

**BOROUGH OF LODI**  
**County of Bergen, New Jersey**

**NJ Comprehensive Annual Financial Report**  
**Year Ended December 31, 2014**  
**(With Independent Auditors' Reports Thereon)**

**BOROUGH OF LODI  
 NJ COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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BOROUGH OF LODI

NJ Comprehensive Annual Financial Report

Introductory Section

**BOROUGH OF LODI  
MUNICIPAL OFFICIALS  
YEAR ENDED DECEMBER 31, 2014**

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Name	Title	Term Expires
<b><u>GENERAL ADMINISTRATION</u></b>		
Marc Schrieks	Mayor	June 30, 2015
Paula Fiduccia	Deputy Mayor	June 30, 2015
Laura Cima	Councilwoman	June 30, 2015
Patricia Licata	Councilwoman	June 30, 2015
Bruce Masopust	Councilman	June 30, 2015
Anthony Luna	Municipal Manager	
Debra A. Ciliento	Municipal Clerk	
Alan Spiniello, Esq.	Borough Attorney	
Neglia Engineering Associates	Borough Engineer	
Di Maria & Di Maria, LLP	Borough Auditor	
Professional Insurance Associates, Inc.	Risk Management Consultants	
Rogut McCarthy, LLC	Bond Counsel	
Charles Cuccia	Chief Financial Officer	
Sherri Biondi	Treasurer	
George Reggo	Tax Assessor	
Gary Stramandino	Tax Collector	
Tracie Nunno-D'Amico	Municipal Court Judge	June 30, 2016
Carol DeFalco	Certified Municipal Court Administrator	
Patricia Biegel	Deputy Court Administrator	
Vincent Quattrone	Chief of Police	
Frank Samperi	Municipal Prosecutor	
Frank P. Luciano	Public Defender	
Carol L. D'Amico	Registrar of Vital Statistics	
Paul Wanco	Fire Official	
Joel Lavin	Construction Code Official	
Nicholas Melfi, Jr.	Building Sub-Code Official & Zoning Officer	
Robert Schultz	Electrical Sub-Code Official	
Jerry Walis	Fire Sub-Code Official	
Frank Giordano	Plumbing Sub-Code Official	
Brian Paladino	Property Maintenance Official	
Brian Paladino	Superintendent of Public Works	
Deborah Ricci	Health Inspector	

**BOROUGH OF LODI  
MUNICIPAL OFFICIALS  
YEAR ENDED DECEMBER 31, 2014**

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Name	Title	Term Expires
<b><u>PLANNING BOARD</u></b>		
Alexander J. Noreika	Chairperson	June 30, 2017
Francis Carrasco	Co-Chairperson	June 30, 2018
Thomas Palumbo	Member	June 30, 2015
Alighieri Borelli	Member	June 30, 2016
David Lortz	Member	June 30, 2015
Marjorie Brietwieser	Member	June 30, 2016
Irwin Stolz	Class I	June 30, 2015
Paul Wanco	Class II	June 30, 2015
Paula Fiduccia	Class III	June 30, 2015
Joseph Russo, Esq.	Planning Board Attorney	
Elaine DeNobile	Planning Board Secretary	
Gary Paparozzi	Planning Board Planner	
Thomas Solfaro/Michael Neglia	Planning Board Engineer	
<b><u>ZONING BOARD</u></b>		
Frank Gaciofano	Chairperson	June 30, 2017
Louis Avola	Co-Chairperson	June 30, 2016
Gerald Inserra	Member	June 30, 2015
Bruce Gilson	Member	June 30, 2018
Domenic Staine	Member	June 30, 2015
Anthone Bene	Member	June 30, 2016
Robert Schrieks	Member	June 30, 2016
Thomas Biegel	Alternate #1	June 30, 2016
Ronald Cannici	Alternate #2	June 30, 2016
Marcel Wurms, Esq.	Zoning Board Attorney	
Elaine DeNobile	Zoning Board Secretary	
Gary Paparozzi	Zoning Board Planner	
Thomas Solfaro/Michael Neglia	Zoning Board Engineer	

BOROUGH OF LODI

NJ Comprehensive Annual Financial Report

Financial Section

# *Di Maria & Di Maria LLP*

*Accountants & Consultants*

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245 Union Street  
Lodi, New Jersey 07644  
Voice 973.779.6890  
Facsimile 973.779.6891

Independent Auditors' Report

Honorable Mayor and Members of the Borough Council  
Borough of Lodi, County of Bergen, New Jersey

## Report on the Financial Statements

We have audited the accompanying balance sheets - *regulatory basis* - of the various funds and account group of the Borough of Lodi, in the County of Bergen (the "Borough") as of and for the years ended December 31, 2014 and 2013, the related statement of operations and changes in fund balance - *regulatory basis* - for the years then ended, and the related statement of revenues - *regulatory basis* - and statement of expenditures - *regulatory basis* - of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the foregoing table of contents.

## Management's Responsibility for the Financial Statements

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

Independent Auditors' Report (Continued)

Auditors' Responsibility

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

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

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

Independent Auditors' Report (Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of the Borough as of December 31, 2014 and 2013, or the changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 11 of the financial statements, the Borough participates in a Length of Service Award Program ("LOSAP") for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$379,119 and \$349,409 for 2014 and 2013 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "*Basis for Qualified Opinion on Regulatory Basis of Accounting*" paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 2.

Independent Auditors' Report (Continued)

Other Matters

*Other Information*

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

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

The letter of comments and recommendations section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Independent Auditors' Report (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP  
Accountants and Consultants

*Frank DiMaria*

Frank Di Maria  
Registered Municipal Accountant  
RMA No. CR00463

June 30, 2015

**BOROUGH OF LODI**  
**COMBINED COMPARATIVE BALANCE SHEET (REGULATORY BASIS)**  
**DECEMBER 31, 2014**

A-1

	Current Fund	Grant Fund	Trust Fund	General Capital Fund	Fixed Asset Account Group	Totals	
						2014	2013
<b><u>ASSETS AND OTHER DEBITS</u></b>							
Cash	\$ 8,858,419	\$ 244,338	\$ 3,772,016	\$ 2,233,294	\$ -	\$ 15,108,067	\$ 15,126,860
Deferred Compensation Assets	-	-	379,119	-	-	379,119	349,409
Interfunds Receivable	-	-	-	-	-	-	1,882,350
Intergovernmental Receivable	120,000	44,532	-	1,524,952	-	1,689,484	1,197,559
Accounts Receivable	611,346	-	-	-	-	611,346	686,270
Deferred Charges	1,902,753	-	-	22,629,574	-	24,532,327	24,474,695
Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Total Assets and Other Debits	<u>\$ 11,492,518</u>	<u>\$ 288,870</u>	<u>\$ 4,151,135</u>	<u>\$ 26,387,820</u>	<u>\$ 23,234,532</u>	<u>\$ 65,554,875</u>	<u>\$ 66,951,675</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>							
Interfunds Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,882,350
Intergovernmental Payable	1,630,449	-	-	-	-	1,630,449	6,483
Other Liabilities and Reserves	3,050,895	288,870	4,151,135	628,597	-	8,119,497	5,780,144
Improvement Authorizations	-	-	-	3,794,895	-	3,794,895	3,693,422
Emergency Notes Payable	-	-	-	-	-	-	-
Special Emergency Notes Payable	392,000	-	-	-	-	392,000	588,000
Serial Bonds Payable	-	-	-	12,375,000	-	12,375,000	13,450,000
Loans Payable	-	-	-	543,574	-	543,574	630,942
Bond Anticipation Notes Payable	-	-	-	8,910,000	-	8,910,000	9,335,000
Reserve for General Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Reserve for Receivables and Other Assets	611,346	-	-	-	-	611,346	2,568,620
Fund Balances	5,807,828	-	-	135,754	-	5,943,582	5,782,182
Total Liabilities, Reserves and Fund Balance	<u>\$ 11,492,518</u>	<u>\$ 288,870</u>	<u>\$ 4,151,135</u>	<u>\$ 26,387,820</u>	<u>\$ 23,234,532</u>	<u>\$ 65,554,875</u>	<u>\$ 66,951,675</u>

**BOROUGH OF LODI**  
**CURRENT FUND**  
**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)**  
**YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>
<u>REVENUES AND OTHER CREDITS TO INCOME</u>	
Revenues:	
Fund Balance Anticipated	\$ 476,000
Miscellaneous Revenues	6,349,575
Receipts from Delinquent Taxes	42,183
Amount to be Raised by Taxation - Local	17,151,992
Amount to be Raised by Taxation - Library	657,205
Total Revenues	<u>\$ 24,676,955</u>
Other Credits to Income	45,033,289
Total Revenues and Other Credits to Income	<u>\$ 69,710,244</u>
 <u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>	
Expenditures:	
Operations Within "CAPS":	
Salaries and Wages	\$ 9,484,000
Other Expenses	7,864,800
Deferred Charges and Statutory Expenditures	1,936,934
Operations Excluded From "CAPS":	
Salaries and Wages	1,320,000
Other Expenses	2,543,156
Capital Improvements	100,000
Municipal Debt Service	2,268,522
Deferred Charges	476,000
Judgments	-
Reserve for Uncollected Taxes	250,000
Total Budget Expenditures	<u>\$ 26,243,412</u>
Other Expenses and Charges to Income	44,149,432
Total Expenditures	<u>\$ 70,392,844</u>
Statutory (Deficit)/Excess to Current Fund Balance	(682,600)
Transferred to Deferred Charge of Succeeding Year	1,320,000
Fund Balance, July 1	<u>5,646,428</u>
	6,283,828
Decreased by:	
Utilization as Anticipated Revenue	476,000
Fund Balance, December 31	<u>\$ 5,807,828</u>

**BOROUGH OF LODI**  
**CURRENT FUND**  
**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE (REGULATORY BASIS)**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2014**

	Budget as Modified	Actual	Variance
<b><u>REVENUES AND OTHER CREDITS TO INCOME</u></b>			
Revenues:			
Fund Balance Anticipated	\$ 476,000	\$ 476,000	\$ -
Miscellaneous Revenues	6,408,409	6,349,575	(58,834)
Receipts from Delinquent Taxes	40,000	42,183	2,183
Amount to be Raised by Taxation - Local	17,341,798	17,151,992	(189,806)
Amount to be Raised by Taxation - Library	657,205	657,205	-
Total Revenues	24,923,412	24,676,955	(246,457)
Other Credits to Income	43,738,549	45,033,289	1,294,740
Total Revenues and Other Credits to Income	\$ 68,661,961	\$ 69,710,244	\$ 1,048,283
<b><u>EXPENDITURES AND OTHER CHARGES TO INCOME</u></b>			
Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	\$ 9,484,000	\$ 9,484,000	\$ -
Other Expenses	7,864,800	7,864,800	-
Deferred Charges and Statutory Expenditures	1,936,934	1,936,934	-
Operations Excluded From "CAPS":			
Salaries and Wages	1,320,000	1,320,000	-
Other Expenses	2,543,156	2,543,156	-
Capital Improvements	100,000	100,000	-
Municipal Debt Service	2,268,522	2,268,522	-
Deferred Charges	476,000	476,000	-
Judgments	-	-	-
Reserve for Uncollected Taxes	250,000	250,000	-
Total Budget Expenditures	26,243,412	26,243,412	-
Other Expenses	43,738,549	44,149,432	410,883
Total Expenditures	\$ 69,981,961	\$ 70,392,844	\$ 410,883
Statutory (Deficit)/Excess to Current Fund Balance		(682,600)	
Transferred to Deferred Charge of Succeeding Year		1,320,000	
Fund Balance, July 1		5,646,428	
		6,283,828	
Decreased by:			
Utilization as Anticipated Revenue		476,000	
Fund Balance, December 31		\$ 5,807,828	

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

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**Note 1 - Reporting Entity, Organization and Function**

A. Introduction

The Borough of Lodi (the "Borough") is an municipal corporation of the State of New Jersey located within the County of Bergen, located approximately 9 miles west of the City of New York. The Borough's population according to the 2010 census is 24,136.

The Borough operates under the 1923 Municipal Manager form of government form of government. The voters elect five members of a council and the mayor is selected from the council. The council functions strictly as a legislative body and administrative functions are prohibited. The Council may investigate the administration, may determine internal organization and may create and abolish boards and departments. The Council appoints a municipal manager, tax assessor, treasurer, auditor, municipal clerk, and an attorney. The manager is the municipal chief executive and executes laws and policies. Further duties include the preparation of the budget for council consideration and attendance at meetings with a voice, but no vote. The manager recommends improvements and implements those approved, as well as over-sees contracts and franchises and reports violations. it is the responsibility of the manager to appoint and remove department heads and make all additional appointments not made by the council.

The Borough operated on a state fiscal year until June 30, 2009, a transition fiscal year from July 1 to December 31, 2009 and revertd back to a calendar fiscal year starting on January 1, 2010. The municipal budget includes the following generally stated municipal services:

General Government Functions	Capital Improvements
Land Use Administration Functions	Debt Service
Public Safety Functions	Municipal Court Functions
Health and Human Service Functions	Code Enforcement Functions
Park and Recreation Functions	Educational Functions

B. Basis of Accounting

A modified accrual basis of accounting is followed with minor exceptions. Accounting principles prescribed for New Jersey municipalities by the Department of Community Affairs, Division of Local Government Services differ in certain respects from generally accepted accounting principles applicable to local government units.

C. Component Units

The financial statements of the component units of the municipality are not presented in accordance with Governmental Accounting Standards Board Statement No. 14 as amended by Statement No. 61. If the provisions of this statement had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the municipality:

Free Public Library

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

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**Note 2 - Summary of Significant Accounting Policies**

Financial Statement Reporting

The financial statements contain all applicable funds and account groups in accordance with the "Requirements of Audit" and the "N.J. Comprehensive Annual Financial Report" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. 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 municipality accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

A. Funds and Account Groups

The accounts are organized into the following funds and account groups:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature.

Federal and State Grant Fund - The Federal and State Grant Fund accounts for the budgeted and unbudgeted revenue/receipt, expenditure/disbursement of federal and state grants which qualify for accounting treatment more closely related to GAAP.

Trust Fund - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The General Capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. It is also the only fund, other than the Current Fund, that possesses the statutory authority to issue debt.

General Fixed Asset Account Group - The General Fixed Asset Account Group accounts for Borough owned real and personal property in accordance with N.J.A.C. 5:30-5.6.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

B. Budgets and Budgetary Accounting

The municipality must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten (10) days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight (28) days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the municipalities' financial statements.

C. Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the municipality requires that funds be deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units. All certificates of deposit are recorded as cash regardless of date of maturity.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

D. Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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. GAAP does not require the establishment of an offsetting reserve.

E. Inventories of Supplies

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

F. General Fixed Assets

Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Accounting for Governmental Fixed Assets, as promulgated by N.J.A.C. 5:30-5.6 differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the statute. Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation on general fixed assets is recorded in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

G. Foreclosed Property

Foreclosed property is recorded in the Current Fund at the assessed value when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Asset Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Asset Account Group. GAAP requires property to be recorded in the General Fixed Asset Account Group at the market value at the time of acquisition.

H. Deferred Charges

The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

I. Appropriation Reserves

Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled 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. Appropriation Reserves are not established under GAAP.

J. Liens Sold for Other Governmental Units

Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

K. Fund Balance

Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

L. Revenues

Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized as and when anticipated as such in the Township's budget. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenues be recognized when the actual expenditures financed by the grant are made.

M. Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with the statutes. The amount of taxes levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when available and measurable reduced by an allowance for doubtful accounts.

N. School Taxes

The municipality is responsible for levying, collecting and remitting school taxes for the Local School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30. GAAP would require the recording of a deferred revenue.

O. County Taxes

The municipality is responsible for levying, collecting and remitting county taxes for the County. Operations are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations are charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

P. Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the municipality's annual budget protects from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

Q. Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Outstanding encumbrances at December 31, are recorded as a cash liability. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt which is recognized when due.

R. Compensated Absences and Postemployment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long term obligations.

S. Total Columns on Combined Statements

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

T. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

U. New Reporting Standard(s)

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Borough's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

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

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**Note 3 - Cash and Cash Equivalents**

Change funds, petty cash, cash in banks, certificates of deposit and funds on deposit with the New Jersey Cash Management Fund are considered cash and cash equivalents.

A. Deposits

New Jersey Statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insures deposits, or the New Jersey Cash Management Fund.

All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act.

At December 31, the municipality's deposits are summarized as follows:

<u>Year</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
2014	\$ 14,572,012	\$ 15,108,067

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper. The Borough had no investments in the Fund as of December 31, 2014.

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

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**Note 4 - Investments**

New Jersey Statutes permit the municipality to purchase the following types of securities for investment:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligation that a federal agency or federal instrumentality has issued, 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.
- d. Bonds or other obligations of municipalities or bonds or other obligations of school districts.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local government investment pools.
- g. Agreement for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1(8a-8e).

No investments were held as of December 31, 2014.

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

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**Note 5 - Fixed Assets**

The following is a summary of general fixed asset additions, deletions and adjustments for the year ended December 31, 2014:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Land	\$ 11,179,200	\$ -	\$ -	\$ -	\$ 11,179,200
Land Improvements	344,800	-	-	-	344,800
Buildings	6,185,450	-	-	-	6,185,450
Machinery & Equipment	5,503,607	-	-	-	5,503,607
Underground Equipment	21,475	-	-	-	21,475
	<u>\$ 23,234,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,234,532</u>

No depreciation on general fixed assets is recorded in the financial statements in accordance with N.J.A.C. 5:30-5.6.

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

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**Note 6 - Municipal Debt**

A. Types of Municipal Debt

Capital Debt

The "Local Bond Law" of New Jersey Statutes governs the issuance of bonds and notes to finance capital expenditures, and are permitted only from the General Capital Fund. Bonds and Notes are backed by the full faith and credit of the municipality. Capital projects financed under the Local Bond Law must have a minimum useful life of five years.

Bond Anticipation Notes - Bond Anticipation Notes ("BANs") are issued to temporarily finance projects prior to the issuance of permanent bonds. Generally, the term of BANs can not exceed one year, but may be renewed from time to time for periods not exceeding one year, and ultimately paid or permanently financed no later than the first day of the fifth month following the close of the tenth fiscal year following the original issue date of the BAN. New Jersey Statutes require that on or before the third anniversary date of the original BAN issue date, an amount at least equal to the first legally payable installment must be paid towards the BAN upon each renewal until permanently funded or retired.

Bonds - Bonds issued are retired in serial installments within statutory periods of usefulness. New Jersey Statutes limit installment increments unless approval for a non-conforming maturity schedule is approved by the Local Finance Board.

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

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**Note 6 - Municipal Debt (Continued)**

**The Borough's long term debt paid by the Current Fund consisted of the following at December 31, 2014:**

\$3,550,000 - General Obligation Bonds Series 2005 issued 6/15/2005 payable in annual installments through 6/15/2017. Interest is paid semi-annually at varying rates from 3.25% to 4.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$1,600,000.

\$11,350,000 - General Obligation Bonds Series 2013 issued 4/15/2013 payable in annual installments through 4/15/2028. Interest is paid semi-annually at varying rates from 1.00% to 3.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$10,775,000.

\$490,000 - Green Trust Loan (Memorial & Kennedy Parks) issued 4/8/1998 payable in semi-annual installments through 11/8/2014. Interest is paid semi-annually at 2.00% per annum. The balance remaining on this issue was fully paid off on 11/8/2014.

\$234,007 - Green Trust Loan (Saddle River Park Acquisition) issued 2/28/1998 payable in semi-annual installments through 12/28/2017. Interest is paid semi-annually at 2.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$43,074.

\$103,000 - Green Trust Loan (Saddle River Park Development) issued 9/21/1998 payable in semi-annual installments through 9/21/2017. Interest is paid semi-annually at 2.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$19,381.

\$200,000 - Green Trust Loan (Kennedy Park Improvements) issued 10/15/2007 payable in semi-annual installments through 7/15/2027. Interest is paid semi-annually at 2.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$141,747.

\$231,929 - Green Trust Loan (Memorial Park Improvements) issued 8/27/2009 payable in semi-annual installments through 8/27/2027. Interest is paid semi-annually at 2.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$175,600.

\$257,500 - Green Trust Loan (Memorial Park Improvements) issued 6/5/2006 payable in semi-annual installments through 3/5/2026. Interest is paid semi-annually at 2.00% per annum. The balance remaining on this issue as of December 31, 2014 is \$163,772.

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

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**Note 6 - Municipal Debt (Continued)**

B. Comparative Summary of Debt and Remaining Borrowing Power

The following comparative information summarizes the statutory debt calculations of the municipality as reported on the municipality's Annual Debt Statement.

	<u>December 31,</u> <u>2014</u>
Issued:	
School Bonds and Notes	\$ 120,000
General Bonds and Notes	<u>21,828,574</u>
	<u>\$ 21,948,574</u>
Authorized but not Issued:	
General Bonds and Notes	<u>\$ 801,000</u>
Gross Debt	<u>\$ 22,749,574</u>
Deductions	<u>\$ 338,901</u>
Net Debt	<u><u>\$ 22,410,673</u></u>
Equalized Valuation Basis	\$ 2,039,485,480
Statutory Net Debt Percentage	1.099%
3-1/2% of Equalized Valuation Basis	\$ 71,381,992
Remaining Borrowing Power	\$ 48,971,319

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

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**Note 6 - Municipal Debt (Continued)**

C. Long-Term Bonded Debt Service Requirements to Maturity

The annual debt service requirement for long-term obligations requirements to maturity, including principal and interest as of December 31, 2014 are as follows:

Calendar Year	6/15/05 General Improvement Bonds		4/08/97 Green Trust Loan Memorial & Kennedy Parks	
	Principal	Interest	Principal	Interest
2015	525,000	53,500	-	-
2016	525,000	32,500	-	-
2017	550,000	11,000	-	-
	<u>\$ 1,600,000</u>	<u>\$ 97,000</u>	<u>\$ -</u>	<u>\$ -</u>

  

Calendar Year	6/28/98 Green Trust Loan Saddle River Park Acquisition		9/21/98 Green Trust Loan Saddle River Park Development	
	Principal	Interest	Principal	Interest
2015	14,073	791	6,332	356
2016	14,356	509	6,460	229
2017	14,645	220	6,589	99
	<u>\$ 43,074</u>	<u>\$ 1,520</u>	<u>\$ 19,381</u>	<u>\$ 684</u>

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

**Note 6 - Municipal Debt (Continued)**

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

Calendar Year	10/15/07 Green Trust Loan Kennedy Park Improvements		8/27/09 Green Trust Loan Memorial Park Improvements	
	Principal	Interest	Principal	Interest
2015	9,650	2,787	11,954	3,453
2016	9,844	2,593	12,194	3,212
2017	10,042	2,395	12,440	2,967
2018	10,243	2,193	12,690	2,717
2019	10,449	1,987	12,945	2,462
2020	10,659	1,777	13,205	2,202
2021	10,874	1,563	13,470	1,937
2022	11,092	1,345	13,741	1,666
2023	11,315	1,122	14,017	1,389
2024	11,542	894	14,299	1,108
2025	11,774	662	14,586	820
2026	12,011	426	14,880	527
2027	12,252	184	15,179	228
	<u>\$ 141,747</u>	<u>\$ 19,928</u>	<u>\$ 175,600</u>	<u>\$ 24,688</u>

Calendar Year	6/5/06 Green Trust Loan Memorial Park Improvements		4/15/13 General Improvement Bonds	
	Principal	Interest	Principal	Interest
2015	12,800	3,212	600,000	250,094
2016	13,058	2,954	625,000	237,844
2017	13,320	2,692	650,000	225,094
2018	13,588	2,424	675,000	211,844
2019	13,861	2,151	700,000	198,094
2020	14,140	1,873	725,000	183,844
2021	14,424	1,588	750,000	169,094
2022	14,714	1,298	775,000	153,844
2023	15,009	1,003	800,000	137,594
2024	15,311	701	825,000	119,297
2025	15,619	393	850,000	96,750
2026	7,928	79	875,000	70,875
2027	-	-	925,000	43,875
2028	-	-	1,000,000	15,000
	<u>\$ 163,772</u>	<u>\$ 20,368</u>	<u>\$ 10,775,000</u>	<u>\$ 2,113,143</u>

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

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**Note 6 - Municipal Debt (Continued)**

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

<u>Calendar Year</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>
2015	1,179,809	314,193
2016	1,205,912	279,841
2017	1,257,036	244,467
2018	711,521	219,178
2019	737,255	204,694
2020	763,004	189,696
2021	788,768	174,182
2022	814,547	158,153
2023	840,341	141,108
2024	866,152	122,000
2025	891,979	98,625
2026	909,819	71,907
2027	952,431	44,287
2028	1,000,000	15,000
	<u>\$ 12,918,574</u>	<u>\$ 2,277,331</u>

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

**Note 6 - Municipal Debt (Continued)**

D. Summary of Changes in Municipal Debt

During the fiscal year ended December 31, 2014, the following changes occurred in liabilities reported as general long-term debt:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>
<b>Short-Term Debt:</b>				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Bond Anticipation Notes	9,335,000	8,910,000	(9,335,000)	8,910,000
Emergency Notes	-	-	-	-
	<u>\$ 9,335,000</u>	<u>\$ 8,910,000</u>	<u>\$ (9,335,000)</u>	<u>\$ 8,910,000</u>
<b>Long-Term Debt:</b>				
Serial Bonds	\$ 13,450,000	\$ -	\$ (1,075,000)	\$ 12,375,000
Loans Payable	630,942	-	(87,368)	543,574
Authorized but not Issued	-	801,000	-	801,000
	<u>\$ 14,080,942</u>	<u>\$ 801,000</u>	<u>\$ (1,162,368)</u>	<u>\$ 13,719,574</u>
	<u><u>\$ 23,415,942</u></u>	<u><u>\$ 9,711,000</u></u>	<u><u>\$ (10,497,368)</u></u>	<u><u>\$ 22,629,574</u></u>

	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
<b>Short-Term Debt:</b>			
Tax Anticipation Notes	\$ -	\$ -	\$ -
Bond Anticipation Notes	8,910,000	335,000	8,575,000
Emergency Notes	-	-	-
	<u>\$ 8,910,000</u>	<u>\$ 335,000</u>	<u>\$ 8,575,000</u>
<b>Long-Term Debt:</b>			
Serial Bonds	\$ 12,375,000	\$ 1,125,000	\$ 11,250,000
Loans Payable	543,574	54,809	488,765
Authorized but not Issued	801,000	-	801,000
	<u>\$ 13,719,574</u>	<u>\$ 1,179,809</u>	<u>\$ 12,539,765</u>
	<u><u>\$ 22,629,574</u></u>	<u><u>\$ 1,514,809</u></u>	<u><u>\$ 21,114,765</u></u>

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

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**Note 7 - Risk Management**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Boro should they occur. The Borough of Lodi is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment and worker's compensation. The BJIF and MEL coverage amounts are on file with the Borough. The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance, to report claims on a timely basis, cooperate with the management of the Fund, its claims investigation and settlement, and to follow risk management procedures as outlined by the insurance pools. Members have a contractual obligation to fund any deficit of the insurance fund attributable to a membership year during which the municipality was a member. The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and preventive procedures to be followed by the members. There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years. Contributions to the Funds, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the State of New Jersey provides the administration of payments to former employees of the Borough. The Borough is billed quarterly for benefits paid to former employees. A separate dedicated unemployment Trust account is not maintained. Unemployment expenditures are charged against Current fund budget appropriations under the title "Unemployment Compensation".

Unemployment expenditures for the past 3 years are as follows:

CY2014 - \$ 1,433  
CY2013 - \$ 0  
CY2012 - \$24,006

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

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**Note 8 - Interfunds**

As of December 31, 2014 interfund balances on the Borough's various balance sheets were as follows:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ -	\$ -
Trust Fund	-	-
General Capital Fund	-	-
	<u>\$ -</u>	<u>\$ -</u>

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

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**Note 9 - Deferred Charges to be Raised in Succeeding Budgets**

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

	<u>Balance</u> <u>Current Period</u>	<u>Appropriated in</u> <u>Subsequent</u> <u>Year's Budget</u>	<u>Balance to</u> <u>Succeeding</u>
Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations:	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations - 1 Year	-	-	-
Special Emergency	-	-	-
Authorizations (40A:4-53)	1,902,753	740,000	1,162,753
	<u>\$ 1,902,753</u>	<u>\$ 740,000</u>	<u>\$ 1,162,753</u>

**Note 10 - Retirement Plans**

**Description of Plans**

Substantially all of the Borough's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at – <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

**Public Employees' Retirement System**

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

**Police and Fireman's Retirement System**

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

**Defined Contribution Retirement Program**

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA43:15C-1 et seq). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

**Funding Policy**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 10.6% of covered payroll. The Borough's contributions to PERS for the years ended December 31, 2014, and 2013 were \$385,658, and \$437,555 respectively.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Borough's contributions to PFRS for the years ended December 31, 2014, and 2013 were \$1,130,276, and \$1,179,230 respectively.

Eligible PERS or TPAF members are enrolled in the DCRP when the annual salary exceeds the maximum compensation limit. This may occur either:

Upon enrollment into the PERS or TPAF when an annual base salary is reported on the Enrollment Application that will exceed the maximum compensation; or when a PERS or TPAF member's annual salary is increased to where it will exceed the maximum compensation and it is reported by the employer to the Division of Pensions and Benefits (either by directly contacting the Division, or when submitted by the employer on the Quarterly Report of Contributions). When enrolled in the DCRP, members contribute 5.5% of the base salary in excess of the maximum compensation limit to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pensions and Benefits. Member contributions are matched by a 3% employer contribution based on the salary in excess of the maximum compensation limit. The Borough's contributions to DCRP for the years ended December 31, 2014, and 2013 were \$53, and \$0 respectively.

It is important that an employer enroll a DCRP eligible PERS or TPAF member as soon as it is known that the employee's annual salary will exceed the maximum compensation, so that the DCRP account can be established in advance of collection of any required contributions.

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

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**Note 10 - Retirement Plans (Continued)**

**Significant Legislation**

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**Note 10 - Retirement Plans (Continued)**

**Funded Status and Funding Progress (GASB 67)**

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 61.2% with an unfunded actuarial accrued liability of \$54.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 51.5% and \$40.1 billion, respectively, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 74.9% and \$14.7 billion, respectively.

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2013 PERS and PFRS actuarial valuations, the date of the most recent actuarial valuations, the entry age normal was used as actuarial cost method, and the five year average of market value was used as asset valuation method. The actuarial assumptions included (a) 7.9% for investment rate of return and (b) changes to projected salary increases of 2.15% to 5.40% based on age for PERS and 3.95% to 9.62% based on age for PFRS.

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

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**Note 11 - Deferred Compensation Plans**

A. Description

The Borough offers its qualifying volunteers participation in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by outside contractors, permit participants (qualifying volunteers) to defer a portion of their Borough contributions until future years. Amounts deferred under the plan are not available to participants until termination, retirement, unforeseeable emergency or, upon death, to their beneficiaries.

All amounts of Borough contribution deferred under the plan and all income attributable to those amounts are (until paid or made available to the qualifying volunteer or other beneficiary) solely the property and rights of the Borough subject only to the claims of the Borough's general creditors. Participants' rights under the plan are equal to those of general creditors of the Borough in an equal amount to the fair value of the deferred account for each participant.

It is the opinion of the Borough's legal counsel that the Borough has no liability for losses under the plan. Under the plan, participants select investments from alternatives offered by the plan administrators, who manages the plan on behalf of the Borough. Investment selection by the participants may change from time to time, as the Borough manages none of the investment selections. By making the selection, participants accept and assume all risks that adhere in the plan and its administration.

Information pertaining to the plan offered by the Borough is as follows:

Lincoln National Life Insurance Co.

This plan administers Borough contributions towards its Volunteer Length of Service Award Program (LOSAP).

	<u>2014</u>
Assets, Beginning of Year (Market Value)	\$ 349,409
Municipal Contribution	15,500
Earnings and Adjustments to Market Value	24,427
Payments to Eligible Volunteers	(7,488)
Charges and Credits	<u>(2,729)</u>
Assets, Ending of Year (Market Value)	<u>\$ 379,119</u>

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

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**Note 12 - Other Post Retirement Benefits**

A. Compensated Absences

The Borough has permitted certain employees and bargaining units to accrue unused sick pay which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with accounting practices prescribed by the Division of Local Government Services, this amount is not recorded as either an expenditure or a liability.

The Borough approximates this liability at December 31, 2014 to be \$1,155,000.

B. Health Care Benefits

The Borough provides, at its cost, post-employment health care benefits in accordance with the provisions of Chapter 88, P.L. 1974 as amended by Chapter 436, P.L. 1981 which permits local public employers to pay the premium charges for certain eligible pensioners and their dependents and to reimburse Part B Medicare premiums for such retirees and their spouses covered by the New Jersey State Health Benefits Program.

Plan Description: The Borough of Lodi contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2008, the Borough of Lodi authorized participation in the SHBP's post-retirement benefit program through resolution number 09-91.

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

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**Note 12 - Other Post Retirement Benefits (Continued)**

B. Health Care Benefits (Continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb-43-july2013.pdf>.

Funding Policy: Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP as well as dental premiums are billed to the Borough of Lodi on a monthly basis. The 2014 rates charged by the system for each medical coverage category ranged from \$486.32 to \$2,844.40 per month and \$60 to \$183 per month for each dental coverage category.

The Borough of Lodi's contributions to SHBP (including separate dental benefit premiums) paid for the year ended December 31, 2014 for all bargaining units noted was approximately \$689,000, which equaled the required contributions for the year. There were approximately 29 retired medical participants and 33 dental participants eligible at December 31, 2014.

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

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**Note 12 - Other Post Retirement Benefits (Continued)**

B. Health Care Benefits (Continued)

Eligibility for participation in the SHBP post-retirement benefit program by collective bargaining unit are as follows:

Lodi White Collar Employees Union, Lodi White Collar Department Heads and Supervisors Employee Association and The Lodi Public Works Association Lodi D.P.W. Unit

Employees with at least twenty five (25) years of service with the Borough of Lodi and at least fifty five (55) years of age upon retirement or separation from service provided such separation from service is for other than cause, are entitled to health benefits up to age sixty five (65) and the Borough shall provide the same medical plan, including family plan if applicable, as was provided to such retired employee on the last day of active service for the Borough subject to any limitations provided by law. At age sixty five (65) said health benefits shall terminate after which time the Borough shall reimburse the employee up to the amount of \$3,000 per year for any supplemental health coverage, provided that the employee purchases same and said reimbursement shall be payable to the employee upon receiving an invoice from the insurance company that provided the health coverage unless or except otherwise restricted by law. This reimbursement shall be made to eligible retirees for the remainder of their lives.

The Borough will maintain the prescription drug program and dental coverage as was provided to each retired employee on the last day of active service for the Borough up until age sixty five (65).

Any contribution required toward health care coverage as mandated by State law will be applicable to retirees covered per the above.

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

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**Note 12 - Other Post Retirement Benefits (Continued)**

B. Health Care Benefits (Continued)

Municipal Manager

Upon retirement or termination from employment or non-renewal of the agreement between the Manager and the Borough, the Borough shall pay for the cost of the Manager's premiums for the coverage in place on the last day of active service up to the qualifying age for Medicare. At age sixty five (65) said health benefits shall terminate after which time the Borough shall reimburse the Manager for an amount not to exceed \$5,000 per year for any supplemental health coverage, provided that the Manager purchases same and said reimbursement shall be payable to the Manager upon receiving an invoice from the insurance company that provided the health coverage unless or except otherwise restricted by law. This reimbursement shall be made to the Manager for the remainder of their life.

The Borough will maintain the prescription drug program and dental coverage as was provided to the Manager on the last day of active service for the Borough up to the qualifying age for Medicare.

Any contribution required toward health care coverage as mandated by State law will be applicable to the Manager per the above.

Chief of Police, Deputy Chief of Police and The Policemen's Benevolent Association, Local 26 (Lodi Unit)

Upon retirement, the employees covered under this heading upon retirement or separation from service are entitled to health benefits up to the qualifying age for Medicare and the Borough shall provide the same medical plan, including family plan if applicable, as was provided to such retired employee on the last day of active service for the Borough subject to any limitations provided by law.

The Borough will maintain the prescription drug program and dental coverage as was provided to each retired employee on the last day of active service for the Borough up until the qualifying age for Medicare as primary coverage.

Upon reaching Medicare age, Medicare becomes the individual's primary coverage and the employer's continued coverage becomes secondary.

Any contribution required toward health care coverage as mandated by State law will be applicable to retirees covered per the above.

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

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**Note 13 - Contingencies**

A. Litigation

The municipality is a party to various legal proceedings which normally occur in the operation of government. These proceedings are not likely to have a materially adverse affect on the various funds of the municipality.

B. Federal and State Grants

The municipality participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed, the municipality may be required to reimburse the grantor agency. As of December 31, 2014, significant amounts of grant expenditures have not been audited. The municipality believes that any future disallowed expenditures will not have a material effect on its financial position.

C. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2014. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, to be material. As of December 31, 2014, the Borough did not record reserves in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budgets, from fund balance or by issuance of refunding bonds.

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

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**Note 14 - Fund Balances Appropriated**

Fund balances at December 31, 2014 and 2013 which were appropriated and included as anticipated revenue in their respective funds for the years ending December 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Current Fund	\$ 678,919	\$ 476,000

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

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**Note 15 - Economic Dependency**

The Borough of Lodi is not economically dependent on any one business or industry as a major source of tax revenue for the Borough.

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

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**Note 16 - Subsequent Events**

As of the date of this report, the following are considered material subsequent events:

A. Subsequent Year Capital Projects

The Borough's 2015 Capital Budget currently includes the following:

Purpose	Total	CIF and Other Funded Sources	Bonds & Notes Authorized
#2015-08 - Impts to Municipal Facilities	\$ 300,000	\$ 15,000	\$ 285,000
#2015-09 - Acquisition of Vehicles	100,000	5,000	95,000
#2015-10 - Acquisition of Public Safety Equipment	150,000	10,000	140,000
#2015-11 - 2015 Road, Curb, Sidewalk Program	300,000	15,000	285,000
#2015-12 - Stream Bank Stabilization	200,000	10,000	190,000
	<u>\$ 1,050,000</u>	<u>\$ 55,000</u>	<u>\$ 995,000</u>

B. Bond Anticipation Notes

On February 13, 2015 the Borough issued a Bond Anticipation Note in the amount of \$3,696,000, to temporarily finance expenditures related to the undertaking of the Lodi High School synthetic turf athletic field project (\$1,330,000) as well as other various capital projects (\$2,366,000). The Borough paid down \$255,000 to the maturing notes derived from the 2015 Current Fund budget. The new note consisted of \$2,895,000 of renewed obligations and \$801,000 of new borrowing. The Borough awarded the sale of said note to TD Securities (USA) LLC at an interest rate of 1.25% receiving a premium of \$27,572 producing a blended reduced effective interest rate. This note will mature on February 11, 2016.

On May 22, 2015 the Borough issued a Bond Anticipation Note in the amount of \$5,680,000, to temporarily finance expenditures related to Phase V of the downtown redevelopment. The Borough paid down \$80,000 to the maturing notes derived from the 2015 Current Fund budget. The new note consisted of \$5,680,000 of renewed obligations and \$0 of new borrowing. The Borough awarded the sale of said note to Spencer Savings Bank at an interest rate of .65% receiving no premium. This note will mature on May 20, 2016.

C. Special Emergency Notes

On February 13, 2015, the Borough fully paid off Special Emergency Notes (SEN's") in the amount of \$392,000 used to finance amounts relating to capital expenses as a direct result of Hurricane Irene and for contractually required severance liabilities resulting from retirements of Borough employees.

The Borough has evaluated subsequent events through June 30, 2015, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

**BOROUGH OF LODI**  
**CURRENT FUND**  
**BALANCE SHEET (REGULATORY BASIS)**

	2014	2013
<b>ASSETS AND OTHER DEBITS</b>		
Cash:		
Operating Account	\$ 8,857,919	\$ 6,948,290
Change Fund	500	500
	<u>\$ 8,858,419</u>	<u>\$ 6,948,790</u>
Interfunds Receivable:		
General Capital Fund	\$ -	\$ 1,139,622
Trust Fund (Outside Police Employment)	-	236,647
Trust Fund (Tax Sale Premiums)	-	506,081
	<u>\$ -</u>	<u>\$ 1,882,350</u>
Intergovernmental Receivable:		
Due From Local School Board	\$ 100,000	\$ -
Due From Saddle Brook Township	20,000	-
	<u>\$ 120,000</u>	<u>\$ -</u>
Other Receivables:		
Delinquent Property Taxes	\$ 253,574	\$ 83,479
Tax Title Liens Receivable	339,525	584,544
Property Acquired for Taxes at Assessed Valuation	18,247	18,247
	<u>\$ 611,346</u>	<u>\$ 686,270</u>
Deferred Charges:		
Emergency Authorizations	\$ -	\$ -
Special Emergency Authorizations (N.J.S. 40A:4-53.1)	1,902,753	1,058,753
	<u>\$ 1,902,753</u>	<u>\$ 1,058,753</u>
Total Assets and Other Debits	<u>\$ 11,492,518</u>	<u>\$ 10,576,163</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
Intergovernmental Payable:		
County of Bergen	\$ 5,581	\$ 3,820
State of New Jersey	3,244	2,663
Local District School Taxes Payable	1,621,624	-
	<u>\$ 1,630,449</u>	<u>\$ 6,483</u>
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 2,726,248	\$ 1,446,373
Reserve for Encumbrances	121,299	97,630
Taxes Collected in Advance	203,348	187,900
Tax Overpayments	-	34,729
Special Emergency Note Payable	392,000	588,000
	<u>\$ 3,442,895</u>	<u>\$ 2,354,632</u>
Reserve for Receivables and Other Assets	<u>\$ 611,346</u>	<u>\$ 2,568,620</u>
Fund Balance	<u>\$ 5,807,828</u>	<u>\$ 5,646,428</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 11,492,518</u>	<u>\$ 10,576,163</u>

**BOROUGH OF LODI**  
**CURRENT FUND**  
**SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)**  
**YEAR ENDED DECEMBER 31, 2014**

	Budget As Modified	Realized	Excess/ (Deficit)
Fund Balance Anticipated	\$ 476,000	\$ 476,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 21,000	\$ 20,748	\$ (252)
Other Licenses	80,000	55,180	(24,820)
Fees and Permits	162,000	137,040	(24,960)
Municipal Court Fines and Costs	546,000	465,167	(80,833)
Interest and Costs on Taxes	123,000	133,611	10,611
Interest on Investments and Deposits	9,000	21,258	12,258
Sewer Charges	1,890,000	1,923,308	33,308
Industrial & Tax Exempt Sewer Charges	35,000	37,154	2,154
Consolidated Municipal Property Tax Relief Aid	372,311	372,311	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,557,233	1,557,233	-
Uniform Construction Code Fees	250,000	247,500	(2,500)
Lodi BOE - Synthetic Turf at LHS - Principal	190,000	190,000	-
Lodi BOE - Synthetic Turf at LHS - Interest	17,100	17,100	-
Municipal Alliance on Alcoholism and Drug Abuse (CH159)	8,758	8,758	-
Recycling Tonnage Grant (CH159)	51,162	51,162	-
Body Armor Replacement Program (CH159)	9,358	9,358	-
Drunk Driving Enforcement Fund (CH159)	3,727	3,727	-
Clean Communities Program (CH159)	65,997	65,997	-
Alcohol Education & Rehabilitation Grant (CH159)	1,592	1,592	-
Uniform Fire Safety Act - State	40,000	53,596	13,596
Uniform Fire Safety Act - Local	185,000	195,226	10,226
Cable TV Franchise Fees - Cablevision	207,547	207,547	-
Cable TV Franchise Fees - Verizon FIOS	85,540	85,540	-
P.V.W.C. Water Utility Lease Payment	66,084	66,084	-
Host Community Fees	80,000	78,379	(1,621)
Joint Insurance Fund Dividend	41,000	50,366	9,366
Cellular Tower Lease - AT&T	33,000	33,600	600
Cellular Tower Lease - (Metro PCS)	20,000	18,519	(1,481)
Sanitary Sewer Tie-in Agreement (Saddle Brook TWP)	20,000	20,000	-
School Security Reimbursement - Lodi BOE	100,000	100,000	-
BAN Reimbursement (Railroad Plaza LLC)	137,000	122,514	(14,486)
Total Miscellaneous Revenues	\$ 6,408,409	\$ 6,349,575	\$ (58,834)
Receipts From Delinquent Taxes	\$ 40,000	\$ 42,183	\$ 2,183
Amount to be Raised by Taxation - Local	\$ 17,341,798	\$ 17,151,992	\$ (189,806)
Amount to be Raised by Taxation - Library	657,205	657,205	-
	\$ 17,999,003	\$ 17,809,197	\$ (189,806)
Total Budget Revenues	\$ 24,923,412	\$ 24,676,955	\$ (246,457)

**BOROUGH OF LODI**  
**CURRENT FUND**  
**SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME (REGULATORY BASIS)**  
**YEAR ENDED DECEMBER 31, 2014**

	Budget As Modified	Realized	Excess/ (Deficit)
Other Credits to Income:			
Local District School Tax	\$ 39,170,900	\$ 39,170,900	\$ -
County Tax	4,512,632	4,512,632	-
Added County Tax	5,510	5,510	-
County Open Space Tax	49,437	49,437	-
Added County Open Space Tax	70	70	-
Non-Budget Revenues	-	396,420	396,420
Unexpended Balance of Budget Appropriations	-	486	486
Unexpended Balance of Appropriation Reserves and Encumbrances	-	887,688	887,688
Interfund Loans Returned	-	-	-
Grant Fund Overages	-	10,146	10,146
Cancellations and Adjustments	-	-	-
Total Other Credits to Income	<u>\$ 43,738,549</u>	<u>\$ 45,033,289</u>	<u>\$ 1,294,740</u>
Total Revenues and Credits to Income	<u>\$ 68,661,961</u>	<u>\$ 69,710,244</u>	<u>\$ 1,048,283</u>

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS WITHIN "CAPS"</u>							
GENERAL GOVERNMENT FUNCTIONS:							
General Administration:							
Salaries and Wages	\$ 220,000	\$ -	\$ 220,000	\$ 219,927	\$ 73	\$ -	\$ -
Other Expenses	100,000	-	100,000	97,080	2,920	-	-
Mayor and Council:							
Salaries and Wages	32,500	-	32,500	32,500	-	-	-
Other Expenses	10,000	-	10,000	9,096	904	-	-
Municipal Clerk:							
Salaries and Wages	172,000	-	172,000	171,468	532	-	-
Other Expenses	40,000	-	40,000	36,949	3,051	-	-
Financial Administration:							
Salaries and Wages	141,000	-	141,000	140,134	866	-	-
Other Expenses	75,000	-	75,000	33,655	41,345	-	-
Other Expenses - Contract	97,500	-	97,500	97,500	-	-	-
Computerized Data Processing:							
Other Expenses	50,000	-	50,000	14,467	35,533	-	-
Audit Services:							
Other Expenses	50,000	-	50,000	45,000	5,000	-	-
Revenue Administration:							
Salaries and Wages	142,000	-	142,000	141,679	321	-	-
Other Expenses	25,000	-	25,000	19,011	5,989	-	-
Tax Assessment Administration:							
Salaries and Wages	84,000	-	84,000	80,975	3,025	-	-
Other Expenses	50,000	-	50,000	18,098	31,902	-	-
Legal Services:							
Other Expenses - Municipal Attorney	150,000	-	150,000	150,000	-	-	-
Other Expenses - Special Counsel & Tax Appeals	65,000	-	65,000	62,608	2,392	-	-
Other Expenses - Labor Counsel	45,000	-	45,000	44,577	423	-	-
Engineering Services:							
Other Expenses	75,000	-	75,000	56,476	18,524	-	-

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	2,000	-	2,000	1,833	167	-
Other Expenses	7,500	-	7,500	165	7,335	-
Zoning Board of Adjustment:						
Salaries and Wages	131,000	-	131,000	130,614	386	-
Other Expenses	7,500	-	7,500	7,134	366	-
Property Maintenance:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	7,500	-	7,500	-	7,500	-
INSURANCE:						
Liability Insurance	454,710	-	454,710	354,914	99,796	-
Worker Compensation Insurance	467,395	-	467,395	467,395	-	-
Employee Group Insurance	2,292,852	-	2,292,852	2,086,155	206,697	-
Insurance Deductible	20,000	-	20,000	-	20,000	-
Other Insurance Premiums	25,000	-	25,000	-	25,000	-
Employee Group Insurance - Cash in Lieu	10,000	-	10,000	-	10,000	-
Unemployment Compensation	30,000	-	30,000	1,433	28,567	-

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
PUBLIC SAFETY FUNCTIONS:						
Police:						
Salaries and Wages	\$ 5,650,000	\$ -	\$ 5,650,000	\$ 4,324,860	1,325,140	\$ -
Salaries and Wages - Overtime	75,000	-	75,000	32,667	42,333	-
Other Expenses	170,000	-	170,000	163,438	6,562	-
Other Expenses - Police Car Lease	25,000	-	25,000	11,663	13,337	-
Police Clerical:						
Salaries and Wages	132,000	-	132,000	131,998	2	-
Parking Enforcement:						
Salaries and Wages	50,000	-	50,000	49,527	473	-
Crossing Guards:						
Salaries and Wages	316,000	-	316,000	315,617	383	-
Other Expenses	10,000	-	10,000	1,426	8,574	-
School Security:						
Salaries and Wages	200,000	-	200,000	199,670	330	-
Other Expenses	10,000	-	10,000	10,000	-	-
911/Dispatch:						
Other Expenses	241,000	-	241,000	241,000	-	-
Office of Emergency Management:						
Salaries and Wages	11,000	-	11,000	10,700	300	-
Other Expenses	10,000	-	10,000	1,259	8,741	-
Aid to Volunteer Fire Companies:						
Other Expenses	90,000	-	90,000	53,375	36,625	-
Fire Department:						
Other Expenses	50,000	-	50,000	49,899	101	-
Fire Prevention:						
Salaries and Wages	164,000	-	164,000	163,806	194	-
Other Expenses	30,000	-	30,000	20,880	9,120	-
Municipal Prosecutor's Office:						
Salaries and Wages	15,000	-	15,000	15,000	-	-

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>							
PUBLIC WORKS FUNCTIONS:							
Streets and Road Maintenance:							
Salaries and Wages	857,000	-	857,000	817,500	39,500	-	-
Salaries and Wages - Overtime	25,000	-	25,000	25,000	-	-	-
Salaries and Wages - Part Time	40,000	-	40,000	29,737	10,263	-	-
Salaries and Wages - Seasonal	15,000	-	15,000	477	14,523	-	-
Other Expenses	125,000	-	125,000	119,450	5,550	-	-
Other Expenses - Snow Removal	100,000	-	100,000	36,787	63,213	-	-
DPW Clerical:							
Salaries and Wages - Clerical	64,000	-	64,000	62,947	1,053	-	-
Buildings & Grounds:							
Salaries and Wages	200,000	-	200,000	200,000	-	-	-
Salaries and Wages - Overtime	10,000	-	10,000	10,000	-	-	-
Salaries and Wages - Part Time	20,000	-	20,000	19,520	480	-	-
Salaries and Wages - Seasonal	60,000	-	60,000	60,000	-	-	-
Other Expenses - Contract	24,898	-	24,898	10,968	13,930	-	-
Other Expenses	25,000	-	25,000	24,490	510	-	-
Sewer Processing and Disposal:							
Other Expenses	150,000	-	150,000	146,863	3,137	-	-
Other Expenses - Emergency Repairs	50,000	-	50,000	15,298	34,702	-	-
Shade Tree:							
Other Expenses	20,000	-	20,000	2,908	17,092	-	-
Solid Waste Collection:							
Other Expenses - Contract (Hauler)	426,345	-	426,345	424,977	1,368	-	-
Other Expenses - Roll Off Containers	170,000	-	170,000	92,050	77,950	-	-
Other Expenses - Reimbursements	50,000	-	50,000	3,905	46,095	-	-
Recycling:							
Salaries and Wages	2,500	-	2,500	-	2,500	-	-
Other Expenses - Contract	109,000	-	109,000	95,082	13,918	-	-
Vehicle Maintenance:							
Other Expenses	125,000	-	125,000	124,976	24	-	-

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Vital Statistics:						
Salaries and Wages	16,000	-	16,000	15,600	400	-
Animal Control:						
Other Expenses - Contract	25,000	-	25,000	9,206	15,794	-
Other Expenses - Cats	20,000	-	20,000	20,000	-	-
Health Department:						
Other Expenses - Contract	30,600	-	30,600	17,772	12,828	-
PARK AND RECREATION FUNCTIONS:						
Recreation Services and Programs:						
Salaries and Wages	96,000	-	96,000	83,015	12,985	-
Salaries and Wages - Part Time	70,000	-	70,000	57,345	12,655	-
Salaries and Wages - Seasonal	35,000	-	35,000	35,000	-	-
Other Expenses	60,000	-	60,000	55,454	4,546	-
Other Expenses - Referee and Umpire A/C	10,000	-	10,000	5,000	5,000	-
Other Expenses - Facility Rental	48,000	-	48,000	48,000	-	-
Other Expenses - Contribution to Lodi Senior Citizens Clut	18,200	-	18,200	18,200	-	-
Other Expenses - Contribution to Lodi AARP	5,100	-	5,100	5,100	-	-
Other Expenses - Other Senior Citizen Activities	6,700	-	6,700	220	6,480	-
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	30,000	-	30,000	29,831	169	-

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
MUNICIPAL COURT:						
Municipal Court Administration:						
Salaries and Wages	\$ 228,000	\$ -	\$ 228,000	\$ 227,978	\$ 22	\$ -
Other Expenses	20,000	-	20,000	8,040	11,960	-
Public Defender:						
Salaries and Wages	15,000	-	15,000	15,000	-	-
UNIFORM CONSTRUCTION CODE:						
Code Enforcement and Administration:						
Salaries and Wages	122,000	-	122,000	121,276	724	-
Salaries and Wages - Clerical	61,000	-	61,000	61,000	-	-
Other Expenses	20,000	-	20,000	7,522	12,478	-
UTILITY EXPENSES AND BULK PURCHASES:						
Electricity	450,000	-	450,000	342,708	107,292	-
Street Lighting	175,000	-	175,000	100,014	74,986	-
Telephone	100,000	-	100,000	77,481	22,519	-
Water	20,000	-	20,000	17,000	3,000	-
Gasoline	170,000	-	170,000	131,122	38,878	-
LANDFILL/SOLID WASTE DISPOSAL COSTS:						
Dump Fees	500,000	-	500,000	495,796	4,204	-
Total Operations Within "CAPS"	\$ 17,348,800	\$ -	\$ 17,348,800	\$ 14,645,243	\$ 2,703,557	\$ -
Detail:						
Salaries and Wages	\$ 9,484,000	\$ -	\$ 9,484,000	\$ 8,004,370	\$ 1,479,630	\$ -
Other Expenses	\$ 7,864,800	\$ -	\$ 7,864,800	\$ 6,640,873	\$ 1,223,927	\$ -

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</u>						
DEFERRED CHARGES:						
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Year Bills						
Florio, Perrucci, et al.	-	-	-	-	-	-
STATUTORY EXPENDITURES:						
Social Security System (O.A.S.I.)	400,000	-	400,000	399,931	69	-
Local Firemen's Pension Fund	20,000	-	20,000	14,500	5,500	-
Public Employees' Retirement System	385,658	-	385,658	385,658	-	-
Police and Fireman's Retirement System	1,130,276	-	1,130,276	1,130,276	-	-
DCRP	1,000	-	1,000	52	948	-
Deferred Compensation Contribution	-	-	-	-	-	-
	<u>\$ 1,936,934</u>	<u>\$ -</u>	<u>\$ 1,936,934</u>	<u>\$ 1,930,417</u>	<u>\$ 6,517</u>	<u>\$ -</u>
Total General Appropriations Within "CAPS"	<u>\$ 19,285,734</u>	<u>\$ -</u>	<u>\$ 19,285,734</u>	<u>\$ 16,575,660</u>	<u>\$ 2,710,074</u>	<u>\$ -</u>

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER APPROPRIATIONS</u>						
EDUCATIONAL FUNCTIONS:						
Municipal Library:						
Other Expenses - Third of a Mil	657,205	-	657,205	657,205	-	-
Other Expenses - Additional	60,000	-	60,000	60,000	-	-
UTILITY EXPENSES AND BULK PURCHASES:						
Other Expenses - PVSC	1,555,390	-	1,555,390	1,554,421	969	-
STATUTORY EXPENDITURES:						
Public Employees' Retirement System	-	-	-	-	-	-
Police and Firemen's Retirement System	-	-	-	-	-	-
Other Expenses - LOSAP	25,000	-	25,000	14,500	10,500	-
Insurance						
Employee Group Insurance	57,148	-	57,148	57,148	-	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Elmwood Park BORO:						
Health Services (Nursing)	44,900	-	44,900	40,195	4,705	-
Accumulated Absences	-	1,080,000	1,080,000	1,080,000	-	-
Accumulated Absences	-	240,000	240,000	240,000	-	-
	<u>\$ 2,399,643</u>	<u>\$ 1,320,000</u>	<u>\$ 3,719,643</u>	<u>\$ 3,703,469</u>	<u>\$ 16,174</u>	<u>\$ -</u>

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated			Expended		Unexpended		Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled		
<b><u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u></b>								
Recycling Tonnage Grant (CH159)	\$ 51,162	\$ -	\$ 51,162	\$ 51,162	\$ -	\$ -	\$ -	-
Alcohol Education Rehabilitation Fund (CH159)	1,592	-	1,592	1,592	-	-	-	-
Drunk Driving Enforcement Fund (CH159)	3,727	-	3,727	3,727	-	-	-	-
Clean Communities Program (CH159)	65,997	-	65,997	65,997	-	-	-	-
Body Armor Replacement Program (CH159)	9,358	-	9,358	9,358	-	-	-	-
Municipal Alliance - State (CH159)	8,758	-	8,758	8,758	-	-	-	-
Municipal Alliance - Local (CH159)	2,919	-	2,919	2,919	-	-	-	-
	<u>\$ 143,513</u>	<u>\$ -</u>	<u>\$ 143,513</u>	<u>\$ 143,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total Operations Excluded From "CAPS"	\$ 2,543,156	\$ 1,320,000	\$ 3,863,156	\$ 3,846,982	\$ 16,174	\$ -	\$ -	-
Detail:								
Salaries and Wages	\$ -	\$ 1,320,000	\$ 1,320,000	\$ 1,320,000	\$ -	\$ -	\$ -	-
Other Expenses	\$ 2,543,156	\$ -	\$ 2,543,156	\$ 2,526,982	\$ 16,174	\$ -	\$ -	-

**BOROUGH OF LODI**  
**CURRENT FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)**  
**YEAR ENDED DECEMBER 31, 2014**

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	Appropriated		Expended		Unexpended		
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>							
Capital Improvement Fund	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -
Down Payment on Improvements	-	-	-	-	-	-	-
	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated			Expended		Unexpended	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>							
Bond Principal	\$ 1,075,000	\$ -	\$ 1,075,000	\$ 1,075,000	\$ -	\$ -	\$ -
Bond Interest	332,969	-	332,969	332,969	-	-	-
Payment of Bond Anticipation Notes & Capital	-	-	-	-	-	-	-
Interest on Notes	200,000	-	200,000	200,000	-	-	-
Refunding Bonds - Principal	220,000	-	220,000	220,000	-	-	-
Refunding Bonds - Interest	5,000	-	5,000	5,000	-	-	-
Lodi RailRoad Plaza - Principal	80,000	-	80,000	80,000	-	-	-
Lodi RailRoad Plaza - Interest	43,000	-	43,000	42,514	-	486	-
Lodi BOE - Synthetic Turf Installation at LHS - Principal	190,000	-	190,000	190,000	-	-	-
Lodi BOE - Synthetic Turf Installation at LHS - Interest	17,100	-	17,100	17,100	-	-	-
Interest on Emergency Notes	-	-	-	-	-	-	-
Interest on Special Emergency Note	5,900	-	5,900	5,900	-	-	-
Green Trust Loan Principal - 0231-03-080	11,719	-	11,719	11,719	-	-	-
Green Trust Loan Interest - 0231-03-080	3,688	-	3,688	3,688	-	-	-
Green Trust Loan Principal	33,638	-	33,638	33,638	-	-	-
Green Trust Loan Interest	505	-	505	505	-	-	-
Green Trust Loan Principal	13,796	-	13,796	13,796	-	-	-
Green Trust Loan Interest	1,069	-	1,069	1,069	-	-	-
Green Trust Loan Principal - 0231-95-059	6,208	-	6,208	6,208	-	-	-
Green Trust Loan Interest - 0231-95-059	481	-	481	481	-	-	-
Green Trust Loan Principal - 0231-03-080a	12,548	-	12,548	12,548	-	-	-
Green Trust Loan Interest - 0231-03-080a	3,464	-	3,464	3,464	-	-	-
Green Trust Loan Principal - 0231-05-015	9,460	-	9,460	9,460	-	-	-
Green Trust Loan Interest - 0231-05-015	2,977	-	2,977	2,977	-	-	-
	<b>\$ 2,268,522</b>		<b>\$ 2,268,522</b>	<b>\$ 2,268,036</b>	<b>\$ -</b>	<b>\$ 486</b>	<b>\$ -</b>

**BOROUGH OF LODI  
 CURRENT FUND  
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
 YEAR ENDED DECEMBER 31, 2014**

	Appropriated		Expended		Unexpended		
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
<u>DEFERRED CHARGES</u>							
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Emergency Authorizations - 1 year	-	-	-	-	-	-	-
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-5)	476,000	-	476,000	476,000	-	-	-
Deferred Charges to Future Taxation	-	-	-	-	-	-	-
	<u>\$ 476,000</u>	<u>\$ -</u>	<u>\$ 476,000</u>	<u>\$ 476,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

**BOROUGH OF LODI**  
**CURRENT FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)**  
**YEAR ENDED DECEMBER 31, 2014**

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	Appropriated		Expended		Unexpended	
Adopted	Emergency	Budget After	Paid or	Reserved	Balance	Overexpended
Budget	Appropriation	Modification	Charged		Canceled	
<u>JUDGMENTS</u>						
Judgments (N.J.S. 40A:4-45.3c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BOROUGH OF LODI  
CURRENT FUND  
SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME (REGULATORY BASIS)  
YEAR ENDED DECEMBER 31, 2014**

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
Total General Appropriations - Excluded From "CAPS"	\$ 5,387,678	\$ 1,320,000	\$ 6,707,678	\$ 6,691,018	\$ 16,174	\$ 486
Sub-Total General Appropriations	\$ 24,673,412	\$ 1,320,000	\$ 25,993,412	\$ 23,266,678	\$ 2,726,248	\$ 486
Reserve for Uncollected Taxes	\$ 250,000		\$ 250,000	\$ 250,000	\$ -	\$ -
Total General Appropriations	\$ 24,923,412	\$ 1,320,000	\$ 26,243,412	\$ 23,516,678	\$ 2,726,248	\$ 486
Budget as Adopted	\$ 24,779,899	\$ -	\$ 24,779,899			
Added by N.J.S. 40A:4-87	143,513	-	143,513			
Emergency Appropriations	-	-	1,320,000			
	\$ 24,923,412	\$ -	\$ 26,243,412			
Other Charges to Income:						
Local District School Tax			\$ 39,170,900	\$ 39,170,900		
County Tax			4,512,632	4,512,632		
Added County Tax			5,510	5,510		
County Open Space Tax			49,437	49,437		
Added County Open Space Tax			70	70		
Interfund Advances Originating			-	-		
Refund of Prior Year Revenue			-	410,883		
			\$ 43,738,549	\$ 44,149,432		

**BOROUGH OF LODI**  
**GRANT FUND**  
**BALANCE SHEET (REGULATORY BASIS)**

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	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash	\$ 244,338	\$ 205,769
Intergovernmental Receivable:		
Grants Receivable	\$ 44,532	\$ 41,607
Total Assets	<u>\$ 288,870</u>	<u>\$ 247,376</u>
 <u>RESERVES</u>		
Other Liabilities and Reserves:		
Appropriated Reserves	\$ 228,156	\$ 115,540
Unappropriated Reserves	60,714	131,836
Total Reserves	<u>\$ 288,870</u>	<u>\$ 247,376</u>

**BOROUGH OF LODI**  
**GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**YEAR ENDED DECEMBER 31, 2014**

Program	Balance December 31, 2013	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2014
<b>Federal:</b>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>State:</b>						
Municipal Alliance on Alcoholism and Drug Abuse (13-14)	\$ 5,833	\$ -	\$ 15,979	\$ -	\$ 10,146	\$ -
Municipal Alliance on Alcoholism and Drug Abuse (14-15)	-	8,758	-	-	-	8,758
Recycling Tonnage Grant	-	51,162	-	51,162	-	-
Body Armor Replacement Program	-	9,358	-	9,358	-	-
Drunk Driving Enforcement Fund	-	3,727	-	3,727	-	-
Clean Communities Program	-	65,997	-	65,997	-	-
Alcohol Education & Rehabilitation Program	-	1,592	-	1,592	-	-
	<u>\$ 5,833</u>	<u>\$ 140,594</u>	<u>\$ 15,979</u>	<u>\$ 131,836</u>	<u>\$ 10,146</u>	<u>\$ 8,758</u>
<b>Other:</b>						
Bergen County Prosecutor's Office - Confiscated Funds	\$ 35,774	\$ -	\$ -	\$ -	\$ -	\$ 35,774
	<u>\$ 35,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,774</u>
<b>Total</b>	<u>\$ 41,607</u>	<u>\$ 140,594</u>	<u>\$ 15,979</u>	<u>\$ 131,836</u>	<u>\$ 10,146</u>	<u>\$ 44,532</u>

**BOROUGH OF LODI**  
**GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**YEAR ENDED DECEMBER 31, 2014**

Program	Balance December 31, 2013	Amount Budgeted	Paid or Charged	Cancellations & Adjustments	Balance December 31, 2014
Federal:					
None	\$ -	\$ -	\$ -	\$ -	\$ -
<hr/>					
State:					
Recycling Tonnage Grant	\$ 18,150	\$ 51,162	\$ -	\$ -	\$ 69,312
Body Armor Replacement Program	-	9,358	-	-	9,358
Drunk Driving Enforcement Fund	14,114	3,727	387	-	17,454
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share (13-14)	3,376	-	3,376	-	-
State Share (14-15)	-	8,758	8,758	-	-
Local Share (14-15)	-	2,919	2,919	-	-
Clean Communities Program:	30,837	65,997	15,457	-	81,377
Alcohol Education Rehabilitation Program	13,290	1,592	-	-	14,882
	<u>\$ 79,767</u>	<u>\$ 143,513</u>	<u>\$ 30,897</u>	<u>\$ -</u>	<u>\$ 192,383</u>
Other:					
B.C. Prosecutor Confiscated Funds	\$ 35,773	\$ -	\$ -	\$ -	\$ 35,773
	<u>\$ 115,540</u>	<u>\$ 143,513</u>	<u>\$ 30,897</u>	<u>\$ -</u>	<u>\$ 228,156</u>

**BOROUGH OF LODI**  
**GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**  
**YEAR ENDED DECEMBER 31, 2014**

Program	Balance December 31, 2013	Amount Budgeted	Amount Received	Adjustments	Balance December 31, 2014
Alcohol Education Rehabilitation Program	\$ 1,592	\$ 1,592	\$ 473	\$ -	\$ 473
Drunk Driving Enforcement Fund	3,727	3,727	-	-	-
Recycling Tonnage Grant	51,162	51,162	22,952	-	22,952
Clean Communities Program	65,996	65,996	33,415	-	33,415
Body Armor Fund	9,359	9,359	3,874	-	3,874
	<u>\$ 131,836</u>	<u>\$ 131,836</u>	<u>\$ 60,714</u>	<u>\$ -</u>	<u>\$ 60,714</u>

**BOROUGH OF LODI  
TRUST FUND  
BALANCE SHEET (REGULATORY BASIS)**

D-1

	Dog License	Escrow	Referee & Umpire	Flexible	Other	Employee	Deferred	Totals	
	Trust	Deposits	Trust	Spending Trust	Trust	Benefit Trust	Compensation Plans	2014	2013
<b>ASSETS</b>									
Cash	\$ 11,769	\$ 572,401	\$ 3,381	\$ 3,053	\$ 3,181,266	\$ 146	\$ -	\$ 3,772,016	\$ 3,575,859
Deferred Compensation Assets:									
Lincoln National Life Insurance Co.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,119	\$ 379,119	\$ 349,409
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,119	\$ 379,119	\$ 349,409
Interfund Receivable:									
Current Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Assets</b>	<b>\$ 11,769</b>	<b>\$ 572,401</b>	<b>\$ 3,381</b>	<b>\$ 3,053</b>	<b>\$ 3,181,266</b>	<b>\$ 146</b>	<b>\$ 379,119</b>	<b>\$ 4,151,135</b>	<b>\$ 3,925,268</b>
<b>LIABILITIES AND RESERVES</b>									
Interfund Payable:									
Current Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 742,728
Intergovernmental Payable:									
State of New Jersey	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Liabilities and Reserves:									
Reserve for Dog Expenditures	11,769	-	-	-	-	-	-	11,769	8,856
Reserve for Developer's Escrow Deposits	-	572,401	-	-	-	-	-	572,401	467,807
Reserve for Employee Benefit Expenditures	-	-	-	-	-	146	-	146	5,408
Reserve for Fire Dept/Code Enforcement Penalty Expenditures	-	-	-	-	45,557	-	-	45,557	83,537
Reserve for Parking Offenses Adjudication Act Expenditures	-	-	-	-	60,163	-	-	60,163	56,935
Reserve for Tax Sale Premiums	-	-	-	-	1,985,299	-	-	1,985,299	1,588,220
Reserve for Outside Police Employment Expenditures	-	-	-	-	1,027,427	-	-	1,027,427	553,827
Reserve for April '07 Nor'easter Expenditures	-	-	-	-	4,938	-	-	4,938	4,938
Reserve for Public Defender Fees	-	-	-	-	5,050	-	-	5,050	-
Reserve for Other Miscellaneous Trust Expenditures	-	-	-	-	52,832	-	-	52,832	57,908
Reserve for Referee & Umpire Expenditures	-	-	3,381	-	-	-	-	3,381	4,941
Reserve for Flexible Spending Account Expenditures	-	-	-	3,053	-	-	-	3,053	754
Reserve for Deferred Compensation Plan	-	-	-	-	-	-	379,119	379,119	349,409
Total Other Liabilities and Reserves	\$ 11,769	\$ 572,401	\$ 3,381	\$ 3,053	\$ 3,181,266	\$ 146	\$ 379,119	\$ 4,151,135	\$ 3,182,540
<b>Total Liabilities and Reserves</b>	<b>\$ 11,769</b>	<b>\$ 572,401</b>	<b>\$ 3,381</b>	<b>\$ 3,053</b>	<b>\$ 3,181,266</b>	<b>\$ 146</b>	<b>\$ 379,119</b>	<b>\$ 4,151,135</b>	<b>\$ 3,925,268</b>

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
BALANCE SHEET (REGULATORY BASIS)**

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
Cash:		
Checking Account	\$ 2,233,294	\$ 4,384,816
Community Development Account	-	11,626
	<u>\$ 2,233,294</u>	<u>\$ 4,396,442</u>
Grants Receivable	<u>\$ 1,524,952</u>	<u>\$ 1,155,952</u>
Deferred Charges to Future Taxation:		
Funded	\$ 12,918,574	\$ 14,080,942
Unfunded	9,711,000	9,335,000
	<u>\$ 22,629,574</u>	<u>\$ 23,415,942</u>
Total Assets	<u><u>\$ 26,387,820</u></u>	<u><u>\$ 28,968,336</u></u>
<b><u>LIABILITIES AND RESERVES</u></b>		
Interfund Payable - Current Fund	<u>\$ -</u>	<u>\$ 1,139,622</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 205,630	\$ 160,630
Reserve for Payment of Debt Service	422,967	422,966
	<u>\$ 628,597</u>	<u>\$ 583,596</u>
Improvement Authorizations:		
Funded	\$ 1,616,690	\$ 1,769,974
Unfunded	2,178,205	1,923,448
	<u>\$ 3,794,895</u>	<u>\$ 3,693,422</u>
Serial Bonds Payable	<u>\$ 12,375,000</u>	<u>\$ 13,450,000</u>
Loans Payable	<u>\$ 543,574</u>	<u>\$ 630,942</u>
Bond Anticipation Notes Payable	<u>\$ 8,910,000</u>	<u>\$ 9,335,000</u>
Fund Balance	<u>\$ 135,754</u>	<u>\$ 135,754</u>
Total Liabilities and Reserves	<u><u>\$ 26,387,820</u></u>	<u><u>\$ 28,968,336</u></u>

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2014**

Improvement Description	Balance December 31, 2013	Improvement Authorized	Cash Received	Cancellations & Adjustments	Balance December 31, 2014
Federal:					
None					
State:					
State of N.J. Department of Transportation	\$ 868,079	\$ 149,000	\$ -	\$ -	\$ 1,017,079
State of N.J. Department of Consumer Affairs	13,500	-	-	-	13,500
County:					
Bergen County Community Development	274,373	220,000	-	-	494,373
Total Grants Receivable	<u>\$ 1,155,952</u>	<u>\$ 369,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,524,952</u>

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
YEAR ENDED DECEMBER 31, 2014**

Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance December 31, 2013	Issued	Paid by Budget Appropriation	Balance December 31, 2014
06/15/05 General Improvement Bonds	Various	\$ 3,550,000	\$ 2,100,000	\$ -	\$ 500,000	\$ 1,600,000
04/15/13 General Improvement Bonds	Various	11,350,000	11,350,000	-	575,000	10,775,000
04/08/98 Green Trust Loan (Memorial and Kennedy Parks)	2.00%	490,000	33,640	-	33,640	-
02/28/98 Green Trust Loan (Saddle River Park Acquisition)	2.00%	234,007	56,870	-	13,796	43,074
09/21/98 Green Trust Loan (Saddle River Park Development)	2.00%	103,000	25,587	-	6,206	19,381
10/15/07 Green Trust Loan (Kennedy Park Improvements)	2.00%	200,000	151,207	-	9,460	141,747
08/27/09 Green Trust Loan (Memorial Park Improvements)	2.00%	231,929	187,319	-	11,719	175,600
06/05/06 Green Trust Loan (Memorial Park Improvements)	2.00%	257,500	176,319	-	12,547	163,772
			<u>\$ 14,080,942</u>	<u>\$ -</u>	<u>\$ 1,162,368</u>	<u>\$ 12,918,574</u>
						-
			Serial Bonds Payable			12,375,000
			Loans Payable			543,574
			<u>14,080,942</u>			<u>12,918,574</u>

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2014**

Improvement Description	Balance December 31, 2013	Authorized	Notes Paid by Budget Appropriation	Deferred Charges Paid by Budget Appropriation	Cash Reserve Applied	Transferred to Deferred Charges Funded	Adjustments	Balance December 31, 2014	Analysis of December 31, 2014		
									Financed by BANs	B&N Authorized	Deficit Cash Balance
#909-12 Downtown Redevelopment - Phase V	\$ 5,840,000	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 5,760,000	\$ 5,760,000	\$ -	\$ -
#2010-12 Refunding Bond Ordinance	220,000	-	220,000	-	-	-	-	-	-	-	-
#2012-06 H.S. Turf Athletic Field	1,710,000	-	-	125,000	-	-	-	1,585,000	1,585,000	-	-
#2013-03 Improvements to Municipal Facilities	95,000	-	-	-	-	-	-	95,000	95,000.00	-	-
#2013-04 Acquisition of Vehicles	95,000	-	-	-	-	-	-	95,000	95,000.00	-	-
#2013-05 Acquisition of Equipment	95,000	-	-	-	-	-	-	95,000	95,000.00	-	-
#2013-06 Improvements to Sanitary Sewer System	235,000	-	-	-	-	-	-	235,000	235,000.00	-	-
#2013-07 2012 Road Reconstruction and Curb & Sidewalk Replacement Program (Local)	285,000	-	-	-	-	-	-	285,000	285,000.00	-	-
#2013-08 Acquisition of New Fire Pumper	760,000	-	-	-	-	-	-	760,000	760,000.00	-	-
#2014-02 Various Improvements to Municipal Facilities	-	225,000	-	-	-	-	-	225,000	-	225,000	-
#2014-03 Acquisition of New Automotive Vehicles	-	95,000	-	-	-	-	-	95,000	-	95,000	-
#2014-04 Acquisition of New Equipment & Machinery for Various Departments	-	95,000	-	-	-	-	-	95,000	-	95,000	-
#2014-05 2014 Road Reconstruction and Curb & Sidewalk Replacement Program (Local)	-	285,000	-	-	-	-	-	285,000	-	285,000	-
#2014-06 Resurfacing of Central Avenue - Phase I	-	26,000	-	-	-	-	-	26,000	-	26,000	-
#2014-07 2014 Road Reconstruction and Curb & Sidewalk Replacement Program (Federal)	-	75,000	-	-	-	-	-	75,000	-	75,000	-
	<u>\$ 9,335,000</u>	<u>\$ 801,000</u>	<u>\$ 300,000</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,711,000</u>	<u>\$ 8,910,000</u>	<u>\$ 801,000</u>	<u>\$ -</u>
Bond Anticipation Notes	9,335,000	-	-	-	-	-	-	8,910,000	-	-	-
Bonds and Notes Authorized but not Issued	-	-	-	-	-	-	-	801,000	-	-	-
	<u>9,335,000</u>							<u>9,711,000</u>			

**BOROUGH OF LODI  
 GENERAL CAPITAL FUND  
 SCHEDULE OF INTERFUND PAYABLE  
 YEAR ENDED DECEMBER 31, 2014**

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Due To	Balance December 31, 2013	Increased by	Decreased by	Balance December 31, 2014
Current Fund	\$ 1,139,622	\$ 267,233	\$ 1,406,855	\$ -
	-			-

**BOROUGH OF LODI  
 GENERAL CAPITAL FUND  
 SCHEDULE OF CAPITAL IMPROVEMENT FUND  
 YEAR ENDED DECEMBER 31, 2014**

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Description	Balance December 31, 2013	Current Fund Appropriation	Used to Finance Authorizations	Cancelled Funded Authorizations	Balance December 31, 2014
Capital Improvement Fund	\$ 160,630	\$ 100,000	\$ (55,000)	\$ -	\$ 205,630

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE  
YEAR ENDED DECEMBER 31, 2014**

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Ordinance	Balance December 31, 2013	Current Fund Revenue	Cancelled Funded Authorizations	Adjustments	Balance December 31, 2014
Various Ordinances	\$ 422,966	\$ -	\$ -	1	\$ 422,967
	<u>\$ 422,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1</u>	<u>\$ 422,967</u>

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2014**

Improvement Description	Date	Amount	Balance December 31, 2013		Authorized in 2014					Balance December 31, 2014		
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded	Grants/ Other	Paid or Charged	Canceled	Funded	Unfunded	
#202-21 2001 Shade Tree Program	06/17/02	90,000	156	-	-	-	-	-	-	-	156	-
#404-04 SFY 2004 Roadway Improvement Program	08/26/03	450,000	12,461	-	-	-	-	-	12,139	-	322	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	08/26/03	150,000	34,375	-	-	-	-	-	31,623	-	2,752	-
#505-19 Downtown Redevelopment - Phase III	04/25/05	600,000	1,726	-	-	-	-	-	-	-	1,726	-
#505-24 Improvement of Memorial Park (Supplemental)	06/24/05	100,000	15,671	-	-	-	-	-	-	-	15,671	-
#808-09 Downtown Redevelopment - Phase III (Supplemental)	10/15/07	100,000	744	-	-	-	-	-	-	-	744	-
#808-24 Acquisition of New Street Sweeper	02/11/08	200,000	8,698	-	-	-	-	-	-	-	8,698	-
#909-11 Improvements to Sanitary Sewer System	03/26/09	500,000	6,390	-	-	-	-	-	2,317	-	4,073	-
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Development)	03/26/09	450,000	11	-	-	-	-	-	-	-	11	-
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	03/26/09	250,000	179,519	-	-	-	-	-	7,900	-	171,619	-
#2010-04 Improvements to Sanitary Sewer System	08/17/09	200,000	5,896	-	-	-	-	-	-	-	5,896	-
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	08/17/09	100,000	31,269	-	-	-	-	-	13,180	-	18,089	-
#2010-06 2009 Road, Curb & Sidewalk Program (State)	08/17/09	200,000	109,829	-	-	-	-	-	-	-	109,829	-
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development)	08/17/09	400,000	15,792	-	-	-	-	-	11,392	-	4,400	-
#2010-12 Refunding Bond Ordinance	10/20/09	820,000	-	19,230	-	-	-	-	-	-	-	19,230
#2010-28 Improvements to Sanitary Sewer System	08/16/10	450,000	104,130	-	-	-	-	-	8,000	-	96,130	-
#2010-30 2010 Road, Curb & Sidewalk Program (Community Development)	08/16/10	450,000	10,719	-	-	-	-	-	3,335	-	7,384	-
#2010-31 Acquisition of Various Equipment, Machinery & Vehicles	08/16/10	100,000	13,206	-	-	-	-	-	12,733	-	473	-
#2011-07 Improvements to Various Municipal Facilities	08/16/11	100,000	19,319	-	-	-	-	-	6,986	-	12,333	-
#2011-09 CY2011 Road Improvement Program (NJDOT)	08/16/11	180,000	92,439	-	-	-	-	-	69,786	-	22,653	-
#2011-10 Acquisition of Vehicles	08/16/11	100,000	17,438	-	-	-	-	-	11,748	-	5,690	-
#2011-11 Acquisition of Equipment	08/16/11	100,000	1,453	-	-	-	-	-	885	-	568	-
#2011-12 Improvements to Sanitary Sewer System	08/16/11	250,000	178,360	-	-	-	-	-	123,032	-	55,328	-
#2012-06 H.S. Turf Athletic Field	05/15/12	2,000,000	-	339,218	-	-	-	-	72,922	-	-	266,296
#2012-09 Improvements to Various Municipal Facilities	06/20/12	250,000	85,335	-	-	-	-	-	85,335	-	-	-
#2012-10 Acquisition of Vehicles	06/20/12	100,000	43,987	-	-	-	-	-	39,889	-	4,098	-
#2012-11 Acquisition of Machinery & Equipment	06/20/12	100,000	70,032	-	-	-	-	-	67,714	-	2,318	-
#2012-12 Church Street Resurfacing (NJDOT)	06/20/12	385,000	378,990	-	-	-	-	-	1,409	-	377,581	-
#2012-15 Improvement to Various Sanitary Sewer Lines	06/20/12	250,000	247,029	-	-	-	-	-	7,210	-	239,819	-
#2013-03 Improvements to Municipal Facilities	07/16/13	100,000	5,000	95,000	-	-	-	-	93,524	-	-	6,476
#2013-04 Acquisition of Vehicles	07/16/13	100,000	5,000	95,000	-	-	-	-	74,629	-	-	25,371
#2013-05 Acquisition of Equipment	07/16/13	100,000	5,000	95,000	-	-	-	-	64,635	-	-	35,365
#2013-06 Improvements to Sanitary Sewer System	07/16/13	250,000	15,000	235,000	-	-	-	-	234	-	14,766	235,000
#2013-07 2012 Road Reconstruction and Curb & Sidewalk Program (Local)	07/16/13	300,000	15,000	285,000	-	-	-	-	171,002	-	-	128,998
#2013-08 Acquisition of New Fire Pumper	07/16/13	800,000	40,000	760,000	-	-	-	-	234	-	39,766	760,000
#2014-02 Various Improvements to Municipal Facilities	07/15/14	250,000	-	-	25,000	225,000	-	-	124,531	-	-	125,469
#2014-03 Acquisition of New Automotive Vehicles	07/15/14	100,000	-	-	5,000	95,000	-	-	428	-	4,572	95,000
#2014-04 Acquisition of New Equipment & Machinery for Various Departments	07/15/14	100,000	-	-	5,000	95,000	-	-	428	-	4,572	95,000
#2014-05 2014 Road Recon. and Curb & Sidewalk Replacement Program (Loc)	07/15/14	300,000	-	-	15,000	285,000	-	-	3,491	-	11,509	285,000
#2014-06 Resurfacing of Central Avenue - Phase I	07/15/14	175,000	-	-	-	26,000	149,000	-	428	-	148,572	26,000
#2014-07 2014 Road Recon. and Curb & Sidewalk Replacement Program (Fed)	07/15/14	300,000	-	-	5,000	75,000	220,000	-	428	-	224,572	75,000
			\$ 1,769,974	\$ 1,923,448	\$ 55,000	\$ 801,000	\$ 369,000	\$ 1,123,527	\$ -	\$ -	\$ 1,616,690	\$ 2,178,205

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2014**

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Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance December 31, 2013	Issued	Paid by Budget Appropriation	Balance December 31, 2014
06/15/05 General Improvement Bonds	Various	\$ 3,550,000	\$ 2,100,000	\$ -	\$ 500,000	\$ 1,600,000
04/15/13 General Improvement Bonds	Various	11,350,000	11,350,000	-	575,000	10,775,000
			<u>\$ 13,450,000</u>	<u>\$ -</u>	<u>\$ 1,075,000</u>	<u>\$ 12,375,000</u>

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
SCHEDULE OF LOANS PAYABLE  
YEAR ENDED DECEMBER 31, 2014**

Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance December 31, 2013	Issued	Paid by Budget Appropriation	Balance December 31, 2014
04/08/98 Green Trust Loan (Memorial and Kennedy Parks)	2.00%	490,000	33,640	-	33,640	-
02/28/98 Green Trust Loan (Saddle River Park Acquisition)	2.00%	234,007	56,870	-	13,796	43,074
09/21/98 Green Trust Loan (Saddle River Park Development)	2.00%	103,000	25,587	-	6,206	19,381
10/15/07 Green Trust Loan (Kennedy Park Improvements)	2.00%	200,000	151,207	-	9,460	141,747
08/27/09 Green Trust Loan (Memorial Park Improvements)	2.00%	231,929	187,319	-	11,719	175,600
06/05/06 Green Trust Loan (Memorial Park Improvements)	2.00%	257,500	176,319	-	12,547	163,772
			\$ 630,942	\$ -	\$ 87,368	\$ 543,574

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2014**

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2013	Increased by		Decreased by				Balance December 31, 2014	
							New Cash	Renewal	Budget Appropriation Paydown	Renewal	Grant Received	Reserve Applied		Serial Bonds Issued
<b>No. 13-3R</b>														
#2013-03 Improvements to Municipal Facilities	95,000.00	12/13/13	12/13/13	02/14/14	0.350%	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -	\$ -	\$ -	\$ -
#2013-04 Acquisition of Vehicles	95,000.00	12/13/13	12/13/13	02/14/14	0.350%	95,000	-	-	-	95,000	-	-	-	-
#2013-05 Acquisition of Equipment	95,000.00	12/13/13	12/13/13	02/14/14	0.350%	95,000	-	-	-	95,000	-	-	-	-
#2013-06 Improvements to Sanitary Sewer System	235,000.00	12/13/13	12/13/13	02/14/14	0.350%	235,000	-	-	-	235,000	-	-	-	-
#2013-07 2012 Road Reconstruction and Curb & Sidewalk Replacement Proj	285,000.00	12/13/13	12/13/13	02/14/14	0.350%	285,000	-	-	-	285,000	-	-	-	-
#2013-08 Acquisition of New Fire Pumper	760,000.00	12/13/13	12/13/13	02/14/14	0.350%	760,000	-	-	-	760,000	-	-	-	-
#2010-12 Refunding Bond Ordinance	820,000	12/23/09	12/13/13	02/14/14	0.350%	220,000	-	-	220,000	-	-	-	-	-
						<u>\$ 1,785,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,000</u>	<u>\$ 1,565,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>No. 13-2R</b>														
#909-12 Downtown Redevelopment - Phase V	\$ 6,000,000	05/29/09	05/24/13	05/23/14	0.730%	\$ 5,840,000	\$ -	\$ -	\$ 80,000	\$ 5,760,000	\$ -	\$ -	\$ -	\$ -
<b>No. 13-1</b>														
#2012-06 Installation of Athletic Turf at Lodi High School Stadium	1,710,000	12/13/13	02/15/13	02/14/14	1.000%	1,710,000	-	-	125,000	1,585,000	-	-	-	-
<b>No. 14-1R</b>														
#2013-03 Improvements to Municipal Facilities	95,000.00	12/13/13	02/14/14	02/13/15	0.850%	\$ -	\$ -	\$ 95,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,000
#2013-04 Acquisition of Vehicles	95,000.00	12/13/13	02/14/14	02/13/15	0.850%	-	-	95,000	-	-	-	-	-	95,000
#2013-05 Acquisition of Equipment	95,000.00	12/13/13	02/14/14	02/13/15	0.850%	-	-	95,000	-	-	-	-	-	95,000
#2013-06 Improvements to Sanitary Sewer System	235,000.00	12/13/13	02/14/14	02/13/15	0.850%	-	-	235,000	-	-	-	-	-	235,000
#2013-07 2012 Road Reconstruction and Curb & Sidewalk Replacement Proj	285,000.00	12/13/13	02/14/14	02/13/15	0.850%	-	-	285,000	-	-	-	-	-	285,000
#2013-08 Acquisition of New Fire Pumper	760,000.00	12/13/13	02/14/14	02/13/15	0.850%	-	-	760,000	-	-	-	-	-	760,000
#2012-06 Installation of Athletic Turf at Lodi High School Stadium	1,710,000	12/13/13	02/14/14	02/13/15	0.850%	-	-	1,585,000	-	-	-	-	-	1,585,000
						<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,150,000</u>
<b>No. 14-2R</b>														
#909-12 Downtown Redevelopment - Phase V	\$ 6,000,000	05/29/09	05/23/14	05/22/15	0.700%	\$ -	\$ -	\$ 5,760,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,760,000
						<u>\$ 9,335,000</u>	<u>\$ -</u>	<u>\$ 8,910,000</u>	<u>\$ 425,000</u>	<u>\$ 8,910,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,910,000</u>

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
SCHEDULE OF FUND BALANCE  
YEAR ENDED DECEMBER 31, 2014**

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Description	Balance December 31, 2013	Increased by		Decreased by Fund Balance Anticipated	Balance December 31, 2014
		Bond/BAN Premiums	Cancelled Funded Authorizations		
Fund Balance	\$ 135,754	\$ -	\$ -	\$ -	\$ 135,754

**BOROUGH OF LODI  
 GENERAL CAPITAL FUND  
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
 YEAR ENDED DECEMBER 31, 2014**

Improvement Description	Balance December 31, 2013	Authorized	BANS Issued	Bonds Issued	Cancelled	Cash Received	Balance December 31, 2014
#2014-02 Various Improvements to Municipal Facilities	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ 225,000
#2014-03 Acquisition of New Automotive Vehicles	-	95,000	-	-	-	-	95,000
#2014-04 Acquisition of New Equipment & Machinery for Various Departments	-	95,000	-	-	-	-	95,000
#2014-05 2014 Road Reconstruction and Curb & Sidewalk Replacement Program (Local)	-	285,000	-	-	-	-	285,000
#2014-06 Resurfacing of Central Avenue - Phase I	-	26,000	-	-	-	-	26,000
#2014-07 2014 Road Reconstruction and Curb & Sidewalk Replacement Program (Federal)	-	75,000	-	-	-	-	75,000
	<u>\$ -</u>	<u>\$ 801,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,000</u>

**BOROUGH OF LODI  
GENERAL FIXED ASSET ACCOUNT GROUP  
BALANCE SHEET (REGULATORY BASIS)**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Land	\$ 11,179,200	\$ 11,179,200
Land Improvements	344,800	344,800
Buildings	6,185,450	6,185,450
Machinery and Equipment	5,503,607	5,503,607
Underground Equipment	21,475	21,475
	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>
<u>RESERVES</u>		
Reserve for General Fixed Assets	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>

**BOROUGH OF LODI**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
**STATEMENT OF CHANGES IN RESERVE FOR GENERAL FIXED ASSETS**

	Balance December 31, 2013	Additions	Retirements	Adjustments	Balance December 31, 2014
Land	\$ 11,179,200	\$ -	\$ -	\$ -	\$ 11,179,200
Land Improvements	344,800	-	-	-	344,800
Buildings	6,185,450	-	-	-	6,185,450
Machinery and Equipment	5,503,607	-	-	-	5,503,607
Underground Equipment	21,475	-	-	-	21,475
	<u>\$ 23,234,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,234,532</u>

BOROUGH OF LODI

NJ Comprehensive Annual Financial Report

Annual Financial Information and Operating Data Section

**BOROUGH OF LODI  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
ADOPTED BUDGETS  
(UNAUDITED)**

	2014	2013	2012	2011	2010	TY 2009
<u>CURRENT FUND</u>						
<u>REVENUES</u>						
Fund Balance	\$ 476,000	\$ 360,000	\$ 1,036,000	\$ 1,600,000	\$ 1,600,000	\$ 56,119
Miscellaneous Revenues	6,267,815	7,067,852	5,883,843	6,069,107	5,995,297	3,967,262
Receipts From Delinquent Taxes	40,000	40,000	-	-	310,000	-
Amount to be Raised by Taxation - Local	17,338,879	17,115,443	16,976,119	16,826,241	17,251,268	8,187,475
Amount to be Raised by Taxation - Library	657,205	696,932	685,508	732,780	-	-
Total Revenues	<u>\$ 24,779,899</u>	<u>\$ 25,280,227</u>	<u>\$ 24,581,470</u>	<u>\$ 25,228,128</u>	<u>\$ 25,156,565</u>	<u>\$ 12,210,856</u>
<u>APPROPRIATIONS</u>						
Within "CAPS":						
Operations:						
Salaries and Wages	\$ 9,474,000	\$ 9,218,500	\$ 9,272,500	\$ 9,888,500	\$ 9,546,200	\$ 4,708,071
Other Expenses	7,874,800	8,010,415	7,646,349	7,617,298	7,474,860	5,238,852
Deferred Charges and Statutory Expenditures	1,936,934	2,037,785	1,986,989	2,124,573	1,753,561	382,500
Excluded From "CAPS":						
Operations:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	2,399,644	2,358,662	2,486,086	3,189,530	3,500,267	1,456,661
Capital Improvements	100,000	100,000	100,000	100,000	100,000	100,000
Municipal Debt Service	2,268,521	2,438,865	2,278,546	2,208,227	2,181,677	174,421
Deferred Charges	476,000	866,000	686,000	-	-	-
Judgments	-	-	-	-	-	12,500
Reserve for Uncollected Taxes	250,000	250,000	125,000	100,000	600,000	137,851
Total Appropriations	<u>\$ 24,779,899</u>	<u>\$ 25,280,227</u>	<u>\$ 24,581,470</u>	<u>\$ 25,228,128</u>	<u>\$ 25,156,565</u>	<u>\$ 12,210,856</u>
	-	-	-	-	-	-

Note: Data for years SFY2006 thru SFY 2009 not available.

**BOROUGH OF LODI**  
**ANNUAL FINANCIAL INFORMATION AND OPERATING DATA**  
**TEN LARGEST TAXPAYERS BY ASSESSMENT**  
**(UNAUDITED)**

Taxpayer	2014 Assessed Valuation	As a Percent of Total 2014 Net Valuations \$ 1,933,596,590
1. Cedar Wright Gardens c/o J. Ratner (7 Properties)	\$ 27,697,100	1.43%
2. Vornado Realty Trust (Nat. Liq.)	20,302,900	1.05%
3. Parker Properties c/o The Home Depot (3 Properties)	16,266,600	0.84%
4. Rothman, Leonard & Mildred (2 Properties)	13,154,700	0.68%
5. Vornado Lodi Delaware LLC (3 Properties)	12,415,400	0.64%
6. Lodi Market, LLC	11,345,700	0.59%
7. Kmart Corp. Tax Department	10,973,400	0.57%
8. Cedar Wright Gardens c/o J. Ratner	8,955,700	0.46%
9. 240 Associates c/o David F. Bolger	8,000,000	0.41%
10. Vista Garden Associates, LLC (2 Properties)	7,790,900	0.40%
	<u>\$ 136,902,400</u>	

**BOROUGH OF LODI  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
TAX LEVY AND COLLECTION DATA  
(UNAUDITED)**

	2014	2013	2012	2011	2010	TY 2009	SFY 2009	SFY 2008	SFY 2007	SFY 2006
Total Tax Levy	\$ 61,398,660	\$ 61,420,778	\$ 60,242,368	\$ 59,702,675	\$ 57,473,612	\$ 27,708,519	\$ 55,266,054	\$ 54,494,788	\$ 52,015,213	\$ 48,665,837
Current Tax Collections	\$ 61,297,747	\$ 61,200,462	\$ 60,010,062	\$ 59,580,463	\$ 57,394,145	\$ 26,967,075	\$ 55,120,268	\$ 54,240,351	\$ 51,881,507	\$ 48,531,380
Percent of Tax Levy Collected	99.84%	99.64%	99.61%	99.80%	99.86%	97.32%	99.74%	99.53%	99.74%	99.72%

**BOROUGH OF LODI  
ANNUAL FINANCIAL INFORMATION AND  
OPERATING DATA  
ASSESSED AND COUNTY EQUALIZED  
VALUATION DATA  
(UNAUDITED)**

Description	2014		2013		2012		2011		2010	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
Net Valuations Taxable:										
Vacant Land	70	\$ 8,838,400	69	\$ 8,821,800	72	\$ 9,104,300	72	\$ 9,104,300	73	\$ 9,257,200
Residential	4443	1,411,681,200	4442	1,413,420,900	4443	1,414,368,100	4442	1,415,542,300	4443	1,418,646,900
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	301	259,022,100	302	259,623,100	303	263,305,600	303	263,238,000	302	262,212,400
Industrial	112	118,490,200	112	122,451,100	112	122,614,100	112	124,065,300	112	124,511,800
Apartments	93	135,466,300	93	135,466,300	93	136,472,400	93	136,957,600	92	136,831,600
Sub-Total	5019	1,933,498,200	5018	1,939,783,200	5023	1,945,864,500	5022	1,948,907,500	5022	1,951,459,900
Personal Property		98,390		93,220		3,409,544		3,314,156		3,965,260
Net Valuations Taxable		1,933,596,590		1,939,876,420		1,949,274,044		1,952,221,656		1,955,425,160
County Equalization Adjustment		43,888,248		153,411,391		117,462,484		257,570,655		429,437,233
County Equalized Valuation		<u>\$ 1,977,484,838</u>		<u>\$ 2,093,287,811</u>		<u>\$ 2,066,736,528</u>		<u>\$ 2,209,792,311</u>		<u>\$ 2,384,862,393</u>
County Equalization Ratio		<u>98.39%</u>		<u>93.22%</u>		<u>94.92%</u>		<u>88.93%</u>		<u>82.53%</u>
Average Residential Assessment		<u>\$ 317,732</u>		<u>\$ 318,195</u>		<u>\$ 318,336</u>		<u>\$ 318,672</u>		<u>\$ 319,299</u>
Total County Equalized Valuations		<u>\$ 162,301,130,131</u>		<u>\$ 165,008,934,260</u>		<u>\$ 168,748,014,772</u>		<u>\$ 173,258,537,441</u>		<u>\$ 183,412,099,706</u>
Municipal Percentage of County Equalized Valuations		<u>1.22%</u>		<u>1.27%</u>		<u>1.22%</u>		<u>1.28%</u>		<u>1.30%</u>
Residential Load		80.02%		79.85%		79.70%		79.66%		79.71%
Non-Residential Load		19.98%		20.15%		20.30%		20.34%		20.29%
		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>

\*\*Revaluation Year

**BOROUGH OF LODI  
ANNUAL FINANCIAL INFORMATION AND  
OPERATING DATA  
ASSESSED AND COUNTY EQUALIZED  
VALUATION DATA  
(UNAUDITED)**

Description	2009		2008		2007		2006		2005	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
Net Valuations Taxable:										
Vacant Land	78	\$ 6,849,400	79	\$ 7,274,700	83	\$ 12,173,700	102	\$ 12,064,400	87	\$ 10,692,700
Residential	4436	1,416,454,300	4440	1,416,914,100	4426	1,410,476,800	4399	1,391,425,900	4393	1,386,121,300
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	305	263,971,900	309	267,186,800	309	253,309,900	313	261,751,100	312	265,527,500
Industrial	114	131,949,300	114	131,949,300	115	134,837,300	108	127,848,000	101	127,407,000
Apartments	92	136,929,100	92	137,836,600	91	137,552,000	91	138,552,000	91	139,198,200
Sub-Total	5025	1,956,154,000	5034	1,961,161,500	5024	1,948,349,700	5013	1,931,641,400	4984	1,928,946,700
Personal Property		2,068,996		2,042,681		1,840,005		2,004,136		2,314,053
Net Valuations Taxable		1,958,222,996		1,963,204,181		1,950,189,705		1,933,645,536		1,931,260,753
County Equalization Adjustment		543,017,102		482,436,119		391,892,452		136,097,460		(144,645,832)
County Equalized Valuation		<u>\$ 2,501,240,098</u>		<u>\$ 2,445,640,300</u>		<u>\$ 2,342,082,157</u>		<u>\$ 2,069,742,996</u>		<u>\$ 1,786,614,921</u>
County Equalization Ratio		<u>78.78%</u>		<u>80.78%</u>		<u>83.79%</u>		<u>93.42%</u>		<u>108.90%</u>
Average Residential Assessment		<u>\$ 319,309</u>		<u>\$ 319,125</u>		<u>\$ 318,680</u>		<u>\$ 316,305</u>		<u>\$ 315,530</u>
Total County Equalized Valuations		<u>\$ 187,580,071,463</u>		<u>\$ 182,767,512,263</u>		<u>\$ 172,863,500,734</u>		<u>\$ 153,984,695,626</u>		<u>\$ 136,528,998,442</u>
Municipal Percentage of County Equalized Valuations		<u>1.33%</u>		<u>1.34%</u>		<u>1.35%</u>		<u>1.34%</u>		<u>1.31%</u>
Residential Load		79.41%		79.28%		79.45%		79.21%		79.08%
Non-Residential Load		20.59%		20.72%		20.55%		20.79%		20.92%
		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>

\*\*Revaluation Year

**BOROUGH OF LODI**  
**ANNUAL FINANCIAL INFORMATION AND OPERATING DATA**  
**TAX RATE DATA**  
**(UNAUDITED)**

J-5

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net Valuations Taxable	\$ 1,933,596,590	\$ 1,939,876,420	\$ 1,949,274,044	\$ 1,952,221,656	\$ 1,955,425,160	\$ 1,958,222,996	\$ 1,963,204,181	\$ 1,950,189,705	\$ 1,933,645,536	\$ 1,928,946,700
<b>TAX REQUIREMENTS</b>										
County	\$ 4,512,632	\$ 4,727,536	\$ 4,482,775	\$ 4,526,722	\$ 4,538,528	\$ 4,534,510	\$ 4,264,738	\$ 4,010,583	\$ 3,651,048	\$ 3,370,245
County Open Space	49,437	52,332	51,668	55,245	59,622	250,124	244,564	234,208	206,974	178,661
Local School	39,170,900	39,087,949	38,281,300	37,687,755	35,615,525	33,109,897	32,600,375	32,197,863	30,833,980	29,241,551
Municipal - Local	17,338,878	17,115,443	16,976,119	16,826,241	17,251,268	17,291,197	17,615,984	16,842,440	15,179,732	13,536,585
Municipal - Library	657,205	696,932	685,508	732,780	-	-	-	-	-	-
Total	\$ 61,729,052	\$ 61,680,192	\$ 60,477,370	\$ 59,828,743	\$ 57,464,943	\$ 55,185,728	\$ 54,725,661	\$ 53,285,094	\$ 49,871,734	\$ 46,327,042
<b>TAX RATES</b>										
County	0.234	0.244	0.230	0.232	0.233	0.232	0.218	0.206	0.189	0.175
County Open Space	0.003	0.003	0.003	0.003	0.003	0.013	0.013	0.010	0.010	0.010
Local School	2.026	2.015	1.964	1.931	1.821	1.691	1.661	1.651	1.595	1.516
Municipal - Local	0.897	0.883	0.871	0.861	0.882	0.883	0.898	0.873	0.786	0.702
Municipal - Library	0.033	0.035	0.035	0.038	-	-	-	-	-	-
Total	3.193	3.180	3.103	3.065	2.939	2.819	2.790	2.740	2.580	2.403

\*\*Revaluation Year

**BOROUGH OF LODI**  
**ANNUAL FINANCIAL INFORMATION AND OPERATING DATA**  
**RATIO OF ANNUAL DEBT SERVICE APPROPRIATIONS TO TOTAL CURRENT FUND BUDGET APPROPRIATIONS**  
**(UNAUDITED)**

	2014	2013	2012	2011	2010	TY 2009	SFY 2009	SFY 2008	SFY 2007	SFY 2006
Serial Bonds:										
Principal	\$ 1,075,000	\$ 475,000	\$ 981,000	\$ 940,000	\$ 1,145,000	\$ -	\$ 1,725,000	\$ 1,575,000	\$ 1,540,000	\$ 1,465,000
Interest	332,968	223,828	121,462	159,750	202,881	113,687	286,367	341,273	404,320	464,507
Notes:										
Principal	490,000	1,338,763	754,000	788,800	283,500	-	265,000	89,500	44,000	30,000
Interest	271,000	283,344	303,281	200,000	429,746	-	219,525	261,917	162,937	90,000
Loans:										
Principal	87,369	103,500	102,185	100,904	99,656	43,993	78,328	68,848	63,790	56,264
Interest	12,184	14,430	16,618	18,772	20,894	16,741	18,739	17,197	15,085	13,403
Sub-Total Debt Service	\$ 2,268,521	\$ 2,438,865	\$ 2,278,546	\$ 2,208,226	\$ 2,181,677	\$ 174,421	\$ 2,592,959	\$ 2,353,735	\$ 2,230,132	\$ 2,119,174
Less Revenue Off-Sets	(344,100)	(1,020,156)	(181,717)	(100,000)	-	-	-	-	-	-
Net Debt Service	\$ 1,924,421	\$ 1,418,709	\$ 2,096,829	\$ 2,108,226	\$ 2,181,677	\$ 174,421	\$ 2,592,959	\$ 2,353,735	\$ 2,230,132	\$ 2,119,174
Total Current Fund Budget Appropriations	\$ 24,779,899	\$ 25,280,227	\$ 24,581,470	\$ 25,228,128	\$ 25,156,565	\$ 12,210,856	\$ 25,287,478	\$ 24,331,781	\$ 21,888,054	\$ 21,868,596
Ratio of Debt Service to Current Fund Budget Appropriations	<u>7.77%</u>	<u>5.61%</u>	<u>8.53%</u>	<u>8.36%</u>	<u>8.67%</u>	<u>1.43%</u>	<u>10.25%</u>	<u>9.67%</u>	<u>10.19%</u>	<u>9.69%</u>

**BOROUGH OF LODI  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
DIRECT AND OVERLAPPING DEBT  
(UNAUDITED)**

DIRECT DEBT

	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006
Municipal Debt (Net)	\$ 22,410,673	\$ 23,195,942	\$ 22,840,048	\$ 21,574,233	\$ 22,457,127	\$ 22,762,428	\$ 22,784,241	\$ 14,544,820	\$ 13,388,826	\$ 15,650,400
Local School Debt	120,000	340,000	545,000	740,000	1,105,000	1,455,000	1,455,000	1,785,000	2,105,000	2,410,000
	<u>\$ 22,530,673</u>	<u>\$ 23,535,942</u>	<u>\$ 23,385,048</u>	<u>\$ 22,314,233</u>	<u>\$ 23,562,127</u>	<u>\$ 24,217,428</u>	<u>\$ 24,239,241</u>	<u>\$ 16,329,820</u>	<u>\$ 15,493,826</u>	<u>\$ 18,060,400</u>

OVERLAPPING DEBT

	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005
(1) County Debt:										
Municipal Equalized Valuations	\$ 1,977,484,838	\$ 2,093,287,811	\$ 2,066,736,528	\$ 2,209,792,311	\$ 2,384,862,393	\$ 2,501,240,098	\$ 2,445,640,300	\$ 2,342,082,157	\$ 2,069,742,996	\$ 1,786,614,921
Total County Equalized Valuations	\$ 162,301,130,131	\$ 165,008,934,260	\$ 168,748,014,772	\$ 173,258,537,441	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626	\$ 136,528,998,442
	1.22%	1.27%	1.22%	1.28%	1.30%	1.33%	1.34%	1.35%	1.34%	1.31%
X's Outstanding County Debt	1,471,796,641	1,343,787,738	1,276,830,919	1,209,730,830	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268	825,597,736	808,502,305
	<u>\$ 17,955,919</u>	<u>\$ 17,066,104</u>	<u>\$ 15,577,337</u>	<u>\$ 15,484,555</u>	<u>\$ 16,227,555</u>	<u>\$ 15,142,122</u>	<u>\$ 14,774,486</u>	<u>\$ 14,684,723</u>	<u>\$ 11,063,010</u>	<u>\$ 10,591,380</u>

(2) Passaic Valley Sewerage Authority Debt

Municipal Sewer Flow Charges	\$ 1,555,391	\$ 1,571,830	\$ 1,548,055	\$ 1,524,254	\$ 1,552,420	\$ 1,525,632	\$ 1,465,106	\$ 1,434,906	\$ 1,367,245	\$ 1,109,343
Total Flow Charges	\$ 127,571,359	\$ 127,569,056	\$ 123,957,348	\$ 129,883,667	\$ 129,963,014	\$ 127,525,062	\$ 125,403,855	\$ 121,388,216	\$ 118,930,095	\$ 99,930,995
	1.22%	1.23%	1.25%	1.17%	1.19%	1.20%	1.17%	1.18%	1.15%	1.11%
X's Outstanding Debt	289,855,869	296,652,116	316,515,886	339,880,368	355,234,494	305,533,465	293,890,682	305,405,498	316,172,356	285,797,506
	<u>\$ 3,536,242</u>	<u>\$ 3,648,821</u>	<u>\$ 3,956,449</u>	<u>\$ 3,976,600</u>	<u>\$ 4,227,290</u>	<u>\$ 3,666,402</u>	<u>\$ 3,438,521</u>	<u>\$ 3,603,785</u>	<u>\$ 3,635,982</u>	<u>\$ 3,172,352</u>

DEBT LIMIT - MUNICIPAL DEBT

Equalized Valuation Basis	\$ 2,039,485,480	\$ 2,037,374,952	\$ 2,111,659,198	\$ 2,205,940,647	\$ 2,351,342,268	\$ 2,423,856,737	\$ 2,402,224,264	\$ 2,256,079,114	\$ 2,042,779,832	\$ 1,789,204,841
Permitted Debt Limitation (3 1/2%)	71,381,992	71,308,123	73,908,072	77,207,923	82,296,979	84,834,986	84,077,849	78,962,769	71,497,294	62,622,169
Net Debt	22,410,673	23,195,942	22,840,048	21,574,233	22,457,127	22,762,428	22,784,241	14,544,820	13,388,826	15,650,400
Remaining Borrowing Power	<u>\$ 48,971,319</u>	<u>\$ 48,112,181</u>	<u>\$ 51,068,024</u>	<u>\$ 55,633,690</u>	<u>\$ 59,839,852</u>	<u>\$ 62,072,558</u>	<u>\$ 61,293,608</u>	<u>\$ 64,417,949</u>	<u>\$ 58,108,468</u>	<u>\$ 46,971,769</u>

DEBT LIMIT - SCHOOL DEBT

Equalized Valuation Basis	\$ 2,039,485,480	\$ 2,037,374,952	\$ 2,111,659,198	\$ 2,205,940,647	\$ 2,351,342,268	\$ 2,423,856,737	\$ 2,402,224,264	\$ 2,256,079,114	\$ 2,042,779,832	\$ 1,789,204,841
Permitted Debt Limitation (4%)	81,579,419	81,494,998	84,466,368	88,237,626	94,053,691	96,954,269	96,088,971	90,243,165	81,711,193	71,568,194
Net Debt	120,000	340,000	545,000	740,000	1,105,000	1,455,000	1,455,000	1,785,000	2,105,000	2,410,000
Remaining Borrowing Power	<u>\$ 81,459,419</u>	<u>\$ 81,154,998</u>	<u>\$ 83,921,368</u>	<u>\$ 87,497,626</u>	<u>\$ 92,948,691</u>	<u>\$ 95,499,269</u>	<u>\$ 94,633,971</u>	<u>\$ 88,458,165</u>	<u>\$ 79,606,193</u>	<u>\$ 69,158,194</u>

**BOROUGH OF LODI**  
**ANNUAL FINANCIAL INFORMATION AND OPERATING DATA**  
**RATIO OF GROSS AND NET DEBT TO COUNTY EQUALIZED VALUE AND DEBT PER CAPITA**  
**(UNAUDITED)**

	2014	2013	2012	2011	2010	TY 2009	SFY 2009	SFY 2008	SFY 2007	SFY 2006
Population	24,522	24,522	24,360	24,295	24,166	23,766	23,766	23,705	23,747	23,822
County Equalized Valuation	\$ 1,977,484,838	\$ 2,093,287,811	\$ 2,066,736,528	\$ 2,209,792,311	\$ 2,384,862,393	\$ 2,501,240,098	\$ 2,445,640,300	\$ 2,342,082,157	\$ 2,069,742,996	\$ 1,786,614,921
Gross Debt	\$ 22,749,574	\$ 23,755,942	\$ 24,503,204	\$ 23,622,389	\$ 24,947,093	\$ 26,145,249	\$ 24,849,241	\$ 18,478,130	\$ 18,378,826	\$ 18,060,400
Gross Debt Per Capita	\$ 928	\$ 969	\$ 1,006	\$ 972	\$ 1,032	\$ 1,100	\$ 1,046	\$ 780	\$ 774	\$ 758
Ratio of Gross Debt to County Equalized Valuations	1.15%	1.13%	1.19%	1.07%	1.05%	1.05%	1.02%	0.79%	0.89%	1.01%
Net Debt	\$ 22,410,673	\$ 23,195,942	\$ 22,840,048	\$ 21,574,233	\$ 22,457,127	\$ 22,762,428	\$ 22,784,241	\$ 14,544,820	\$ 13,388,826	\$ 11,700,400
Ratio of Net Debt to County Equalized Valuations	1.13%	1.11%	1.11%	0.98%	0.94%	0.91%	0.93%	0.62%	0.65%	0.65%
Net Debt per Capita	\$ 914	\$ 946	\$ 938	\$ 888	\$ 929	\$ 958	\$ 959	\$ 614	\$ 564	\$ 491

**BOROUGH OF LODI  
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
COMPARATIVE SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS  
(UNAUDITED)**

	2014	2013	2012	2011	2010	TY 2009	SFY 2009	SFY 2008	SFY 2007	SFY 2006
Total Tax Levy	\$ 61,398,660	\$ 61,420,778	\$ 60,242,368	\$ 59,702,675	\$ 57,473,612	\$ 27,708,519	\$ 55,266,054	\$ 54,494,788	\$ 52,015,213	\$ 48,665,837
Current Tax Collections	\$ 61,297,747	\$ 61,200,462	\$ 60,010,062	\$ 59,580,463	\$ 57,394,145	\$ 26,967,075	\$ 55,120,268	\$ 54,240,351	\$ 51,881,507	\$ 48,531,380
% of Tax Levy Collected	<u>99.84%</u>	<u>99.64%</u>	<u>99.61%</u>	<u>99.80%</u>	<u>99.86%</u>	<u>97.32%</u>	<u>99.74%</u>	<u>99.53%</u>	<u>99.74%</u>	<u>99.72%</u>
Tax Title Liens	\$ 339,525	\$ 584,544	\$ 400,563	\$ 194,485	\$ 100,572	\$ 292,868	\$ 284,219	\$ 258,175	\$ 225,592	\$ 209,429
Delinquent Taxes	253,574	83,479	91,165	30,373	16,723	685,244	2,183	2,634	7,117	71,621
Total Delinquent	\$ 593,099	\$ 668,023	\$ 491,728	\$ 224,858	\$ 117,295	\$ 978,112	\$ 286,402	\$ 260,809	\$ 232,709	\$ 281,050
Tax Levy	\$ 61,398,660	\$ 61,420,778	\$ 60,242,368	\$ 59,702,675	\$ 57,473,612	\$ 27,708,519	\$ 55,266,054	\$ 54,494,788	\$ 52,015,213	\$ 48,665,837
% of Delinquencies to Tax Levy	<u>0.97%</u>	<u>1.09%</u>	<u>0.82%</u>	<u>0.38%</u>	<u>0.20%</u>	<u>3.53%</u>	<u>0.52%</u>	<u>0.48%</u>	<u>0.45%</u>	<u>0.58%</u>
Foreclosed Property: Assessed Valuation	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247

**BOROUGH OF LODI**  
**ANNUAL FINANCIAL INFORMATION AND OPERATING DATA**  
**COMPARATIVE SCHEDULE OF PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**  
**(UNAUDITED)**

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	2014	2013	2012	2011	2010	TY 2009	SFY 2009	SFY 2008	SFY 2007	SFY 2006
Foreclosed Property:										
Assessed Valuation	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247

**BOROUGH OF LODI  
 ANNUAL FINANCIAL INFORMATION AND OPERATING DATA  
 COMPARISON OF CURRENT FUND BALANCES APPROPRIATED  
 (UNAUDITED)**

	December 31,						June 30,			
	2014	2013	2012	2011	2010	2009	2009	2008	2007	2006
Current Fund Balance Year End	\$ 5,807,828	\$ 5,646,428	\$ 4,611,268	\$ 3,678,956	\$ 3,497,161	\$ 1,966,726	\$ 1,354,518	\$ 1,210,656	\$ 851,968	\$ 310,276
Utilized in Budget of Succeeding Year	\$ 678,919	\$ 476,000	\$ 360,000	\$ 1,036,000	\$ 1,600,000	\$ 1,600,000	\$ 56,119	\$ 325,000	\$ 340,000	\$ -
Percentage Utilized	11.69%	8.43%	7.81%	28.16%	45.75%	81.35%	4.14%	26.84%	39.91%	0.00%

BOROUGH OF LODI  
NJ Comprehensive Annual Financial Report  
Single Audit Section

*Di Maria & Di Maria LLP*  
*Accountants and Consultants*

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245 Union Street  
 Lodi, New Jersey 07644  
 Voice 973.779.6890  
 Facsimile 973.779.6891

Independent Auditors' Report

Honorable Mayor and Members of the Borough Council  
 Borough of Lodi, County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds and account group of the Borough of Lodi, in the County of Bergen (the "Borough") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 30, 2015, which was adverse due to the financial statements being prepared in conformity with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

## *Di Maria & Di Maria LLP*

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### Independent Auditors' Report (Continued)

#### 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*.

#### Purpose of this Report

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

DI MARIA & DI MARIA LLP  
Accountants and Consultants

*Frank DiMaria*

Frank Di Maria  
Registered Municipal Accountant  
RMA No. CR00463

June 30, 2015

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

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period		Balance December 31, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor at	
			From	To							December 31, 2014	December 31, 2014	December 31, 2014	
<u>Grant Fund</u>														
	None													
<u>General Capital Fund</u>														
	None													
Total Federal Financial Assistance					\$	-	\$	-	\$	-	\$	-	\$	-

**BOROUGH OF LODI**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED DECEMBER 31, 2014**

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period From	To	Balance December 31, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2014	Deferred Revenue December 31, 2014	Due to Grantor at December 31, 2014
<b>Grant Fund:</b>													
State of New Jersey, Department of Health --													
2014 Alcohol, Education, Rehabilitation and Enforcement Fund	046-760-4240	1,592	1/1/2014	12/31/2014	\$ -	\$ -	\$ 1,592	\$ -	\$ -	\$ -	\$ -	\$ 1,592	\$ -
2012 Alcohol, Education, Rehabilitation and Enforcement Fund	046-760-4240	54	1/1/2012	12/31/2012	54	-	-	-	-	-	-	54	-
2011 Alcohol, Education, Rehabilitation and Enforcement Fund	046-760-4240	1,257	1/1/2011	12/31/2011	1,257	-	-	-	-	-	-	1,257	-
2010 Alcohol, Education, Rehabilitation and Enforcement Fund	046-760-4240	743	1/1/2010	12/31/2010	743	-	-	-	-	-	-	743	-
SFY 2005 Alcohol, Education, Rehabilitation and Enforcement Fund	046-760-4240		7/1/2004	6/30/2005	11,236	-	-	-	-	-	-	11,236	-
2014-2015 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		8,758	7/1/2014	6/30/2015	-	-	-	(8,758)	-	-	(8,758)	-	-
Local Share		2,919	7/1/2014	6/30/2015	-	-	2,919	(2,919)	-	-	-	-	-
2013-2014 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		8,758	1/1/2013	6/30/2014	(5,833)	-	15,979	-	(10,146)	-	-	-	-
State Share		8,758	1/1/2013	6/30/2014	3,376	-	-	(3,376)	-	-	-	-	-
State of New Jersey, Department of Environmental Protection --													
2014 Clean Communities Program:													
2012 Clean Communities Program:	042-765-6010	65,997	Non-Expiring		-	-	65,997	-	-	-	-	65,997	-
2014 Recycling Tonnage Grant	042-752-6020	51,162	Non-Expiring		30,837	-	-	(15,457)	-	-	-	15,380	-
2012 Recycling Tonnage Grant	042-752-6020	21,900	Non-Expiring		-	-	51,162	-	-	-	-	51,162	-
2013-2014 Municipal Alliance on Alcoholism & Drug Abuse:													
2012 Recycling Tonnage Grant	042-752-6020	21,900	Non-Expiring		18,150	-	-	-	-	-	-	18,150	-
State of New Jersey, Department of Law and Public Safety --													
2014 Body Armor Replacement Program													
2014 Drunk Driving Enforcement Fund		9,358	1/1/2014	12/31/2014	-	-	9,358	-	-	-	-	9,358	-
2012 Drunk Driving Enforcement Fund		3,727	1/1/2014	12/31/2014	-	-	3,727	-	-	-	-	3,727	-
2011 Drunk Driving Enforcement Fund		3,029	1/1/2012	12/31/2012	3,029	-	-	-	-	-	-	3,029	-
2010 Drunk Driving Enforcement Fund		2,207	1/1/2011	12/31/2011	4,415	-	-	-	-	-	-	4,415	-
SFY 2008 Drunk Driving Enforcement Fund		2,463	1/1/2010	12/31/2010	4,926	-	-	-	-	-	-	4,926	-
SFY 2005 Drunk Driving Enforcement Fund		2,800	7/1/2007	6/30/2008	1,086	-	-	-	-	-	-	1,086	-
			7/1/2004	6/30/2005	658	-	-	(387)	-	-	-	271	-
					\$ 73,934	\$ -	\$ 150,734	\$ (30,897)	\$ (10,146)	\$ -	\$ (8,758)	\$ 192,383	\$ -
<b>General Capital Fund:</b>													
State of NJ - Department of Transportation													
State of NJ - Department of Consumer Affairs		Various	N/A	N/A	\$ (868,079)	\$ -	\$ -	\$ (149,000)	\$ -	\$ -	\$ (1,017,079)	\$ -	\$ -
		Various	N/A	N/A	(13,500)	-	-	-	-	-	(13,500)	-	-
					\$ (881,579)	\$ -	\$ -	\$ (149,000)	\$ -	\$ -	\$ (1,030,579)	\$ -	\$ -
<b>Current Fund:</b>													
State of N.J., Department of Community Affairs --													
Consolidated Municipal Property Tax Relief Aid													
LEA Rebates	082-495-6020	\$ 372,311	01/01/14	12/31/14	\$ -	\$ -	\$ 372,311	\$ (372,311)	\$ -	\$ -	\$ -	\$ -	\$ -
	022-100-6120	53,596	01/01/14	12/31/14	-	-	53,596	(53,596)	-	-	-	-	-
State of N.J., Department of Treasury --													
Energy Receipts Tax													
Veterans & Senior Citizens (Including Admin. Fee)	082-100-6020	1,557,233	01/01/14	12/31/14	-	-	1,557,233	(1,557,233)	-	-	-	-	-
	082-495-6020	186,135	01/01/14	12/31/14	-	-	186,135	(186,135)	-	-	-	-	-
State of N.J., Department of State --													
Per Capita Library State Aid													
	100-074-6010	10,491	Non-Expiring		-	-	10,491	(10,491)	-	-	-	-	-
					\$ -	\$ -	\$ 2,179,766	\$ (2,179,766)	\$ -	\$ -	\$ -	\$ -	\$ -
					\$ (807,645)	\$ -	\$ 2,330,500	\$ (2,359,663)	\$ (10,146)	\$ -	\$ (1,039,337)	\$ 192,383	\$ -

**BOROUGH OF LODI  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2014**

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**Note 1 - General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Borough of Lodi, County of Bergen, State of New Jersey. The Borough of Lodi is defined in Note 1 to the basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**Note 2 - Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. This basis of accounting is described in Note 2 to the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**BOROUGH OF LODI  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2014**

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**Note 3 - Relationship to General-Purpose Financial Statements**

Organization

The Borough of Lodi, New Jersey is the prime sponsor and recipient of various federal and state grant funds. The Borough has delegated the general administration of grant programs and the reporting function to the Borough Treasurer. Substantially all grant and program cash funds are commingled with the Borough's other funds, although each grant is accounted for separately within the Borough's financial records. The Borough Treasurer's office performs accounting functions for all grants.

Basis of Accounting

The Borough's grants are presented on the modified accrual basis of accounting utilizing the following methods:

Current Fund Grants -

In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the current fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Fund Grants -

In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

Local Contributions

Local matching contributions are raised in the current fund budget. The percentage of matching contributions varies with each program. Local and state shares of grants are reflected in total on the Schedule of State Financial Assistance.

Expenditures

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to current fund balance when the grant is closed out.

Expenditures per Financial Reports

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from January 1, 2014 to December 31, 2014.

**BOROUGH OF LODI  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2014**

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**Note 4 - Relationship to Federal and State Financial Reports**

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

**Note 5 - Federal and State Loans Outstanding**

The Borough had the following federal and state loans outstanding at December 31, 2014:

General Capital Fund (Paid by the Current Fund):

Green Trust Loan \$ 43,074

Green Trust Loan \$ 19,381

Green Trust Loan \$141,747

Green Trust Loan \$175,600

Green Trust Loan \$163,772

Total \$543,574

**Note 6 - Contingencies**

Each of the grantor agencies reserve the right to conduct additional audits of the Borough's grant programs for economy, efficiency and program results.

**BOROUGH OF LODI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014**

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**Section I -- Summary of Auditors' Results**

Financial Statements

- |  |   |                  |
|--|---|------------------|
| 1. Type of auditors' report issued:                                      | <u>Adverse - GAAP; Qualified - Regulatory</u> |                  |
| 2. Internal control over financial reporting:                            |   |                  |
| a. Material weakness(es) identified?                                     | <u>  X  </u> yes                              | <u>      </u> no |
| b. Significant deficiency(ies) identified?                               | <u>      </u> yes                             | <u>  X  </u> no  |
| 3. Noncompliance material to general-purpose financial statements noted? | <u>      </u> yes                             | <u>  X  </u> no  |

**BOROUGH OF LODI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2014**

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**Section I -- Summary of Auditors' Results (Continued)**

Federal Awards

**\*\*\*NOT APPLICABLE - EXPENDITURES UNDER \$500,000\*\*\***

1. Internal control over major programs:

a. Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

b. Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

2. Type of auditors' report issued on compliance for major programs:

\_\_\_\_\_

3. Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

\_\_\_\_\_ yes \_\_\_\_\_ no

4. Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5. Dollar threshold used to distinguish between type A and type B programs:

\_\_\_\_\_

6. Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes \_\_\_\_\_ no

**BOROUGH OF LODI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2014**

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**Section I -- Summary of Auditors' Results (Continued)**

State Awards

**\*\*\*NOT APPLICABLE - EXPENDITURES UNDER \$500,000\*\*\***

1. Internal control over major programs:

a. Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

b. Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

2. Type of auditors' report issued on compliance for major programs:

\_\_\_\_\_

3. Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?

\_\_\_\_\_ yes \_\_\_\_\_ no

4. Identification of major programs:

<u>Program GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
_____	_____
_____	_____
_____	_____

5. Dollar threshold used to distinguish between type A and type B programs:

\_\_\_\_\_

6. Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes \_\_\_\_\_ no

**BOROUGH OF LODI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014**

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**Section II -- Financial Statement Findings**

2014-01      Condition: The municipality failed to comply with N.J.A.C. 5:30-5.6 which requires the implementation and continued maintenance of a fixed asset accounting system.

Criteria: N.J.A.C. 5:30-5.6

Cause: The CFO has failed to implement the accounting directive.

Effect: The financial statements do not reflect correct amounts for fixed assets.

Recommendation: That a fixed asset accounting system be implemented in accordance with N.J.A.C. 5:30-5.6.

**BOROUGH OF LODI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014**

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**Section III -- Federal and State Award Findings and Questioned Costs**

Current Year

Federal Awards:

None

State Awards:

None

**BOROUGH OF LODI  
SUMMARY OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2014**

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Finding #2013-01

The municipality failed to comply with N.J.A.C. 5:30-5.6 which requires the implementation and continued maintenance of a fixed asset accounting system.

Status: Condition continues to exist.

BOROUGH OF LODI

NJ Comprehensive Annual Financial Report

General Comments and Recommendations Section

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

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**General**

Ref.

None

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

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**Cash Cycle**

Ref.

None

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

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**Revenues/Cash Receipts Cycles** Ref.

Treasurer

None

Tax Collector

None

Municipal Clerk

None

Recreation Department

None

Fire Official

None

Construction Code Official

None

Registrar of Vital Statistics

None

Police Department

None

Municipal Court

- |    |  |    |
|----|--|----|
| 1. | Disbursement checks in the General and Bail accounts require only one authorizing signature. | 2. |
|----|--|----|

It is suggested that the Borough contract with a private collection agency to collect outstanding municipal court debts. N/A

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

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**Expenditures/Cash Disbursement Cycles**

Ref.

- |    |  |    |
|----|--|----|
| 1. | IRS forms 1099-MISC were not issued for umpires and/or referees paid from the recreation umpire account. | 3. |
|----|--|----|

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

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**Payroll Cycle**

Ref.

None

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

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**Fixed Assets**

Ref.

- |   |    |
|---|----|
| 1. A fixed asset accounting system was not maintained in accordance with N.J.A.C. 5:30-5.6. | 1. |
|---|----|

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

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**Recommendations**

1. That a fixed asset accounting system be maintained in accordance with N.J.A.C. 5:30-5.6. \*
2. That disbursement checks in the General and Bail accounts require at least two authorizing signatures. \*
3. That IRS Form 1099-MISC be issued to umpires and referees paid from the designated bank account.

**Suggestions**

That the Borough contract with a private collection agency to collect outstanding municipal court debts.

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2014**

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**Status of Prior Years' Recommendations**

A review was made of all prior year's recommendations, and corrective action was taken on all with the exception of those denoted with an asterisk.

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The synopsis of this report, together with the recommendations must be published as required by statute. We wish to express our appreciation of the assistance and courtesies extended by the Borough Officials during the course of the audit.

**DI MARIA & DI MARIA LLP  
Accountants and Consultants**

*Frank Di Maria*

**Frank Di Maria  
Registered Municipal Accountant  
RMA No. CR00463**

June 30, 2015