health Contracts for Local Community				
Health Services		250,723.75	250,723.75	
Intermunicipal Agreements for "Southeast Morris				
Project Community Pride"		65,300.00	65,300.00	
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		37,490.68	37,490.68	
Life Hazard User Fees		50,123.40	50,123.40	
Madison Cell Tower Lease		255,442.33	255,442.33	
Utility Operating Surplus of Prior Years - Water Utility		300,000.00	300,000.00	
Rosenet User Fees		34,500.00	34,500.00	
Bond Anticipation Note Premium		98,800.00	98,800.00	
	<u>\$ 83,734.48</u>	<u>\$ 8,041,113.46</u>	<u>\$ 8,100,975.16</u>	<u>\$ 23,872.78</u>

Ref.

A

A

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

	Balance Dec. 31, 2007	Balance After Modi- fication	Paid or Charged	Balance Lapsed
General Administration:				
Other Expenses	\$ 2,463.37	\$ 2,463.37	\$ 1,641.95	\$ 821.42
Municipal Support:				
Salaries and Wages	17,317.28	17,317.28		17,317.28
Other Expenses	15,401.61	15,401.61	4,052.35	11,349.26
Human Resources:				
Other Expenses	16,694.37	16,694.37	4,345.31	12,349.06
Mayor and Council:				
Salaries and Wages	458.82	458.82		458.82
Other Expenses	5,146.06	5,146.06	1,727.10	3,418.96
Borough Clerk:				
Other Expenses	6,735.60	6,735.60	665.37	6,070.23
Financial Administration (Treasury):				
Salaries and Wages	2,463.83	2,463.83		2,463.83
Other Expenses	4,867.18	4,867.18	2,439.93	2,427.25
Elections:				
Other Expenses	3,809.16	3,809.16		3,809.16
Audit Services:				
Other Expenses	25,980.00	25,980.00	25,980.00	
Revenue Administration (Tax Collection):				
Salaries and Wages	2,007.93	2,007.93		2,007.93
Other Expenses	3,112.78	3,112.78	584.33	2,528.45
Tax Assessment Administration:				
Salaries and Wages	499.92	499.92		499.92
Other Expenses	11,884.95	11,884.95	2,049.95	9,835.00
Legal Services and Costs:				
Salaries and Wages	0.08	0.08		0.08
Other Expenses	78,337.57	78,337.57	11,844.51	66,493.06
Engineering Services:				
Salaries and Wages	18,159.60	18,159.60		18,159.60
Other Expenses	41,058.53	41,058.53	31,204.62	9,853.91
Environmental Commission:				
Other Expenses	910.00	910.00		910.00
Downtown Development Commission:				
Other Expenses	1,143.12	1,143.12	239.99	903.13
Historic Preservation:				
Other Expenses	2,167.00	2,167.00	170.00	1,997.00
Planning Board:				
Salaries and Wages	391.52	391.52		391.52
Other Expenses	20,142.00	20,142.00	5,291.65	14,850.35
Zoning Board of Adjustment:				
Salaries and Wages	480.22	480.22		480.22
Other Expenses	15,657.55	15,657.55	1,615.00	14,042.55
Police and Fire Building:				
Other Expenses	20,000.00	20,000.00		20,000.00
Police:				
Salaries & Wages	85,850.72	85,850.72		85,850.72
Other Expenses	63,860.88	63,860.88	26,113.43	37,747.45

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Balance Dec. 31, 2007	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Project Community Pride:				
Other Expenses	\$ 5,732.70	\$ 5,732.70	\$ 3,006.11	\$ 2,726.59
Emergency Management:				
Other Expenses	2,468.40	2,468.40	597.00	1,871.40
Fire Department:				
Salaries & Wages	6,672.24	6,672.24		6,672.24
Other Expenses	17,528.42	17,528.42	10,124.16	7,404.26
Uniform Fire Safety Act:				
Salaries & Wages	0.04	0.04		0.04
Municipal Prosecutor's Office:				
Other Expenses	9,145.00	9,145.00	4,247.50	4,897.50
Public Works:				
Salaries and Wages	75,980.96	75,980.96		75,980.96
Other Expenses	46,701.60	46,701.60	17,903.49	28,798.11
Sewer Department:				
Other Expenses	27,545.58	27,545.58	9,026.82	18,518.76
Shade Tree Authority:				
Other Expenses	43,704.86	43,704.86	24,010.00	19,694.86
Garbage Removal:				
Other Expense	471,361.88	471,361.88	347,276.13	124,085.75
Public Building & Grounds:				
Salaries & Wages	7,688.47	7,688.47		7,688.47
Other Expenses	28,870.50	28,870.50	1,625.61	27,244.89
Vehicle Maintenance:				
Salaries and Wages	8,068.57	8,068.57		8,068.57
Other Expenses	20,554.95	20,554.95	7,693.95	12,861.00
Vehicle Maintenance - Police:				
Other Expenses	13,323.41	13,323.41	10,160.98	3,162.43
Vehicle Maintenance - Fire:				
Other Expenses	4,282.38	4,282.38	1,690.48	2,591.90
Board of Health:				
Salaries & Wages	18,613.13	18,613.13		18,613.13
Other Expenses	26,745.06	26,745.06	10,001.54	16,743.52
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:				
Salaries and Wages	226.00	226.00		226.00
Other Expenses	473.49	473.49		473.49
Civic Center:				
Other Expenses	6,347.91	6,347.91	5,763.54	584.37
Recreation & Playgrounds:				
Salaries & Wages	12,038.28	12,038.28		12,038.28
Other Expenses	14,928.98	14,928.98	270.00	14,658.98
Senior Citizens Programs:				
Salaries & Wages	3,656.42	3,656.42		3,656.42
Other Expenses	3,014.89	3,014.89	1,072.67	1,942.22

BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008
(Continued)

	Balance Dec. 31, 2007	Balance After Modi- fication	Paid or Charged	Balance Lapsed
Teen Center:				
Salaries & Wages	\$ 6,734.46	\$ 6,734.46		\$ 6,734.46
Other Expenses	5,764.50	5,764.50	\$ 3,289.20	2,475.30
Parks Commission:				
Other Expenses	1,838.36	1,838.36	1,200.00	638.36
Celebration of Public Events:				
Other Expenses	1,628.17	1,628.17		1,628.17
Municipal Court:				
Salaries and Wages	1,730.76	1,730.76		1,730.76
Other Expenses	9,104.78	9,104.78	1,316.44	7,788.34
Public Defender:				
Other Expenses	5,430.00	5,430.00	2,252.50	3,177.50
Insurance:				
General Liability	27,755.54	27,755.54		27,755.54
Workers Compensation Insurance	26,000.00	26,000.00		26,000.00
Employee Group Health	170,650.59	170,650.59	108.38	170,542.21
Building Inspector:				
Salaries and Wages	14,825.01	14,825.01		14,825.01
Other Expenses	18,692.81	18,692.81	2,951.86	15,740.95
Salary & Wage Adjustment Program	32,160.59	32,160.59	425.88	31,734.71
Utility Expenses:				
Electricity	52,324.17	52,324.17	10,457.73	41,866.44
Telephone	4,766.10	4,766.10	1,388.73	3,377.37
Water	7,547.07	7,547.07		7,547.07
Natural Gas	50,777.43	50,777.43	15,726.35	35,051.08
Sewerage Processing/Disposal	4,960.00	4,960.00		4,960.00
Gasoline	20,270.08	20,270.08	15,533.08	4,737.00
Contingency	25,356.30	25,356.30	16,678.11	8,678.19
Social Security	2,265.77	2,265.77		2,265.77
Consolidated Police & Firemen's Retirement Pension Fund	999.40	999.40		999.40
Maintenance of Free Public Library:				
Other Expenses	22,361.28	22,361.28		22,361.28
Police and Firemen's Retirement-System of New Jersey	5,777.60	5,777.60		5,777.60
Contribution to Public Employees Retirement System	15,312.24	15,312.24		15,312.24
	<u>\$ 1,880,558.78</u>	<u>\$ 1,880,558.78</u>	<u>\$ 645,763.73</u>	<u>\$ 1,234,795.05</u>
Unencumbered	\$ 1,217,948.48			
Encumbered	662,610.30			
	<u>\$ 1,880,558.78</u>			

Ref.

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BOROUGH OF MADISON
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2008

Increased by:

Levy - Calendar Year 2008

\$ 31,903,062.16

Decreased by:

Payments to Local School District

\$ 31,903,061.94

Cancellation of Local School District Taxes Payable

0.22\$ 31,903,062.16

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

	Balance Dec. 31, 2007	Budget Revenue Realized	Cash Received	Transferred From Unappropriated Reserves	Cancellation	Balance Dec. 31, 2008
Municipal Alliance Program:						
1995	\$ 9.00				\$ 9.00	
2002	3,075.00				3,075.00	
2006						
2007	14,569.00		\$ 14,569.00			
Supplemental - 2007		\$ 2,500.00		\$ 2,500.00		
2008		14,844.00				\$ 14,844.00
Public Health Funding Act:						
Contracted Municipalities - 2007		9,326.00		9,326.00		
Motorcycle Rider Safe and Sober	28,616.00				28,616.00	
Clean Communities Grant - 2007		17,458.98		17,458.98		
Alcohol Education and Rehabilitation Grant - 2007		3,270.07		3,270.07		
Recycling Tonnage Grant - 2007		13,252.94		13,252.94		
School Resource Officer Grant - 2007		25,323.00		25,323.00		
COPS in Shops Grant - 2007		2,400.00		2,400.00		
New Jersey Department of Health and Senior Services Grant	10,105.00					10,105.00
Obey the Signs or Pay the Fines Grant - 2007		4,000.00		4,000.00		
Over the Limit, Under Arrest Grant - 2007		4,875.00		4,875.00		
Community Stewardship Incentive Program Grant		25,000.00	21,250.00			3,750.00
Pandemic Flu Preparedness Grant		10,114.00	10,114.00			
	<u>\$ 56,374.00</u>	<u>\$ 132,363.99</u>	<u>\$ 45,933.00</u>	<u>\$ 82,405.99</u>	<u>\$ 31,700.00</u>	<u>\$ 28,699.00</u>

Ref.

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

	Balance Dec. 31, 2007	Transferred from 2008 Budget	Cash Disbursed	Accounts Payable	Unexpended Balance Cancelled	Balance Dec. 31, 2008
Public Health Priority Funding Act of 1977:						
1992	\$ 1,030.50				\$ 1,030.50	
2007		\$ 9,326.00	\$ 9,326.00			
Clean Communities Program:						
2005	1,731.45					\$ 1,731.45
2006	6,708.23					6,708.23
2007		17,458.98	6,309.71			11,149.27
Recycling Tonnage Grant:						
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				13,252.94
Drunk Driving Enforcement Fund - 2007	6,653.45					6,653.45
Health Education Risk Development Grant	1,000.16					1,000.16
Workable Relocation Assistance Plan:						
State	2,420.00				2,420.00	
Borough	2,420.00				2,420.00	
Alcoholism Education and Rehabilitation Fund:						
2003	974.13					974.13
2004	624.14					624.14
2005	681.40					681.40
2006	3,124.46					3,124.46
2007		3,270.07	900.00			2,370.07
Municipal Alliance on Alcoholism and Drug Abuse:						
Borough Share - Prior Years	39,350.33		32,932.79			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					14,569.00
Borough Share - 2007	3,643.00					3,643.00
Supplemental - County - 2007	2,500.00			\$ 2,500.00		
State Share - 2008	14,844.00		13,292.75	1,551.25		
Borough Share - 2008	3,711.00		100.79			3,610.21

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

	Balance Dec. 31, 2007	Transferred from 2008 Budget	Cash Disbursed	Accounts Payable	Unexpended Balance Cancelled	Balance Dec. 31, 2008
COPS in Shops:						
2006	\$ 400.00	\$ 2,400.00	\$ 2,000.00			\$ 400.00
2007						400.00
Body Armor Grant:						
2002	1,063.70					1,063.70
2003	2,199.64		977.05			1,222.59
-2006	1,557.76		1,557.76			
Walk Safety	263.25				\$ 263.25	
Emergency Response Equipment	69.72				69.72	
Green Communities Challenge - 2002	2,000.00					2,000.00
Office of Environmental Services - 2002	4,236.79					4,236.79
Bullet Proof Vest Grant - 2004	136.51				136.51	
Stormwater Management Grant - 2004	9,022.00					9,022.00
School Resource Officer Grant - 2007	3,750.00	25,323.00	25,323.00			
Speeding/Aggressive Driving Enforcement Grant - 2006			3,750.00			
Pandemic Influenza Grant:						
2006	171.60					171.60
-2008		10,114.00	8,388.29			-1,725.71
Community Stewardship Incentive Program Grant - 2008		25,000.00	21,158.00			3,842.00
Obey the Sign Grant - 2007		4,000.00	875.00			3,125.00
Over the Limit Grant - 2007		4,875.00	4,875.00			
	<u>\$ 169,984.52</u>	<u>\$ 136,074.99</u>	<u>\$ 131,766.14</u>	<u>\$ 4,051.25</u>	<u>\$ 6,339.98</u>	<u>\$ 163,902.14</u>

Ref. A

Federal Grants	\$ 11,275.00	\$ 7,750.00				
State Grants	118,588.99		90,982.56	\$ 1,551.25		
Local Grants	2,500.00			2,500.00		
Local Matching Funds	3,711.00		33,033.58			
	<u>\$ 136,074.99</u>	<u>\$ 131,766.14</u>		<u>\$ 4,051.25</u>		
Cash Disbursed		<u>\$ 135,516.14</u>				
Less: Appropriation Refunds		<u>(3,750.00)</u>				
		<u>\$ 131,766.14</u>				

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

	Balance Dec. 31, 2007	Cash Received	Transferred to Budget Appropriations	Balance Dec. 31, 2008
Alcohol Education and Rehabilitation Fund:				
2007	\$ 3,270.07		\$ 3,270.07	
2008		\$ 2,998.55		\$ 2,998.55
Clean Communities Grant:				
2007	17,458.98		17,458.98	
2008		17,819.32		17,819.32
Recycling Tonnage Grant:				
2007	13,252.94		13,252.94	
2008		24,064.17		24,064.17
Public Health Funding Act:				
2007	9,326.00		9,326.00	
2008		10,474.00		10,474.00
School Resource Officer Grant - 2007	25,323.00		25,323.00	
Cops in Shops:				
2007	2,400.00		2,400.00	
2008		2,400.00		2,400.00
Drunk Driving Enforcement Fund - 2008		11,194.56		11,194.56
Obey the Signs or Pay the Fines Grant:				
2007	4,000.00		4,000.00	
2008		4,000.00		4,000.00
Over the Limit, Under Arrest Grant:				
2007	4,875.00		4,875.00	
2008		4,750.00		4,750.00
MAASA Supplemental - County:				
2007	2,500.00		2,500.00	
2008		2,500.00		2,500.00
Stormwater Management Grant - 2008		12,029.00		12,029.00
	<u>\$ 82,405.99</u>	<u>\$ 92,229.60</u>	<u>\$ 82,405.99</u>	<u>\$ 92,229.60</u>
Ref. A				
Federal		\$ 23,179.00		
State		66,550.60		
Local		2,500.00		
		<u>\$ 92,229.60</u>		

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
TRUST FUNDS

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

Ref.	Animal Control Fund	Open Space Trust Fund	Assessment, Trust Fund
Balance December 31, 2007	\$ 22,344.01	\$ 951,941.48	\$ 370,836.44
Increased by Receipts:			
Borough Dog License Fees	\$ 24,304.40		
Prepaid Borough Dog License Fees	910.80		
State Dog License Fees	946.80		
Due From Current:			
Current Year Budget Appropriation	25,070.00		
Open Space Tax Levy		\$ 448,735.35	\$ 12,347.93
Assessments Received			
Due Current Fund:			
Investment Interest Earned	400.67		23.92
	<u>51,632.67</u>	<u>448,735.35</u>	<u>12,371.85</u>
	73,976.68	1,400,676.83	383,208.29
Decreased by Disbursements:			
State Board of Health	948.00		
Expenditures Under R.S. 4:19-15.11	35,876.35		
Open Space Expenditures		276,435.38	
Due to General Capital Fund		50,000.00	
Due to Current Fund:			
Prior Year Interfund Returned	7,087.51		1,085.97
	<u>43,911.86</u>	<u>326,435.38</u>	<u>1,085.97</u>
Balance December 31, 2008	<u>\$ 30,064.82</u>	<u>\$ 1,074,241.45</u>	<u>\$ 382,122.32</u>

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

	<u>Ref.</u>	<u>Other Trust Funds</u>
Balance December 31, 2007	B	\$ 1,460,524.35
Increased by Receipts:		
Due from Current Fund		
Prior Year Interfund Returned	\$	31,655.00
Due to State of New Jersey:		
Marriage License Fees		1,750.00
Burial Permits		1,400.00
Construction Code Surcharge Fees		22,746.00
Interest Earned in Unemployment Insurance		2,043.58
Reserve for Special Funds		835,694.51
Investment Interest Earned		9,227.69
Investment Interest Earned Due Current Fund		73.97
		904,590.75
		2,365,115.10
Decreased by Disbursements:		
Due to Current Fund:		
Prior Year Interfund Returned		104.58
Due to General Capital Fund - Fire Department Trust:		
Prior Year Interfund Returned		6,000.00
Improvement Authorizations		47,600.00
Due to State of New Jersey:		
Marriage License Fees		1,825.00
Burial Permits		1,350.00
Construction Code Surcharge Fees		22,953.00
Reserve for Unemployment Insurance		31,884.22
Reserve for Special Funds		1,182,795.19
		1,294,511.99
Balance December 31, 2008	B	\$ 1,070,603.11

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE

Assessment Number	Date of Confirmation	Annual Installments	Balance Dec 31, 2007	Collections	Cancelled	Balance Dec 31, 2008	Balance Pledged To Reserves
12-94	4/26/99	10	\$ 12,348.28	\$ 12,347.93	\$ 0.35	\$ -0-	\$ -0-

Reconstruction of Alma Ave. and
 Peach Tree Lane

Ref B

B

BOROUGH OF MADISON
ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS RECEIVABLE

Balance December 31, 2007	<u>Ref.</u> B		\$ 12,348.28
Decreased by:			
Collections		\$ 12,347.93	
Cancellations		<u>0.35</u>	
			<u>12,348.28</u>
Balance December 31, 2008	B		<u>\$ -0-</u>

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

	<u>Ref.</u>	
Balance December 31, 2007	B	\$ 14,238.30
Increased by:		
Dog License Clerk		\$ 24,304.40
2008 Budget Appropriation		25,070.00
Interest Earned		400.67
Prior Year Prepaids		<u>924.60</u>
		<u>50,699.67</u>
		64,937.97
Decreased by:		
Animal Control Fund Expenditures		35,876.35
Statutory Excess - Due Current Fund		<u>4,852.91</u>
		<u>40,729.26</u>
Balance December 31, 2008	B	<u>\$ 24,208.71</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2006	\$ 9,519.80
2007	<u>14,688.91</u>
Maximum Allowable Reserve	<u>\$ 24,208.71</u>

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
GENERAL CAPITAL FUND

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2007	C	\$ 16,782,520.47
Increased by Receipts:		
Current Fund Appropriations:		
Capital Improvement Fund	\$ 1,529,623.99	
Due From Other Trust Funds:		
Fire Department Trust Fund	53,600.00	
Open Space Trust Fund	50,000.00	
Due from Water Utility Capital Fund:		
Interfund Advanced	79,849.27	
Serial Bonds Issued	26,321,000.00	
Grant Receivable:		
State of New Jersey Green Acres	600,000.00	
New Jersey Department of Transportation Grant:		
Green Avenue	131,250.00	
Garfield Avenue Reconstruction	75,000.00	
Due Museum of Early Trades and Crafts	166.75	
	<u>28,840,490.01</u>	<u>45,623,010.48</u>
Decreased by Disbursements:		
Due to Current Fund:		
Bond and Notes Premium on Sale	98,800.00	
Bond Anticipation Notes Matured	20,000,000.00	
Improvement Authorization Expenditures	10,259,739.97	
	<u>30,358,539.97</u>	<u>30,358,539.97</u>
Balance December 31, 2008	C	<u><u>\$ 15,264,470.51</u></u>

**BOROUGH OF MADISON
GENERAL CAPITAL FUND
ANALYSIS OF CASH**

Ord. Number	Improvement Description	Balance (Deficit) Dec. 31, 2007	Receipts			Disbursements			Balance (Deficit) Dec. 31, 2008
			Serial Bonds Payable	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	
30-06	2006 Road Program including Fairview Avenue, Hoyt Street and Westery Avenue	\$ 98,083.75		\$ 5,810.52		\$ 5,810.52			\$ 98,083.75
33-06	Exterior Lighting, Site Development Plan, Signage and Chairs for the Madison Public Library	38,500.00		21,357.50		21,357.50		5,842.50	11,300.00
36-06; 44-06	2006 Mill and Overlay Projects of Bruns Street, Buckingham Drive, Cantabury Road, Norman Circle and Oxford Lane	159,202.12		143,390.37		143,390.37		15,811.75	
39-06	Digital Tax Map Conversion and Filing	3,000.00						3,000.00	
42-06	Improvements at the Madison Train Station	100,000.00							100,000.00
43-06	Purchase Computer Software to be Utilized by the Safe Homes Program							6,000.00	6,000.00
51-06	Recodification of the Borough Code	3,210.00						3,210.00	
58-06	Replace the 911 System for the Madison Police Department	6.40		71,555.00		71,555.00		6.40	71,555.00
61-06	Purchase of Computer Hardware for the Madison Public Library	17,344.31		49,399.29		49,399.29		600.71	32,655.69
7-07	Enclose the Generator on North Street	4,957.70		21,590.00		21,590.00		4,957.70	21,590.00
8-07	Purchase of Two Lawn Mowers	13,833.00		28,491.00		28,491.00		11,509.00	36,147.00
9-07	Purchase of Pickup Truck	4,400.00						4,400.00	
10-07	Purchase of Street Sweeper	73.85						73.85	
11-07	New Radios and Radio Equipment for Police Department	42,053.20		14,329.54		14,329.54			27,723.66
16-07	Pump Station Modernization Work	300.00		48,950.00		48,950.00			300.00
17-07	Woodland Road Design Work	775.66						775.66	
21-07;	Purchase of a Fire Department Vehicle								
26-07;	Assessment of HVAC, Bathroom Repairs, New Book Stock, Interior Signage, Reupholster Chairs, Drainage Ditch	63,600.00		94,601.00		94,601.00			27,870.00
66-07	Stabilization, Design Work, and Parking Lot at Library	5,213.47		4,050.00		4,050.00		1,163.47	
27-07	To Proceed with Compliance Projects Associated with the NJDEP Municipal Stormwater Permit Program	617.50		9,800.00		9,800.00		617.50	9,800.00
29-07	Roof Repair at Butler Building	200.00						200.00	
30-07	Purchase of Sewer Pumps	338.00						338.00	
31-07	Purchase of Claw for Loader	1,575.00						1,575.00	
32-07	Design Addition for Sewer Department at Borough Garage	3,000.00		15,468.75		15,468.75			15,468.75
37-07	Alarm Monitoring System	6,000.00		57,000.00		57,000.00			57,000.00
39-07; 13-08	Design of Drainage Improvements on Green Village Road	156,884.95		24,459.18		24,459.18		1,340.82	23,000.00
40-07; 12-08	Flow Monitoring Study of North Street Service Area	447,416.39		69,105.21		69,105.21			63,105.21
45-07	2007 Road Milling and Overlay Program	6,095.65		137,515.41		137,515.41	\$ 409,000.00	21,953.15	2,583.61
46-07	2007 Sanitary Sewer Main Lining Program	707,416.39		4,978.55		4,978.55	428,000.00	185,734.99	3,926.65
50-07	Purchase of Computer Hardware for the Madison Public Library	10,006.00		1,059.35		1,059.35		1,059.35	
51-07; 60-08	2007 Road Reconstruction Program	19,000.00		626,643.71		626,643.71	413,000.00	789,038.74	20,000.00
52-07	Purchase of a Fire Department Vehicle	19,000.00		57,994.49		57,994.49		5.51	47,994.00
53-07	Fire Department Cascade System - Fill Panel	7,002.34		4,740.00		4,740.00		19.00	4,740.00
57-07	Dodge Field Lining	345.60		74,117.83		74,117.83		10.00	
63-07	Inter-Borough Network Hardware and Software	20,000.00						1,260.88	68,376.37
68-07	Purchase of Pagers							345.00	
78-07	Emergency Work on Storm Drain Culvert at Rear of Private Properties on the North Side of Elmer Street	58,800.00		44,552.76		44,552.76		14,247.24	
79-07	Design Services and Improved Storm Drainage Structures to Existing Culvert at Rear of Private Properties on the North Side of Elmer Street			6,875.60		6,875.60		135.00	7,000.00
03-08	Roof Repair at 10 Maple Avenue								

BOROUGH OF MADISON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. Number	Improvement Description	Balance (Deficit) Dec. 31, 2007	Receipts		Disbursements		Balance (Deficit) Dec. 31, 2008	
			Serial Bonds Payable	Budget Appropriation	Miscellaneous	Miscellaneous		From
17-08	Bins, Files, Refrigeration, Software, Freight, Delivery, Installation and a One-Year Warranty for Use in the Evidence and Records Room in the New Fire & Police Headquarters							
18-08	New Mailbox System for the New Fire & Police Headquarters							
21-08	Purchase of Door for Salt Shed							
22-08	Purchase of a One-Ton Roller							
23-08	Purchase of 5 Spreaders and Accessories							
24-08-56-08	Purchase of a New Catch Basin Cleaner Truck & Accessories							
27-08	Purchase of Equipment including Rubber Mats for the Apparatus Floor, a Floor Scrubber, Additional Shelving and Vacuums for the Fire Department							
28-08	Purchase of Office Equipment including Copier Machine, Fax Machine, Printer and Storage Unit with Counter top for the Madison Fire Department							
29-08	Purchase of Gum Buster Machine and Accessories							
31-08	Purchase of New Replacement Antenna for the Radio at Midwood Tank							
34-08	Resurfacing Improvements to the Dodge Field and Lucy D. Anthony Basketball Courts							
35-08	Purchase of Fire Department Vehicle							
41-08	Purchase of Window Replacements and a New Generator for the Civic Center							
44-08	Purchase of Scanning Machine to Diagnose Borough Vehicle Mechanical Problems							
46-08	Repair and Resurfacing Four Tennis Courts at Madison High School							
47-08; 61-08	2008 Road Reconstruction Program							
48-08	2008 Road Milling and Overlay Program							
49-08	2008 Storm Sewer Improvement Program							
50-08	2008 Sanitary Sewer Main Lining Program							
53-08	Purchase Portable Generators and Accessories							
57-08	Reimbursement to the Township of Chatham for Drainage Improvements Completed at Sunset Lake							
64-08	Purchase of Fire Department Protective Clothing							
67-08	Two New Thermal Imaging Cameras							
69-08	Modifications and Improvements to the Madison Storm Sewer System in the Area of Rachel Avenue							
70-08	Swale Construction, Purchase of Computer Equipment, Sidewalk Paving and Exterior Ramp Construction for the Madison Public Library							
73-08	Acquisition of Real Property for Open Space Preservation and Recreation Purposes							
		\$ 16,782,530.17	\$ 26,321,000.00	\$ 1,529,653.99	\$ 989,856.02	\$ 10,259,739.97	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 20,000,000.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 6,000,115.57	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 5,179,849.27	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 98,800.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 2,000,000.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 8,799.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 6,750.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 12,325.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 25,000.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 8,801.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 98,000.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 6,800,000.00	\$ 19,941,584.85	\$ 15,264,470.51
						\$ 3,097.99	\$ 19,941,584.85	\$ 15,264,470.51

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

Improvement Description	Ordinance Number	Amount	Balance Dec. 31, 2007		Capital Improvement Fund	2008 Authorizations		Deferred Changes To Future Taxation Unfunded	Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2008	
			Funded	Unfunded		Other Sources	Funded					Unfunded	
Removals of Hamlet Dodge Memorial Building Pursuant to Americans with Disabilities Act	45-00	\$ 2,316,031.00	\$ 2,041.59							\$ 36,582.93	\$ 115,047.68		
Madison Civic Center Facility wide Punch list	11-04	30,000.00	488.31								488.31		
Purchase of Borough Antenna Equipment to Provide Radio Communications on the Cell Tower on Kings Road for the Planned Fire and Police Building	52-04	47,000.00	0.05								0.05		
Purchase of Computer Equipment and Media Furnishings for the Madison Public Library	17-05	21,000.00	0.18								0.18		
Various Public Improvements and Acquisition of New Fire Engines, Including Original Apparatus and Equipment	42-05;	23,367,000.00								1,256,087.68			\$ 8,409,018.05
Document Imaging, Management, Storage	58-08	105,000.00								2,326.60			22,050.02
Electrical Work and Fire and Security System Upgrade for the Barrier Free Upgrades and Chase Room Improvement Project	45-05		24,376.62			\$ 6,750,105.73		\$ 1,675,000.00					
Professional Design Services for an Elevator at the Madison Civic Center	57-05	8,251.00	1,064.00							30,000.00	1,064.00		
Environmental Phase II Investigation of Borough Property Located at Block 4312, Lots 14, 15 and 16	58-05	30,000.00	30,000.00										15,080.00
Garfield Avenue Reconstruction, Phase I and II Covering Construction, Contingency and Inspection Services	01-06	26,000.00	15,080.00						15,913.43		61,734.29		
VoiceMail and Phone System Upgrade	04-06	850,000.00	45,820.86								518.60		
Installation of Generator for Emergency Power to the Server Room for the Borough's Computer Network	20-06	30,000.00	518.60										
Purchase Pumps for Sewer Department	21-06	25,000.00	11,948.85						100.00		850.00		
2006 Road Program Including Fairview Avenue, Hoyt Street and Westery Avenue	28-06	10,000.00	750.00										98,083.75
Exterior Lighting, Site Development Plan, Signage and Chairs for the Madison Public Library	30-06	480,000.00	98,083.75							27,200.00			11,300.00
2006 Mill and Overlay Projects of Brus Street, Buckingham Drive, Canterbury Road, Norman Circle and Oxford Lane	33-06	85,000.00	38,500.00										
Digital Tax Map Conversion and Filing	36-06, 44-06	300,000.00	159,202.12							145,390.37	15,811.75		
Improvements at the Madison Train Station	39-06	35,000.00	3,000.00								3,000.00		100,000.00
Purchase Computer Software to be Utilized by the Safe Homes Program	42-06	100,000.00	100,000.00										
Reconditioning of the Borough Code	43-06	15,000.00							6,000.00		6,000.00		
Purchase of Computer Hardware for the Madison Public Library	51-06	9,000.00	3,210.00								3,210.00		
Enclose the Generator on North Street	61-06	17,000.00	6.40								6.40		
Purchase of Two Lawn Mowers	7-07	50,000.00	17,344.31							16,743.60	600.71		
Purchase of Pickup Truck	8-07	40,000.00	40,000.00								4,957.70		
Purchase of Street Sweeper	9-07	40,000.00	13,833.00							2,344.00	11,509.00		
New Radios and Radio Equipment for Police Department	10-07	180,000.00	4,400.00								4,400.00		
Pump Station Modernization Work	11-07	8,000.00	73.85								73.85		
Woodland Road Design Work	16-07	50,000.00	42,053.20							14,329.54			27,723.66
Purchase of a Fire Department Vehicle	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	21-07	32,000.00	775.66								775.66		
To Proceed with Compliance Projects Associated with the NJDEP Municipal Stormwater Permit Program	26-07;	142,000.00	63,600.00							35,730.00			27,870.00
Roof Repair at Butler Building	66-07	20,000.00	5,213.47							4,050.00	1,163.47		
Purchase of Sewer Pumps	27-07	18,000.00	200.00								617.50		
	30-07	10,000.00									200.00		

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

Improvement Description	Number	Ordinance Amount	Balance Dec. 31, 2007		2008 Authorizations		Capital Improvement Fund	Other Sources	Deferred Charges To Future Taxation Unfunded	Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2008	
			Funded	Unfunded	Funded	Unfunded							Funded	Unfunded
Purchase of Claw for Loader	31-07	\$ 15,000.00	\$ 338.00									\$ 338.00		
Design Addition for Sewer Department at Borough Garage	32-07	22,200.00	1,575.00									1,575.00		
Design of Drainage Improvements on Green Village Road	39-07; 11-08	63,000.00	3,000.00			\$ 23,000.00				\$ 25,800.00			\$ 200.00	
Flow Monitoring Study of North Street Service Area	40-07; 12-08	77,100.00	6,000.00			39,100.00				45,100.00				
2007 Road Milling and Overlay Program	45-07	430,000.00		\$ 156,884.95						134,931.80		21,953.15		
2007 Sanitary Sewer Main Lining Program	46-07	450,000.00	19,416.39	428,000.00						190,713.34				
Purchase of Computer Hardware for the Madison Public Library	50-07	8,000.00	6,095.65							2,169.00				
2007 Road Reconstruction Program	51-07; 60-08	1,492,000.00	294,416.39	844,000.00		20,000.00		\$ 330,000.00		1,415,682.45		5.51		\$ 72,733.94
Purchase of a Fire Department Vehicle	52-07	58,000.00	10,006.00							10,000.49				
Fire Department Cascade System - Pitt Panel	53-07	3,700.00	19.00							19.00				
Dodge Field Lining	57-07	17,000.00	10.00							10.00				
Incor-Borough Network Hardware and Software	63-07	229,876.72	7,002.34							5,741.46				
Purchase of Papers	68-07	6,000.00	345.00							345.00				
Emergency Work on Storm Drain Culvert at Rear of Private Properties on the North Side of Elmer Street	78-07	20,000.00	20,000.00							9,400.00				10,600.00
Roof Repair at 10 Maple Avenue	79-07	58,800.00	58,800.00							58,800.00				
Purchase of Property in Florham Park from Rock-Floham, LLC	03-08	7,000.00				7,000.00				6,875.00		125.00		
Base, Files, Refrigeration, Software, Freight, Delivery, Installation and a One-Year Warranty for Use in the Evidence and Records Room in the New Fire & Police Headquarters	17-08	7,400.00								7,371.00		29.00		
New Mailbox System for the New Fire & Police Headquarters	18-08	3,500.00								3,500.00				
Purchase of Door for Salt Shed	21-08	8,000.00						8,000.00		7,250.00				750.00
Purchase of a One-Ton Roller	22-08	25,000.00				25,000.00				13,495.00				11,505.00
Purchase of 5 Spreaders and Accessories	23-08	50,000.00						50,000.00		10,724.55				39,275.45
Purchase of a New Catch Basin Cleaner Truck & Accessories	24-08; 56-08	156,750.00						156,750.00		156,750.00				
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				10,000.00				6,902.01				3,097.99
Purchase of Office Equipment including Copier, Multiline, Fax Machine, Printer and Storage Unit with Countertop for the Madison Fire Department	28-08	6,000.00				6,000.00				5,730.18				269.82
Purchase of Gun Buster Machine and Accessories	29-08	8,000.00				8,000.00				4,650.00				3,350.00
Purchase of New Replacement Antenna for the Radio at Midwood Tank	31-08	10,000.00				10,000.00				4,860.00				5,140.00
Resurfacing Improvements to the Dodge Field and Lucy D. Anthony Basketball Courts	34-08	15,000.00				15,000.00				13,075.00				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				31,000.00				6,363.00				24,637.00
Purchase of Scanning Machine to Diagnose Borough Vehicle Mechanical Problems	44-08	12,000.00				12,000.00				10,331.40				1,668.60
Repair and Resurfacing Four Tennis Courts at Madison High School	46-08	86,000.00				86,000.00				74,143.37				11,856.63
2008 Road Reconstruction Program	47-08; 61-08	1,395,000.00				120,000.00			1,275,000.00	1,319,634.36				75,365.64
2008 Road Milling and Overlay Program	48-08	680,000.00				80,000.00			600,000.00	647,368.74				32,631.26
2008 Storm Sewer Improvement Program	49-08	1,615,000.00				150,000.00			1,465,000.00	2,262.23				1,612,737.77
2008 Sanitary Sewer Main Lining Program	50-08	1,470,000.00				120,000.00			1,350,000.00	604,263.24				865,736.76
Purchase Portable Generators and Accessories	53-08	20,000.00				20,000.00				17,425.00				2,575.00

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

Improvement Description	Ordinance Number	Amount	Balance Dec. 31, 2007		2008 Authorizations		Deferred Changes To Future Tax-ation	Prior Year Encumbrances Cancelled	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2008	
			Funded	Unfunded	Capital Improvement Fund	Other Sources					Funded	Unfunded
Reimbursement to the Township of Chatham for Drainage Improvements Completed at Sunset Lake	57-08	\$ 12,325.00			\$ 12,325.00				\$ 12,325.00			
Purchase of Fire Department Protective Clothing	64-08	25,000.00			25,000.00						\$ 25,000.00	
Two New Thermal Imaging Cameras	67-08	17,500.00				\$ 17,500.00			8,799.00		8,801.00	
Modifications and Improvements to the Madison Storm Sewer System in the Area of Rachael Avenue	69-08	13,500.00			13,500.00				13,500.00			
Swale Construction, Purchase of Computer Equipment, Sidewalk Paving and Exterior Ramp Construction for the Madison Public Library	70-08	98,000.00			98,000.00						98,000.00	
Acquisition of Real Property for Open Space Preservation and Recreation Purposes	73-08	12,800,000.00			750,000.00	6,050,000.00	\$ -6,000,000.00		11,479,564.84			\$ 1,320,035.16
			\$ 1,114,503.79	\$ 8,218,990.68	\$ 1,691,825.00	\$ 7,762,350.00	\$ 12,695,000.00	\$ 171,602.45	\$ 18,154,686.38	\$ 338,044.22	\$ 11,693,406.58	\$ 1,468,134.74

Ref.

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Capital Fund Balance	\$ 214,750.00	Cash Disbursed	\$ (0,259,739.97)
New Jersey Historic Trust	600,000.00	Current Year Encumbrances	5,700,821.76
Hartley Dodge Memorial Trusts	420,000.00	Prior Year Encumbrances	(4,227,477.80)
Morris County Historic Preservation Trust Fund	150,000.00	Prior Year Encumbrances Cancelled	171,602.45
New Jersey Statewide Livable Communities Grant	30,000.00	Paid by Open Space Trust Fund	250,000.00
Morris County Open Space Preservation Trust Fund	6,000,000.00	Cash Disbursed by County of Morris	6,000,000.00
Due from Open Space Trust Fund	300,000.00		\$ 18,154,686.38
Due from Fire Department Trust	47,600.00		
\$ 7,762,350.00		Capital Improvement Fund	\$ 157,917.93
		Capital Fund Balance	179,756.78
		Due to Fire Department Trust Fund	369.51
		\$ 338,044.22	

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2007	C	\$ 4,791,008.48
Increased By:		
Improvement Authorizations Cancelled		\$ 157,917.93
Current Fund Budget Appropriation		<u>1,529,623.99</u>
		<u>1,687,541.92</u>
		6,478,550.40
Decreased By:		
Appropriation to Finance		
Improvement Authorizations		<u>1,691,825.00</u>
Balance December 31, 2008	C	<u><u>\$ 4,786,725.40</u></u>

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2008

Ord. No.	Improvement Description	Date of			Interest Rate	Balance Dec. 31, 2007	Matured
		Original Issue	Issue	Maturity			
42-05	Various Public Improvements and Acquisition of New Fire Engines, Including Original Apparatus and Equipment	04/19/2006	10/19/2007	10/17/2008	4.00%	\$ 18,750,000.00	\$ 18,750,000.00
45-07	2007 Road Milling and Overlay Program	10/19/2007	10/19/2007	10/17/2008	4.00%	409,000.00	409,000.00
46-07	2007 Sanitary Sewer Main Lining Program	10/19/2007	10/19/2007	10/17/2008	4.00%	428,000.00	428,000.00
51-07	2007 Road Reconstruction Program	10/19/2007	10/19/2007	10/17/2008	4.00%	413,000.00	413,000.00
						<u>\$ 20,000,000.00</u>	<u>\$ 20,000,000.00</u>
					<u>Ref.</u>	<u>C</u>	
					Serial Bonds Issued	\$ 20,000,000.00	\$ 20,000,000.00
						<u>\$ 20,000,000.00</u>	<u>\$ 20,000,000.00</u>

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2008

Purpose	Date of Issue	Amount of Issue	Maturities of Bonds		Interest Rate	Issued	Balance Dec. 31, 2008
			Outstanding Dec. 31, 2008	Amount			
General Improvement	10/15/08	\$ 26,321,000.00	10/15/09	\$ 760,000.00	4.50%		
			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%	\$ 26,321,000.00	\$ 26,321,000.00
						\$ 26,321,000.00	\$ 26,321,000.00

Ref.

C

BOROUGH OF MADISON
GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE

	<u>Ref.</u>	<u>Total</u>	<u>1988 Trust Refunding</u>	<u>1989 Trust Refunding</u>
Balance December 31, 2007	C	\$ 874,683.88	\$ 466,120.28	\$ 408,563.60
Decreased by:				
Principal Matured		<u>670,646.38</u>	<u>466,120.28</u>	<u>204,526.10</u>
Balance December 31, 2008	C	<u>\$ 204,037.50</u>	<u>\$ -0-</u>	<u>\$ 204,037.50</u>

1989 NJ Wastewater Trust Refunding Loan:

<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
4/15/2009	\$ 209,424.71	\$ 6,858.63	\$ (5,387.21) *

* Interest Credit

BOROUGH OF MADISON
GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance No.	Date	Improvement Description	Balance Dec. 31, 2007	2008 Authorizations	Bond Anticipation Notes Matured	Serial Bonds Issued	Balance Dec. 31, 2008
42-05;	07/25/05;	Various Public Improvements and Acquisition of New Fire Engines, Including Original Apparatus and Equipment		\$ 1,675,000.00	\$ 18,750,000.00	\$ 20,425,000.00	
58-08	09/08/08						
45-07	07/31/07	2007 Road Milling and Overlay Program			409,000.00		
46-07	07/31/07	2007 Sanitary Sewer Main Lining Program			428,000.00		
51-07;	08/31/07;	2007 Road Reconstruction Program	\$ 431,000.00	330,000.00	413,000.00	844,000.00	\$ 330,000.00
60-08	09/22/08						
47-08;	07/14/08	2008 Road Reconstruction Program		1,275,000.00		800,000.00	475,000.00
61-08	09/22/08						
48-08	07/14/08	2008 Road Milling and Overlay Program		600,000.00			
49-08	07/14/08	2008 Storm Sewer Improvement Program		1,465,000.00		1,465,000.00	
50-08	07/14/08	2008 Sanitary Sewer Main Lining Program		1,350,000.00		1,350,000.00	
73-08	11/24/08	Acquisition of Real Property for Open Space Preservation and Recreation Purposes		6,000,000.00			6,000,000.00
			\$ 431,000.00	\$ 12,695,000.00	\$ 20,000,000.00	\$ 26,321,000.00	\$ 6,805,000.00

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
WATER UTILITY FUND

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

	Ref.	Operating	Capital
Balance December 31, 2007	D	\$ 1,592,488.89	\$ 2,833,755.74
Increased by Receipts:			
Consumer Accounts Receivable		\$ 1,662,964.74	
Water Rent Overpayments		5,905.86	
Interest on Investments		83,660.17	
Miscellaneous Revenue		20,482.11	
Cancellation of Prior Year Reconciling Items		8.90	
Water Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund		\$ 200,000.00	200,000.00
		1,773,021.78	200,000.00
		3,365,510.67	3,033,755.74
Decreased by Disbursements:			
2008 Appropriation Expenditures		1,425,812.53	
2007 Appropriation Reserves		52,805.24	
Refund of Water Rent Overpayments		5,905.86	
Due to Current Fund:			
Budget Appropriation		300,000.00	
Interfund Advanced			79,849.27
Improvement Authorization Expenditures			1,459,450.96
		1,784,523.63	1,539,300.23
Balance December 31, 2008	D	\$ 1,580,987.04	\$ 1,494,455.51

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

Ord. No.	General Improvements	Receipts		Disbursements		Transfers		Balance Dec. 31, 2008
		Balance, Dec. 31, 2007	2008 Budget	Improvement Authori- zations	Miscel- laneous	From	To	
	Fund Balance	\$ 357,526.75				\$ 300,000.00		\$ 57,526.75
	Encumbrances Payable	39,306.64				39,306.64	\$ 360,687.81	360,687.81
	Due from General Capital Fund				\$ 79,849.27			(79,849.27)
	Capital Improvement Fund	1,371,894.40	\$ 200,000.00			680,500.00	151,696.79	1,043,091.19
	Reserve for Filtration System	95,258.95				47,000.00		48,258.95
				\$ 14,850.00		57.00	12,650.00	
		2,257.00				8,433.20	8,433.20	
		100,000.00				100,000.00		
						853.44	853.44	
		9,498.00		2,575.00		9,498.00	2,575.00	
		250,000.00		227,718.68		20,636.00		1,645.32
		3,080.00				3,080.00		
		4,454.00				4,454.00		
		5,275.00				5,275.00		
		205.00		14,795.00			14,795.00	205.00
		590,000.00		596,567.34		38,669.03	47,000.00	1,763.63
		5,000.00		4,953.85		46.15		
				8,150.00			30,000.00	21,850.00
						20,000.00	20,000.00	
				13,494.65			20,000.00	6,505.35

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

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2008
	Balance Dec. 31, 2007	2008 Budget	Improvement Authori- zations	Miscel- lanous	From	To	
39-08; 54-08			\$ 576,346.44		\$ 291,083.78	\$ 898,000.00	\$ 30,569.78
72-08					10,299.00	12,500.00	2,201.00
	\$ 2,833,755.74	\$ 200,000.00	\$ 1,459,450.96	\$ 79,849.27	\$ 1,579,191.24	\$ 1,579,191.24	\$ 1,494,455.51

39-08; 54-08 Water Main Replacement Projects Covering the Main Replacement of Municipal Roads Including Pomeroy, Brooklake, Pine Tree, Durwood, Fletcher and a Portion of Niles Avenue
72-08 Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis

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

	<u>Ref.</u>	
Balance December 31, 2007	D	\$ 137,442.18
Increased by:		
Water Rents Levied		<u>1,737,682.68</u>
		1,875,124.86
Decreased by:		
Water Collections		<u>1,662,964.74</u>
Balance December 31, 2008	D	<u>\$ 212,160.12</u>

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2007	Additions by Ordinance	Adjustment to Prior Year Balance	Balance Dec. 31, 2008
Land Reservations	\$ 10,957.98			\$ 10,957.98
Land Pump Station	10,020.00			10,020.00
Land Storage Reservoir	3,515.80			3,515.80
Springs and Wells	249,427.04			249,427.04
Supply Mains	3,727.00			3,727.00
Pump Station Structure	103,777.04			103,777.04
Electric Pumping Equipment	173,571.25			173,571.25
Other Pumping Equipment	13,282.28			13,282.28
Standpipe Tanks	267,878.60			267,878.60
Distribution Mains	2,289,647.42			2,289,647.42
Service Pipes and Stops	209,906.91			209,906.91
Meters	199,478.71			199,478.71
Fire Hydrants	100,316.90			100,316.90
Foundations	328.40			328.40
General Structure	27,605.56			27,605.56
General Equipment	31,112.46			31,112.46
Ford Station Wagon	947.99			947.99
Chevrolet Biscayne Sedan	730.00			730.00
Engineering and Superintendence	1,570.18			1,570.18
Office Equipment	6,651.24			6,651.24
Ford Pickup	611.00			611.00
Buildings and Renovations	75,712.19			75,712.19
New Services	35.00			35.00
Bursting Machine	1,423.25			1,423.25
Utility Truck and Mailing Equipment	21,925.72			21,925.72
Improvement to Well "B"	3,932.08			3,932.08
Utility Trucks	37,042.00			37,042.00
Removal of Underground Storage Tanks	27,810.40			27,810.40
Engineering	130,000.00			130,000.00
Utility Truck	23,052.00			23,052.00
Pipe and Road Repair	150,000.00			150,000.00
Water Mains	14,015.69			14,015.69
Madison Avenue Water Tank	113,012.50			113,012.50
Green Village Road Water Main	191,014.67			191,014.67
Midwood Terrace Water Tank	159,671.00			159,671.00
Improvements on Morris Place	50,000.00			50,000.00
Backhoe	35,000.00			35,000.00
Repair of Well Leaks	6,827.57			6,827.57
Construction of Air Stripping Facility	1,255,712.10			1,255,712.10
Water Utility Truck	30,552.07			30,552.07
Water Main Replacement - Greenwood Avenue	299,805.22			299,805.22

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

	Balance Dec. 31, 2007	Additions by Ordinance	Adjustment to Prior Year Balance	Balance Dec. 31, 2008
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	50,000.00		\$ 8,433.20	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	88,000.00		853.44	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 from 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
	<u>\$ 9,927,331.25</u>	<u>\$ 141,589.85</u>	<u>\$ 9,286.64</u>	<u>\$ 10,059,634.46</u>
	D			D

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

Improvement Description	Ord. No.	Balance Dec. 31, 2007	2008 Authorizations	Transferred to Fixed Capital	Authorizations Cancelled	Balance Dec. 31, 2008
Purchase of Water Meters and Transmitters	17-95	\$ 75,000.00		\$ 74,943.00	\$ 57.00	
Meter Reading Devices	29-99	100,000.00			100,000.00	
Update Well E	07-05	30,000.00		20,502.00	9,498.00	
Paint Madison Avenue Water Tank	54-05	250,000.00				\$ 250,000.00
New Chlorine Vacuum for the Water Wells	29-06	14,000.00		10,920.00	3,080.00	
Purchase of a Car for the Water Meter Reader	13-07	15,000.00		10,546.00	4,454.00	
Asbestos Abatement from the Water & Light Plant	15-07; 72-07	25,000.00		19,725.00	5,275.00	
Various Repairs at Five Water Wells	28-07	15,000.00				15,000.00
Water Main Replacements on Municipal Roads	47-07; 40-08	590,000.00	\$ 47,000.00			637,000.00
Purchase of 20 Cubic Yard Locking Dumpster for the Water Department	75-07	5,000.00		4,953.85	46.15	
Computer Upgrades and Replacements in the Water System Water Wells	25-08		30,000.00			30,000.00
Purchase Portable Generators and Accessories	32-08		20,000.00		20,000.00	
Purchase of a Water Leak Detector for the Water Department	33-08		20,000.00			20,000.00
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			12,500.00
		\$ 1,119,000.00	\$ 1,027,500.00	\$ 141,589.85	\$ 142,410.15	\$ 1,862,500.00

Ref.

D

D

BOROUGH OF MADISON
WATER UTILITY OPERATING FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

	<u>Balance</u> <u>Dec. 31, 2007</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	\$ 7,038.31	\$ 7,038.31		\$ 7,038.31
Other Expenses	108,290.38	108,290.38	\$ 52,805.24	55,485.14
Statutory Expenditures:				
Contribution to:				
Public Employees Retirement System	829.82	829.82		829.82
Social Security System	903.79	903.79		903.79
	<u>\$ 117,062.30</u>	<u>\$ 117,062.30</u>	<u>\$ 52,805.24</u>	<u>\$ 64,257.06</u>

Analysis of Balance December 31, 2007

	<u>Ref.</u>	
Encumbered	D	\$ 50,676.16
Unencumbered	D	66,386.14
		<u>\$ 117,062.30</u>

BOROUGH OF MADISON
WATER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2007	D	\$ 1,371,894.40
Increased by:		
Improvement Authorizations Cancelled	\$ 151,696.79	
Water Operating Fund Budget Appropriation	<u>200,000.00</u>	
		<u>351,696.79</u>
		1,723,591.19
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>680,500.00</u>
Balance December 31, 2008	D	<u><u>\$ 1,043,091.19</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, 2007	2008 Authorizations	Transferred to Reserve for Amortization	Authorizations Cancelled	Balance Dec. 31, 2008
17-95	Purchase of Water Meters and Transmitters	4/24/95	\$ 75,000.00		\$ 74,943.00	\$ 57.00	
29-99	Meter Reading Devices	8/23/99	100,000.00			100,000.00	
07-05	Update Well E	5/9/05	30,000.00		20,502.00	9,498.00	
54-05	Paint Madison Avenue Water Tank	11/14/05	250,000.00				\$ 250,000.00
29-06	New Chlorine Vacuum for the Water Wells	5/22/06	14,000.00		10,920.00	3,080.00	
13-07	Purchase of a Car for the Water Meter Reader	4/9/07	15,000.00		10,546.00	4,454.00	
15-07;	Asbestos Abatement form the Water & Light	4/9/07;					
72-07	Plant	11/26/07	25,000.00		19,725.00	5,275.00	
28-07	Various Repairs at Five Water Wells	5/30/07	15,000.00				15,000.00
17-07; 40-08	Water Main Replacements on Municipal Roads	7/23/07	590,000.00	\$ 47,000.00			637,000.00
75-07	Purchase of 20 Cubic Yard Locking Dumpster for the Water Department	11/26/07	5,000.00		4,953.85	46.15	
25-08	Computer Upgrades and Replacements in the Water System Water Wells	04/28/08		30,000.00			30,000.00
32-08	Purchase Portable Generators and Accessories			20,000.00		20,000.00	
33-08	Purchase of a Water Leak Detector for the Water Department	05/12/08		20,000.00			20,000.00
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			12,500.00
			<u>\$ 1,119,000.00</u>	<u>\$ 1,027,500.00</u>	<u>\$ 141,589.85</u>	<u>\$ 142,410.15</u>	<u>\$ 1,862,500.00</u>

Ref.

D

D

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

BOROUGH OF MADISON
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

BOROUGH OF MADISON
COUNTY OF MORRIS
2008
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, 2007	E	\$ 11,031,660.09	\$ 2,341,816.15
Increased by Receipts:			
Electric Utility Charges Receivable		\$ 16,604,209.01	
Miscellaneous Revenue		25,327.18	
State Aid - "Lifeline"		18,562.50	
Interest Earned on Investments		427,540.32	
Appropriation Refunds		74,200.00	
Overpayments of Electric Charges		3,102.16	
Due from Current Fund:			
Prior Year Interfund Returned		96,369.71	
Cancellation of Prior Year Outstanding Reconciling Items		142.93	
		<u>17,249,453.81</u>	
		28,281,113.90	<u>2,341,816.15</u>
Decreased by Disbursements:			
2008 Appropriation Expenditures		16,477,297.88	
2007 Appropriation Reserves		1,348,331.04	
Due to Current Fund:			
Budget Appropriation		3,450,000.00	
Electric Overpayments Refunded		3,102.16	
Improvement Authorization Expenditures			
		<u>21,278,731.08</u>	<u>\$ 367,674.39</u>
Balance December 31, 2008	E	<u>\$ 7,002,382.82</u>	<u>\$ 1,974,141.76</u>

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2008

NOT APPLICABLE

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

Fund Balance Encumbrances Capital Improvement Fund	Balance Dec. 31, 2007	Disbursements Improvement Authorizations	Transfers		Balance Dec. 31, 2008
			From	To	
	\$ 306,251.60				\$ 306,251.60
	33,438.00		\$ 33,438.00	\$ 69,699.00	69,699.00
	1,713,592.79		471,000.00	100,534.06	1,343,126.85
Improvement Authorizations:					
Ord.	General Improvements				
No.					
11-05	Construction of New Vehicle Storage Building at Water & Light Plant	19,247.08	19,247.08		
38-05	Relocation of Underground Vault, Conduits & Cable at Prospect St. in Preparation for the Construction of the New Fire & Police Building	29,085.29	29,085.29		
9-06	Purchase Pickup Truck with a Lift Tail Gate	33,764.39	33,764.39		
35-06; 01-08	Purchase Two Bucket Trucks	24,544.00	\$ 12,156.12	438.00	12,825.88
14-07	Purchase a New Vehicle for Electric Meter Reader	2,654.00	2,654.00		
20-07; 73-07	Asbestos Abatement from Water and Light Plant	5,275.00	5,275.00		
23-07	Purchase of Pad-Mount Transformer and Metering/Switch Cabinet for the HDM Building Reconstruction	35,050.00	22,519.75		12,530.25
24-07	Purchase of a New Cable Trailer	1,914.00	1,914.00		
42-07; 55-08	Preparation and Painting of the Kings Road & James Park Substations	100,000.00	134,400.00	80,000.00	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	33,000.00	33,000.00	27,000.00
74-07	Purchase Two 20 Yard Lockable Dumpsters	10,000.00	94.30		
02-08	Initial Load Study by JCP&L of Electric Utility		8,500.00	8,500.00	
36-08	Purchase of New Style Peannglobe Victorian Fixtures for the Commerical District		59,400.00	60,000.00	600.00
37-08	Reconstruction of the Underground Electric Distribution System at the Madison Commons		149,735.74	300,000.00	150,264.26
38-08	Purchase of a Covered Trailer and Accessories to be used for All Underground Distribution Equipment		5,957.08	10,000.00	4,042.92
74-08	Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis		10,299.00	12,500.00	2,201.00
		\$ 2,341,816.15	\$ 674,674.39	\$ 674,671.06	\$ 1,974,141.76

BOROUGH OF MADISON
ELECTRIC UTILITY FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2007	<u>Ref.</u> E	\$ 1,216,579.41
Increased by:		
2008 Charges		<u>16,541,237.21</u>
		17,757,816.62
Decreased by:		
2008 Revenue:		
Cash Received		<u>16,604,209.01</u>
Balance December 31, 2008	E	<u><u>\$ 1,153,607.61</u></u>

BOROUGH OF MADISON
ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2007	Additions by Ordinance	Balance Dec. 31, 2008
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, 2007	Additions by Ordinance	Balance Dec. 31, 2008
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
	<u>\$ 9,750,097.88</u>	<u>\$ 736,860.33</u>	<u>\$ 10,486,958.21</u>

Ref.

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

Improvement Description	Ord. No.	Balance Dec. 31, 2007	2008 Authorizations		Transferred to Fixed Capital	Authorizations Cancelled	Balance Dec. 31, 2008
			Improvement Fund	Capital			
Construction of New Vehicle Storage Building at Water & Light Plant	11-05	\$ 425,000.00	\$	\$	405,752.92	\$ 19,247.08	
Relocation of Underground Vault, Conduits & Cable at Prospect St. in Preparation for the Construction of the New Fire & Police Building	38-05	300,000.00			270,914.71	29,085.29	
Purchase Pickup Truck with a Lift Tail Gate	9-06	33,894.39			130.00	33,764.39	
Purchase Two-Bucket Trucks	35-06	330,000.00					\$ 330,000.00
Purchase A New Vehicle for the Electric Meter Reader	14-07	15,000.00			12,346.00	2,654.00	
Asbestos Abatement from Water and Light Plant	20-07;73-07	25,000.00			19,725.00	5,275.00	
Purchase of Pad-Mount Transformer and Metering/Switch Cabinet for the HDM Building	23-07						
Reconstruction		55,000.00					55,000.00
Purchase of a New Cable Trailer	24-07	20,000.00			18,086.00	1,914.00	
Preparation and Painting of the Kings Road and James Park Substations	42-07;						
Excavation and Installation of Underground Conduit for the New Feeder Circuit to the Reckson Building at Giralda Farms	55-08	100,000.00	\$ 80,000.00				180,000.00
Purchase Two 20 Yard Lockable Dumpsters	49-07						
Initial Load Study by JCP&L of Electric Utility	74-07	60,000.00					60,000.00
Purchase of New Style Peninglobe Victorian Fixtures for the Commercial District	02-08	10,000.00	8,500.00		9,905.70	94.30	
Reconstruction of the Underground Electric Distribution System at the Madison Commons	36-08		60,000.00				60,000.00
Purchase of a Covered Trailer and Accessories to be used for All Underground Distribution Equipment	37-08		300,000.00				300,000.00
Purchase and Installation of a New Steam Boiler for the Water & Light Plant on an Emergency Basis	38-08		10,000.00				10,000.00
	74-08		12,500.00				12,500.00
		\$ 1,373,894.39	\$ 471,000.00		\$ 736,860.33	\$ 100,534.06	\$ 1,007,500.00
Ref.		E					E.

BOROUGH OF MADISON
ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF 2007 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2008

	<u>Balance</u> <u>Dec. 31, 2007</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	\$ 56,107.51	\$ 56,107.51		\$ 56,107.51
Other Expenses	1,950,155.78	1,950,155.78	\$ 1,339,976.25	610,179.53
Rosenet Web Site:				
Salaries and Wages	9,801.67	9,801.67		9,801.67
Other Expenses	41,456.68	41,456.68	8,354.79	33,101.89
Contribution to:				
Public Employees Retirement System	12,361.74	12,361.74		12,361.74
Social Security System	2,471.83	2,471.83		2,471.83
	<u>\$ 2,072,355.21</u>	<u>\$ 2,072,355.21</u>	<u>\$ 1,348,331.04</u>	<u>\$ 724,024.17</u>

Analysis of Balance December 31, 2007

	<u>Ref.</u>	
Encumbered	E	\$ 1,487,774.58
Unencumbered	E	584,580.63
		<u>\$ 2,072,355.21</u>

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

	<u>Ref.</u>	
Balance December 31, 2007	E	\$ 1,713,592.79
Increased by:		
Improvement Authorizations Cancelled		<u>100,534.06</u>
		1,814,126.85
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>471,000.00</u>
Balance December 31, 2008	E	<u>\$ 1,343,126.85</u>

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

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2007	2008 Authorizations	Transferred to Reserve for Amortization	Authorizations Cancelled	Balance Dec. 31, 2008
11-05	Construction of New Vehicle Storage Building at Water & Light Plant	5/9/05	\$ 425,000.00		\$ 405,752.92	\$ 19,247.08	
38-05	Relocation of Underground Vault, Conduits & Cable at Prospect St. in Preparation for the Construction of the New Fire & Police Building	7/25/05	300,000.00		270,914.71	29,085.29	
9-06	Purchase Pickup Truck with a Lift Tail Gate	4/10/06	33,894.39		130.00	33,764.39	
35-06; 01-08	Purchase Two Bucket Trucks	6/12/06	330,000.00				\$ 330,000.00
14-07	Purchase A New Vehicle for the Electric Meter Reader	4/9/07	15,000.00		12,346.00	2,654.00	
20-07; 73-07	Asbestos Abatement from Water and Light Plant	4/9/07; 11/26/07	25,000.00		19,725.00	5,275.00	
23-07	Purchase of Pad-Mount Transformer and Metering/Switch Cabinet for the HDM Building						
	Reconstruction	4/23/07	55,000.00				55,000.00
24-07	Purchase of a New Cable Trailer	4/23/07	20,000.00		18,086.00	1,914.00	
42-07;	Preparation and Painting of the Kings Road and James Park Substations	6/25/07;					
55-08		7/28/08	100,000.00	\$ 80,000.00			180,000.00
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
74-07	Purchase Two 20 Yard Lockable Dumpsters	11/26/07	10,000.00		9,905.70	94.30	
02-08	Initial Load Study by JCP&L of Electric Utility	01/28/08		8,500.00		8,500.00	
36-08	Purchase of New Style Pennnglobe Victorian Fixtures for the Commerical District	05/12/08		60,000.00			60,000.00
37-08	Reconstruction of the Underground Electric Distribution System at the Madison Commons	05/12/08		300,000.00			300,000.00
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			12,500.00
			\$ 1,373,894.39	\$ 471,000.00	\$ 736,860.33	\$ 100,534.06	\$ 1,007,500.00

Ref. 

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BOROUGH OF MADISON
COUNTY OF MORRIS
2008
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, 2007	F	\$ 15,736.95	\$ 2,277.46	\$ 13,459.49
Increased by Receipts:				
State Aid		35,800.00		35,800.00
U.S. Treasury - Supplemental Security Income		3,150.00		3,150.00
Miscellaneous Reimbursement		295.00		295.00
		<u>39,245.00</u>		<u>39,245.00</u>
Decreased by Disbursements:				
Public Assistance Expenditures		29,917.26	107.50	29,809.76
		<u>29,917.26</u>	<u>107.50</u>	<u>29,809.76</u>
Balance December 31, 2008	F	<u>\$ 25,064.69</u>	<u>\$ 2,169.96</u>	<u>\$ 22,894.73</u>

BOROUGH OF MADISON

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2008

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2008

Name of Federal Agency or Department	Name of Program	C.F.D.A. Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
			From	To				
U.S. Department of Transportation (Passed through New Jersey Department of Transportation)	Over the Limit, Under Arrest - Impaired Driving Crackdown Grant	20-605	01/01/07	12/31/08	\$ 4,875.00	\$ 4,750.00	\$ 4,875.00	\$ 4,875.00
			01/01/08	12/31/08	4,750.00	4,750.00	4,875.00	
	Cops-in-Shops Grant	20-601	1/1/07	12/31/08	2,400.00	2,400.00	2,000.00	2,000.00
			1/1/08	12/31/08	2,400.00	2,400.00	2,000.00	2,000.00
	Transportation Trust Fund Authority Act: Municipal State Aid: Green Avenue Improvement	20-205	1/1/07	12/31/08	175,000.00	131,250.00	175,000.00	175,000.00
	Garfield Avenue Reconstruction	20-205	1/1/06	12/31/06	75,000.00	75,000.00	75,000.00	75,000.00
(Passed through New Jersey Department of Law and Public Safety)	Obey the Signs, or Pay the Fines State #100-066-1160-142-YHTS-6010	20-600	01/01/07	12/31/08	4,000.00	4,000.00	875.00	875.00
			01/01/08	12/31/08	4,000.00	4,000.00	875.00	875.00
Total U.S. Department of Transportation					217,400.00	182,750.00	257,750.00	
Environmental Protection Agency: (Passed Thru NJ Department of Environmental Protection)	Municipal Stormwater Regulation Program State #100-042-4850-118	66-454	01/01/08	12/31/08	12,029.00	12,029.00		
Total Environmental Protection Agency					12,029.00			
Social Security Administration:	Supplemental Security Income	96-006	01/01/08	12/31/08	3,150.00	3,150.00		
Total Social Security Administration					3,150.00			
Total Federal Awards					\$ 232,579.00	\$ 182,750.00	\$ 257,750.00	

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, 2008

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:							
2007	795-042-4900-	1/1/07	12/31/07	\$ 17,458.98		\$ 6,309.71	\$ 6,309.71
2008	004-178910	1/1/08	12/31/08	17,819.32	17,819.32	6,309.71	6,309.71
Recycling Tonnage Grant:	452-042-4900-						
2008	001-V427Y	1/1/08	12/31/08	24,064.17	24,064.17		
Green Acres	555-042-4800-				600,000.00		600,000.00
	002-V22G-6020	1/1/06	12/31/07	600,000.00	600,000.00		
Division of Parks and Forestry:							
Community Stewardship Incentive Program	100-042-4870-	1/1/08	12/31/08	25,000.00	21,250.00	21,158.00	21,158.00
	074-6120				663,133.49	27,467.71	627,467.71
Total Department of Environmental Protection							
<u>Department of Law and Public Safety:</u>							
Drunk Driving Enforcement Fund:							
2008	030225-60	1/1/08	12/31/08	11,194.56	11,194.56		
Body Armor Grant:							
2003	1020-718-066-	1/1/03	12/31/08	3,300.97		977.05	2,078.38
2006	1020-001-6120	1/1/06	12/31/08	3,383.49		1,557.76	3,383.49
						2,534.81	5,461.87
School Resource Officer:							
2007	N/A	1/1/07	12/31/08	25,323.00		25,323.00	25,323.00
Speeding/Aggressive Driving Enforcement Grant	N/A	1/1/06	12/31/08	7,500.00		3,750.00	7,500.00
Total Department of Law and Public Safety							
					11,194.56	31,607.81	38,284.87

BOROUGH OF MADISON
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2008

Name of State Agency or Department	State Account Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures
		From	To				
<u>Department of the Treasury:</u>							
(Passed through County of Morris)							
Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program (M.A.A.S.A.):	100-082-C001- 044-6010	1/1/07 1/1/08	12/31/07 12/31/08	\$ 14,569.00 14,844.00	\$ 14,569.00	\$ 14,844.00	\$ 14,844.00
Total Department of the Treasury					14,569.00	14,844.00	14,844.00
<u>Department of Health and Senior Services:</u>							
Public Health Funding Act:	100-046-4220- 109-021030	1/1/07 1/1/08	12/31/08 12/31/08	9,326.00 10,474.00		9,326.00	9,326.00
Pandemic Flu Preparedness Grant:	100-046-E07- 360-6120	1/1/08	12/31/08	10,114.00	10,114.00	8,388.29	8,388.29
Alcohol Education and Rehabilitation Fund:	9735-760- 098-4900	1/1/07 1/1/07	12/31/07 12/31/07	3,270.07 2,998.55		900.00	900.00
Total Department of Health and Senior Services					23,586.55	18,614.29	18,614.29
<u>Department of Human Services:</u>							
Division of Family Development:	100-054-7550- 121-LLLL-6020	1/1/08	12/31/08	35,800.00	35,800.00	29,809.76	29,809.76
Work First New Jersey - General Assistance					35,800.00	29,809.76	29,809.76
Total Department of Human Services					\$ 748,283.60	\$ 122,343.57	\$ 729,020.63
Total							
N/A - Not Available							

SEE ACCOMPANYING NOTES TO EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF MADISON
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2008

A. GENERAL

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

B. BASIS OF ACCOUNTING

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

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

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.

E. NJ WASTEWATER TREATMENT LOANS PAYABLE

At December 31, 2008, the Borough has \$126,183.05 and \$77,854.45 of NJ Wastewater Treatment Trust and Fund Loans Payable outstanding which are recorded in the General Capital Fund.

Currently the Borough is in the process of repaying the loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.



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11 Lawrence Road
Newton, NJ 07860
Phone: 973-383-6699
Fax: 973-383-6555

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, 2008 and 2007, and have issued our report thereon dated May 22, 2009, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2008-01 to be a significant deficiency in internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Borough's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

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.

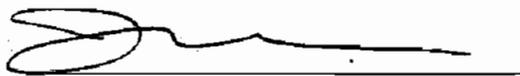
The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Borough's response and we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor and Members of the Borough Council, 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 22, 2009

Mount Arlington, New Jersey


NISIVOCCIA & COMPANY LLP


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

BOROUGH OF MADISON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2008

Summary of Auditors' Results:

- An unqualified report was issued on the Borough's financial statements for 2008 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 2008 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 2008-1

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 Committee 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, 2008

The Borough had no findings or questioned costs noted in the audit for the year ended December 31, 2007.

BOROUGH OF MADISON

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2008

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, 2008, 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 23, 2008, and included all eligible properties.

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

<u>Year</u>	<u>Number of Liens</u>
2008	3
2007	3
2006	3

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2008 Taxes	20
Payments of 2009 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)

Outside Offices

During our review of the Health Department's records, we noted that fees collected for dog and cat licenses are not posted into the detail cash ledger until the date of deposit at the bank.

It is recommended that fees collected for dog and cat licenses be posted into the detail cash ledger at the time of collection.

Management's Response

The Borough will make every effort to ensure that animal licenses fees are recorded at the time of collection.

During our review of the Planning and Zoning Board's records, we noted that not all receipts collected by the Planning and Zoning Board are posted into its detail cash ledger. Additional fees collected by the department as a result of modification to the original application are not recorded into the detail cash ledger.

It is recommended that all fees collected by the Planning and Zoning Board be posted into the detail cash ledger.

Management's Response

The Borough will ensure that all planning and zoning fees are recorded into the detail cash ledger.

Municipal Court

The transactions for the year 2008 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

	Balance Dec. 31, 2007	Receipts	Dis- bursements	Balance Dec. 31, 2008
Municipal Treasurer:				
Fines and Fees	\$ 13,734.48	\$ 300,430.93	\$ 290,292.63	\$ 23,872.78
Restitution	8,408.24	3,329.63	11,142.87	595.00
POAA FTA	102.00	1,538.00	1,538.00	102.00
Public Defender	6.00	2,519.00	2,414.50	110.50
Conditional Discharge	25.00	2,012.00	1,167.00	870.00
County:				
Fines	5,616.41	127,705.00	123,297.91	10,023.50
State:				
Fines and Costs	7,792.02	167,471.07	156,904.87	18,358.22
Weights and Measures	4,800.00	62,450.00	60,700.00	6,550.00
Interest	974.14	441.85	1,294.72	121.27
Miscellaneous		641.00	641.00	
Bail	171.50	38,451.00	34,141.50	4,481.00
	<u>\$ 41,629.79</u>	<u>\$ 706,989.48</u>	<u>\$ 683,535.00</u>	<u>\$ 65,084.27</u>

BOROUGH OF MADISON
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court (Cont'd)

During our review of the bank reconciliations for the General and Bail accounts, we noted that there are prior year outstanding checks, some dating back to 2005, that have not cleared as of December 31, 2008.

It is recommended that prior year outstanding checks in the General and Bail accounts be investigated and cancelled or reissued as applicable.

Management's Response

The Borough will investigate outstanding checks from prior years and take the appropriate actions.

Corrective Action Plan

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2007 Audit Report. All 2007 recommendations were resolved during 2008.

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. Fees collected for dog and cat licenses be posted into the detail cash ledger at the time of collection.
3. All fees collected by the Planning and Zoning Board be posted into the detail cash ledger.
4. Prior year outstanding checks in the General and Bail accounts be investigated and cancelled or reissued as applicable.

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