

BOROUGH OF LODI
County of Bergen, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2009
(With Independent Auditors' Reports Thereon)

BOROUGH OF LODI
Comprehensive Annual Financial Report
Year Ended June 30, 2009
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BOROUGH OF LODI

Comprehensive Annual Financial Report

Introductory Section

BOROUGH OF LODI
Municipal Officials
Year Ended June 30, 2009

Name	Title	Term Expires
<u>GENERAL ADMINISTRATION</u>		
Marc Schrieks	Mayor	June 30, 2011
Paula Fiduccia	Deputy Mayor	June 30, 2011
Karen Viscana	Councilwoman	June 30, 2011
Thomas DeSomma	Councilman	June 30, 2011
Bruce Masopust	Councilman	June 30, 2011
Anthony Luna	Municipal Manager	
Debra A. Cannizzo	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	
George Fenn	Chief Financial Officer	
Debra Paci	Treasurer	
George Reggo	Tax Assessor	
Gary Stramandino	Tax Collector	
Tracie Nunno-D'Amico	Municipal Court Judge	
Carol DeFalco	Municipal Court Administrator	
Patricia Biegel	Deputy Court Administrator	
Vincent Caruso	Chief of Police	
Frank Samperi	Municipal Prosecutor	
Frank P. Luciano	Public Defender	
Marian Discorfano	Registrar of Vital Statistics	
Paul Wanco	Fire Official	
Joel Lavin	Construction Code Official	
Nicholas Melfi, Jr.	Building Sub-Code Official	
Robert Schultz	Electrical Sub-Code Official	
Jerry Walis	Fire Sub-Code Official	
Patrick Tufaro	Plumbing Sub-Code Official	
Larry Conte	Property Maintenance Official	
Gerald Woods	Superintendent of Public Works	
Lisa Nassor	Health Inspector	

BOROUGH OF LODI
Municipal Officials
Year Ended June 30, 2009

Name	Title	Term Expires
<u>PLANNING BOARD</u>		
Alexander J. Noreika	Chairperson	June 30, 2009
Francis Carrasco	Co-Chairperson	June 30, 2010
Thomas Palumbo	Member	June 30, 2011
Al Borelli	Member	June 30, 2012
Govind Vakharia	Member	June 30, 2011
Marjorie Brietwieser	Member	June 30, 2012
Louis V. Ingenito	Member	Class I
Tony Luna	Member	Class II
Paula Fiduccia	Member	Class III
Joseph Russo, Esq.	Planning Board Attorney	
Marlene Muska	Planning Board Secretary	
Thomas Solfaro	Planning Board Engineer	
<u>ZONING BOARD</u>		
Gerald Inserra	Chairperson	June 30, 2011
Louis Avola	Co-Chairperson	June 30, 2012
Frank Gaciovano	Member	June 30, 2009
Bruce Gilson	Member	June 30, 2010
Domenic Staine	Member	June 30, 2011
Frank Pinto	Member	June 30, 2012
Robert Schrieks	Member	June 30, 2012
Vincent Paladino	Alternate #1	June 30, 2009
Anthony Bene	Alternate #2	June 30, 2009
Marcel Wurms, Esq.	Zoning Board Attorney	
Marlene Muska	Zoning Board Secretary	
Michael Pessolano	Zoning Board Planner	
Thomas Solfaro	Zoning Board Engineer	

BOROUGH OF LODI

Comprehensive Annual Financial Report

Financial Section

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the various funds of the Borough of Lodi, State of New Jersey, as of and for the years ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Borough of Lodi prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Independent Auditors' Report (Continued)

In our opinion, because of the Borough of Lodi's policy to prepare its financial statements on the basis of accounting discussed in preceding paragraph, the financial statements above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various funds of the Borough of Lodi, State of New Jersey, as of June 30, 2009 and 2008 or the results of its operations or cash flows for the years then ended.

However, in our opinion, the financial statements present fairly, in all material respects, the financial position of the various funds of the Borough of Lodi, State of New Jersey at June 30, 2009 and 2008, and the results of its operations and the changes in fund balance of the individual funds for the years then ended, and the revenues, expenditures and fund balance for the years ended June 30, 2009 and 2008 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2009 on our consideration of the Borough of Lodi, State of New Jersey internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of expenditures of federal awards and/or state financial assistance are presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey's Office of Management and Budget Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the supplementary financial statement presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

DI MARIA & DI MARIA LLP
Public Accountants and Consultants

Frank R. Di Maria

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

December 31, 2009

BOROUGH OF LODI
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (Statutory Basis)
ALL FUND TYPES AND ACCOUNT GROUPS

A-1

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Fixed Asset Account Group	Totals (Memorandum Only)	
						June 30, 2009	June 30, 2008
<u>ASSETS AND OTHER DEBITS</u>							
Cash	\$ 2,168,143	\$ 109,435	\$ 883,603	\$ 9,083,303	\$ -	\$ 12,244,484	\$ 5,951,919
Deferred Compensation Assets	-	-	1,966,584	-	-	1,966,584	1,976,223
Interfunds Receivable	3,600	-	45	704	-	4,349	6,112
Intergovernmental Receivable	302,821	85,450	-	1,985,941	-	2,374,212	2,279,789
Accounts Receivable	304,649	-	-	-	-	304,649	279,116
Deferred Charges	200,000	-	-	23,394,241	-	23,594,241	17,167,928
Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Total Assets and Other Debits	<u>\$ 2,979,213</u>	<u>\$ 194,885</u>	<u>\$ 2,850,232</u>	<u>\$ 34,464,189</u>	<u>\$ 23,234,532</u>	<u>\$ 63,723,051</u>	<u>\$ 50,895,619</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>							
Interfunds Payable	\$ 749	\$ -	\$ 3,600	\$ -	\$ -	\$ 4,349	\$ 6,112
Intergovernmental Payable	3,694	-	20	-	-	3,714	2,756
Other Liabilities and Reserves	1,312,003	194,885	2,846,612	876,656	-	5,230,156	5,921,002
Improvement Authorizations	-	-	-	10,188,364	-	10,188,364	3,540,733
Serial Bonds Payable	-	-	-	5,641,000	-	5,641,000	7,366,000
Loans Payable	-	-	-	1,081,179	-	1,081,179	1,133,780
Bond Anticipation Notes Payable	-	-	-	16,672,062	-	16,672,062	8,193,350
Reserve for General Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Reserve for Receivables and Other Assets	308,249	-	-	-	-	308,249	281,770
Fund Balances	1,354,518	-	-	4,928	-	1,359,446	1,215,584
Total Liabilities, Reserves and Fund Balance	<u>\$ 2,979,213</u>	<u>\$ 194,885</u>	<u>\$ 2,850,232</u>	<u>\$ 34,464,189</u>	<u>\$ 23,234,532</u>	<u>\$ 63,723,051</u>	<u>\$ 50,895,619</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF LODI
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE (Statutory Basis)
CURRENT FUND

	2009	2008
<u>REVENUES AND OTHER CREDITS TO INCOME</u>		
Revenues:		
Fund Balance Anticipated	\$ 325,000	\$ 340,000
Miscellaneous Revenues	6,828,125	6,997,138
Receipts from Delinquent Taxes	6,380	4,523
Amount to be Raised by Taxation	18,216,753	17,232,463
Total Revenues	<u>\$ 25,376,258</u>	<u>24,574,124</u>
Other Credits to Income	37,730,768	37,644,356
Total Revenues and Other Credits to Income	<u>\$ 63,107,026</u>	<u>\$ 62,218,480</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>		
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	\$ 8,879,910	\$ 8,599,051
Other Expenses	8,434,450	8,754,198
Deferred Charges and Statutory Expenditures	1,973,006	419,040
Operations Excluded From "CAPS":		
Salaries and Wages	-	-
Other Expenses	2,625,530	4,170,500
Capital Improvements	130,000	100,000
Municipal Debt Service	2,592,959	2,353,735
Deferred Charges	567,380	633,419
Judgments	25,000	25,000
Reserve for Uncollected Taxes	259,243	157,837
Total Budget Expenditures	<u>\$ 25,487,478</u>	<u>25,212,780</u>
Other Expenses and Charges to Income	37,350,686	37,188,012
Total Expenditures	<u>\$ 62,838,164</u>	<u>\$ 62,400,792</u>
Statutory Excess to Fund Balance	268,862	(182,312)
Transferred to Deferred Charge of Succeeding Year	200,000	881,000
Fund Balance, July 1	1,210,656	851,968
	<u>1,679,518</u>	<u>1,550,656</u>
Decreased by:		
Utilization as Anticipated Revenue	325,000	340,000
Fund Balance, June 30	<u>\$ 1,354,518</u>	<u>\$ 1,210,656</u>

BOROUGH OF LODI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE (Statutory Basis)
BUDGET AND ACTUAL -- CURRENT FUND
Year Ended June 30, 2009

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ 325,000	\$ 325,000	\$ -
Miscellaneous Revenues	6,823,022	6,828,125	5,103
Receipts from Delinquent Taxes	5,000	6,380	1,380
Amount to be Raised by Taxation	18,134,456	18,216,753	82,297
Total Revenues	25,287,478	25,376,258	88,780
Other Credits to Income	37,155,864	37,730,768	574,904
Total Revenues and Other Credits to Income	\$ 62,443,342	\$ 63,107,026	\$ 663,684
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	\$ 8,879,910	\$ 8,879,910	\$ -
Other Expenses	8,434,450	8,434,450	-
Deferred Charges and Statutory Expenditures	1,973,006	1,973,006	-
Operations Excluded From "CAPS":			
Salaries and Wages	-	-	-
Other Expenses	2,625,530	2,625,530	-
Capital Improvements	130,000	130,000	-
Municipal Debt Service	2,592,959	2,592,959	-
Deferred Charges	567,380	567,380	-
Judgments	25,000	25,000	-
Reserve for Uncollected Taxes	259,243	259,243	-
Total Budget Expenditures	25,487,478	25,487,478	-
Other Expenses	37,155,864	37,350,686	194,822
Total Expenditures	\$ 62,643,342	\$ 62,838,164	\$ 194,822
Statutory Excess to Current Fund Balance		268,862	
Transferred to Deferred Charge of Succeeding Year		200,000	
Fund Balance, July 1		1,210,656	
		1,679,518	
Decreased by:			
Utilization as Anticipated Revenue		325,000	
Fund Balance, June 30		\$ 1,354,518	

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

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 2000 census is 23,971.

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 operates on a state fiscal year, July 1 to June 30.

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. If the provisions of GASBS No. 14 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:

Volunteer Fire Department
Volunteer Ambulance Corp.
Free Public Library

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

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 Township owned real and personal property in accordance with Technical Accounting Directive #85-2.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

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 municipalitie's 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 June 30, 2009

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 Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive. 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 June 30, 2009

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 June 30, 2009

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 June 30, 2009

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 June 30, 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 June 30, 2009

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 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governmental units throughout the United States. Implementation will require new information and restructuring of information presented in past years, affecting comparability of annual reports. The Township will follow direction from the Division of Local Government Services concerning implementation dates, as they may not coincide with national requirements. The Township has not yet determined the impact of adoption of this standard on the financial statements.

In July 2004, the Governmental Accounting Standards Board (GASB) adopted statement number 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions". This statement will become effective for governmental entities on a phased in basis based on the entities total annual revenues. This phase in began with fiscal years beginning after December 15, 2006 and continued thru December 15, 2008 depending on annual revenues. The Borough's effective date is the year beginning January 1, 2009. This statement will require Governmental entities to report the future cost of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The Township has not yet determined the impact of adoption of this standard on the financial statements.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

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. In general, bank deposits are classified as to credit risk by the three categories described below:

Category 1 - Insured or collateralized with securities held by the municipality or by its agent in the municipality's name.

Category 2 - Collateralized with securities held by the pledging public depository's trust department or agent in the municipality's name.

Category 3 - Uncollateralized, including any deposits that is collateralized with securities held by the pledging public depository, or by its trust department or agent but not in the municipality's name.

At June 30, the municipality's deposits categorized by level of risk are summarized as follows:

Year	Book Balance	Category			Carrying Amount
		1	2	3	
2009	\$ 12,244,484	\$ 12,433,455	\$ -	\$ -	\$ 12,433,455
2008	\$ 5,951,921	\$ 6,551,645	\$ -	\$ -	\$ 6,551,645
2007	\$ 5,151,217	\$ 5,849,879	\$ -	\$ -	\$ 5,849,879
2006	\$ 4,487,304	\$ 5,384,883	\$ -	\$ -	\$ 5,384,883
2005	\$ 4,362,337	\$ 4,850,150	\$ -	\$ -	\$ 4,850,150
2004	\$ 4,517,932	\$ 4,923,431	\$ -	\$ -	\$ 4,923,431
2003	\$ 3,182,619	\$ 3,958,866	\$ -	\$ -	\$ 3,958,866
2002	\$ 6,764,263	\$ 6,747,824	\$ -	\$ -	\$ 6,747,824

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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

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 June 30, 2009.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 5 - Receivables

New Jersey municipal accounting procedures require accrued receivables to be off-set with a reserve originating with a charge to operations. Exceptions to this requirement include those grants used to fund capital projects reflected in the General Capital Fund, amounts due from the State of New Jersey for Veterans and Senior Citizens Deductions and public and private programs qualifying for grant accounting treatment in the Federal and State Grant Fund.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 6 - Commitments

The municipality is entered into a number of operating leases which vary on cancellation provisions and other terms. Annual requirements are provided for in appropriate department budget appropriations. Complete lease information is on file and available with the municipality.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 7 - Fixed Assets

The following is a summary of general fixed asset additions, deletions and adjustments:

2009

	Beginning Balance		Additions		Deletions		Adjustments		Ending Balance
Land	\$ 1,753,100	\$	-	\$	-	\$	-	\$	1,753,100
Buildings and Improvements	193,200		-		-		-		193,200
Equipment	3,041,606		-		-		-		3,041,606
	<u>\$ 4,987,906</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>4,987,906</u>

2008

	Beginning Balance		Additions		Deletions		Adjustments		Ending Balance
Land	\$ 1,753,100	\$	-	\$	-	\$	-	\$	1,753,100
Buildings and Improvements	193,200		-		-		-		193,200
Equipment	3,041,606		-		-		-		3,041,606
	<u>\$ 4,987,906</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>4,987,906</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 8 - 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 under financed under the Local Bond Law must have a minimum useful life of five years.

Bond Anticipated Notes - Bond Anticipation Note ("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 June 30, 2009

Note 8 - 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.

	June 30,	
	<u>2009</u>	<u>2008</u>
Issued:		
School Bonds and Notes	\$ 1,455,000	\$ 1,785,000
General Bonds and Notes	23,394,241	16,693,130
	<u>\$ 24,849,241</u>	<u>\$ 18,478,130</u>
Authorized but not Issued:		
General Bonds and Notes	\$ -	\$ -
Gross Debt	<u>\$ 24,849,241</u>	<u>\$ 18,478,130</u>
Deductions	<u>\$ 2,065,000</u>	<u>\$ 3,933,310</u>
Net Debt	<u>\$ 22,784,241</u>	<u>\$ 14,544,820</u>
Equalized Valuation Basis	\$ 2,402,224,264	\$ 2,256,079,114
Statutory Net Debt Percentage	0.95%	0.64%
3-1/2% of Equalized Valuation Basis	\$ 84,077,849	\$ 78,962,769
Remaining Borrowing Power	\$ 61,293,608	\$ 64,417,949

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 8 - 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 June 30, 2009 are as follows:

Calendar Year	2003 Pension Refunding Bonds		4/15/99 General Obligation Bonds	
	Principal	Interest	Principal	Interest
TY 2009	\$ -	\$ 12,963	\$ -	\$ 33,843
2010	610,000	12,962	510,000	56,593
2011	-	-	515,000	34,300
2012	-	-	531,000	11,549
	<u>\$ 610,000</u>	<u>\$ 25,925</u>	<u>\$ 1,556,000</u>	<u>\$ 136,285</u>

Calendar Year	6/15/05 General Obligation Bonds		4/08/97 Green Trust Loan Memorial & Kennedy Parks	
	Principal	Interest	Principal	Interest
TY 2009	\$ -	\$ 66,881	\$ 15,302	\$ 1,770
2010	25,000	133,325	31,064	3,079
2011	425,000	125,450	31,688	2,455
2012	450,000	109,913	32,325	1,818
2013	475,000	92,906	32,975	1,168
2014	500,000	74,000	33,638	505
2015	525,000	53,500	-	-
2016	525,000	32,500	-	-
2017	550,000	11,000	-	-
	<u>\$ 3,475,000</u>	<u>\$ 699,475</u>	<u>\$ 176,992</u>	<u>\$ 10,795</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
TY 2009	\$ 6,276	\$ 1,157	\$ 2,824	\$ 520
2010	12,740	2,124	5,733	956
2011	12,997	1,868	5,848	841
2012	13,258	1,607	5,965	723
2013	13,524	1,341	6,085	603
2014	13,796	1,069	6,208	481
2015	14,073	791	6,332	356
2016	14,356	509	6,460	229
2017	14,645	220	6,589	99
	<u>\$ 115,665</u>	<u>\$ 10,686</u>	<u>\$ 52,044</u>	<u>\$ 4,808</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 8 - 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
TY 2009	\$ 4,303	\$ 1,915	\$ -	\$ -
2010	8,736	3,701	10,822	4,585
2011	8,911	3,525	11,039	4,367
2012	9,090	3,346	11,261	4,145
2013	9,273	3,164	11,488	3,919
2014	9,460	2,977	11,719	3,688
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	12,253	184	15,179	228
	<u>\$ 191,521</u>	<u>\$ 38,556</u>	<u>\$ 231,929</u>	<u>\$ 45,392</u>

Calendar Year	6/5/06 Green Trust Loan Memorial Park Improvements		N.J.E.I.T. Fund Non-Interest Bearing Loan	
	Principal	Interest	Principal	Interest
TY 2009	\$ 5,708	\$ 2,298	\$ 4,580	\$ -
2010	11,588	4,424	8,973	-
2011	11,821	4,191	8,600	-
2012	12,059	3,954	8,227	-
2013	12,301	3,711	7,854	-
2014	12,548	3,464	-	-
2015	12,800	3,212	-	-
2016	13,058	2,954	-	-
2017	13,320	2,692	-	-
2018	13,588	2,424	-	-
2019	13,861	2,151	-	-
2020	14,140	1,873	-	-
2021	14,424	1,588	-	-
2022	14,714	1,298	-	-
2023	15,009	1,003	-	-
2024	15,311	701	-	-
2025	15,619	393	-	-
2026	7,927	79	-	-
	<u>\$ 229,796</u>	<u>\$ 42,410</u>	<u>\$ 38,234</u>	<u>\$ -</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 8 - Municipal Debt (Continued)

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

Calendar Year	N.J.E.I.T. Fund Interest Bearing Loan		Total	
	Principal	Interest	Principal	Interest
TY 2009	\$ 5,000	\$ 1,138	\$ 43,993	\$ 122,485
2010	10,000	2,025	1,244,656	223,774
2011	10,000	1,525	1,040,904	178,522
2012	10,000	1,025	1,083,185	138,080
2013	10,000	525	578,500	107,337
2014	-	-	587,369	86,184
2015	-	-	579,809	64,099
2016	-	-	580,912	41,997
2017	-	-	607,036	19,373
2018	-	-	36,521	7,334
2019	-	-	37,255	6,600
2020	-	-	38,004	5,852
2021	-	-	38,768	5,088
2022	-	-	39,547	4,309
2023	-	-	40,341	3,514
2024	-	-	41,152	2,703
2025	-	-	41,979	1,875
2026	-	-	34,818	1,032
2027	-	-	27,432	412
	<u>\$ 45,000</u>	<u>\$ 6,238</u>	<u>\$ 6,722,181</u>	<u>\$ 1,020,570</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 8 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt

During the fiscal year ended June 30, 2009, the following changes occurred in liabilities reported as general long-term debt:

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Emergency Notes	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:				
Serial Bonds	\$ 7,366,000	\$ -	\$ (1,725,000)	\$ 5,641,000
Loan Payable	1,133,780	25,727	(78,328)	1,081,179
Bond Anticipation Notes	8,193,350	16,672,062	(8,193,350)	16,672,062
Authorized but not Issued	-	-	-	-
	<u>\$ 16,693,130</u>	<u>\$ 16,697,789</u>	<u>\$ (9,996,678)</u>	<u>\$ 23,394,241</u>
	<u>\$ 16,693,130</u>	<u>\$ 16,697,789</u>	<u>\$ (9,996,678)</u>	<u>\$ 23,394,241</u>

	Ending Balance	Amounts Due in Transition Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -		\$ -
Emergency Notes	-		-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 5,641,000	\$ -	\$ 5,641,000
Loan Payable	1,081,179	43,993	1,037,186
Bond Anticipation Notes	16,672,062	-	16,672,062
Authorized but not Issued	-	-	-
	<u>\$ 23,394,241</u>	<u>\$ 43,993</u>	<u>\$ 23,350,248</u>
	<u>\$ 23,394,241</u>	<u>\$ 43,993</u>	<u>\$ 23,350,248</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 9 - 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 been 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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 10 - Interfunds

As of June 30, interfund balances on the Borough's various balance sheets were as follows:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
<u>2009</u>		
Current Fund	\$ 3,600	\$ 749
Trust Fund	45	3,600
General Capital Fund	704	-
	<u>\$ 4,349</u>	<u>\$ 4,349</u>
		-
<u>2008</u>		
Current Fund	\$ 2,654	\$ 3,458
Trust Fund	66	2,654
General Capital Fund	3,392	-
	<u>\$ 6,112</u>	<u>\$ 6,112</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 11 - Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At June 30, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance June 30,</u>	<u>Appropriated in Subsequent Year's Budget</u>	<u>Balance to Succeeding</u>
<u>2009</u>			
Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations (40A:4-55)	200,000	200,000	-
Special Emergency Authorizations (40A:4-53)	-	-	-
	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>

2008

Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations (40A:4-55)	881,000	881,000	-
Special Emergency Authorizations (40A:4-53)	-	-	-
	<u>\$ 881,000</u>	<u>\$ 881,000</u>	<u>\$ -</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 12 - Retirement Plans

Those employees who are eligible for pension coverage are enrolled in either the Public Employees Retirement System of New Jersey (PERS) or the Police and Firemans' Retirement System of New Jersey (PFRS) and the Defined Contribution Retirement Program (DCRP). The systems are cost-sharing multiple-employer contributory defined benefit pension plans, and are component units of the State of New Jersey. Each retirement system has a Board of Trustees which is responsible for its organization and administration.

A. Public Employees' Retirement System (PERS)

Description of the System - The State of New Jersey Public Employees' Retirement System (the System; PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2008 and 2007, the dates of the most recent actuarial valuation, participating employers consisted of the following:

	<u>2008</u>	<u>2007</u>
State of New Jersey	1	1
County Agencies	65	65
Municipalities	583	580
School Districts	561	558
Other Public Agencies	486	487
Total	<u>1,696</u>	<u>1,691</u>

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey 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 or other state pension fund or local jurisdiction's pension fund. The System's Board of Trustees is primarily responsible for the administration of the System.

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.

In 2008, the System adopted the provisions of GASB Statement No. 50, *Pension Disclosures*.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 12 - Retirement Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits, as well as medical benefits for certain qualified members. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the System. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit (as defined). Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement.

Significant Legislation - Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 19, P.L. 2009, effective March 17, 2009 provided an option for local employers to contribute 50% of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100% of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Membership in the system consisted of the following at June 30, 2008 and 2007, the dates of the most recent actuarial valuation:

	2008	2007
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	134,555	130,686
Active Members:		
Vested	142,280	140,400
Non-Vested	176,902	178,853
Total Active Members	319,182	319,253
Total	453,737	449,939

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 12 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS)

Description of the System

State of New Jersey Police and Firemen's Retirement System (the System; PFRS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2008 and 2007, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	<u>2008</u>	<u>2007</u>
State of New Jersey	1	1
Municipalities	588	582
Total	<u>589</u>	<u>583</u>

The System's designated purpose is to provide retirement, death and disability benefits to its members. Membership in the System is mandatory for substantially all full-time county and municipal police or firemen, and state firemen or officer employees with police powers appointed after June 30, 1944. The System's Board of Trustees is primarily responsible for its administration.

According to State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

In 2008, the System adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures*.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 12 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:16A and 43:3B. The System provides retirement as well as death and disability benefits. All benefits vest after ten years of service except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service. The annual benefit under special retirement is 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70% of final compensation.

Widow/widowers of members retired since December 18, 1967 receive 50% of the retiree's final compensation. The minimum annual widow/widower's benefits of an accidental disability retiree prior to December 18, 1967 and of all retirees since December 18, 1967 is \$4,500.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions providing no survivor death benefits are payable.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in the dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The cost-of-living increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 12 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Significant Legislation:

Chapter 19, P.L. 2009, effective March 17, 2009 provided an option for local employers to contribute 50% of the normal and accrued liability contribution amounts certified by the PFRS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100% of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PFRS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Membership in the System consisted of the following at June 30, 2008 and 2007 the dates of the most recent actuarial valuations:

	<u>2008</u>	<u>2007</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	33,151	31,837
Active members:		
Vested	29,056	28,668
Non-vested	16,410	16,463
Total active members	<u>45,466</u>	<u>45,131</u>
Total	<u><u>78,617</u></u>	<u><u>76,968</u></u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 12 - Retirement Plans (Continued)

C. Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008,

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Eligibility

Individuals eligible for membership in the DCRP include:

- 1) State or local officials who are elected or appointed on or after July 1, 2007
- 2) Employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; and
- 3) Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Membership Tier 3 enrollment (\$7,500 in 2009, subject to adjustment in future years) but who earn salary of at least \$1,500 annually.)

Employees enrolled in the PERS or TPAF on or after July 1, 2007 are subject to a maximum compensation limit for PERS and TPAF pension contributions. The maximum compensation is based on the annual maximum wage for Social Security (see chart below) and is subject to change at the start of each calendar year.

Enrollment

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.

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.

Note 12 - Retirement Plans (Continued)

C. Defined Contribution Retirement Program (DCRP)

Retirement

Six months before retirement, a member should contact the employer and Prudential Financial for information regarding DCRP benefits and options.

A DCRP member may elect to receive all or a portion of his/her account in a lump-sum distribution, or in a variety of periodic payment methods. Please contact your administrative services provider for more information. All returns of contributions and earnings are considered taxable in the year they are received; therefore, the type of payout plan should be considered carefully prior to retirement.

There is no minimum retirement age under the DCRP. The member will automatically be considered retired, regardless of age, if there is any distribution of mandatory contributions.

A member may take a distribution at any time after termination of employment; however, if you return to public employment in New Jersey, you cannot participate in any State-administered retirement system.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 12 - Retirement Plans (Continued)

D. Contributions Required by Employer

Year	Pension Cost	Percentage Contributed	Pension Obligation
<i>Police and Firemens' Pension Fund</i>			
2009	1,014,003	100.00%	1,014,003
2008	\$ 426,321	100.00%	\$ 426,321
2007	\$ 308,961	80.00%	\$ 386,201
<i>Public Employees Retirement System</i>			
2009	\$ 279,293	100.00%	\$ 279,293
2008	\$ 66,406	80.00%	\$ 83,008
2007	\$ 38,075	60.00%	\$ 63,458
<i>Defined Contribution Retirement Program</i>			
2009	\$ -	100.00%	\$ -
2008	\$ -	100.00%	\$ -
2007	\$ -	100.00%	\$ -

Note 12 - Retirement Plans (Continued)

D. Trend Information

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due are presented in the State of New Jersey's PERS, PFRS and DCRP financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions, Trenton, New Jersey.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 13 - Deferred Compensation Plans

A. Description

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

All amounts of compensation deferred under the plan and all income attributable to those amounts are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough's 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 three plans offered by the Borough are as follows:

A. Nationwide Retirement Solutions

This plan administers current participant activity under traditional salary deferrals, transfers from other plans and compensation deferred under a contractual agreement between eligible employees forgoing accumulated sick and vacation time.

	<u>2009</u>
Assets, Beginning of Year (Market Value)	\$ 835,084
Employee Contributions	48,056
Earnings and Adjustments to Market Value	(8,989)
Payments to Eligible Employees	(19,399)
Charges and Credits	(2,312)
Assets, Ending of Year (Market Value)	<u>\$ 852,440</u>

B. ING Life Insurance and Annuity Company

This plan administers current participant activity under traditional salary deferrals, transfers from other plans and compensation deferred under a contractual agreement between eligible employees forgoing accumulated sick and vacation time.

	<u>2009</u>
Assets, Beginning of Year (Market Value)	\$ 962,354
Employee Contributions	100,428
Earnings and Adjustments to Market Value	(106,174)
Payments to Eligible Employees	(15,900)
Charges and Credits	(480)
Assets, Ending of Year (Market Value)	<u>\$ 940,228</u>

C. Lincoln National Life Insurance Co.

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

	<u>2009</u>
Assets, Beginning of Year (Market Value)	\$ 178,785
Municipal Contribution	29,000
Earnings and Adjustments to Market Value	(31,369)
Payments to Eligible Employees	-
Charges and Credits	(2,500)
Assets, Ending of Year (Market Value)	<u>\$ 173,916</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 14 - 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. A detail of amounts due is on file in the Office of the Borough Manager - One Memorial Drive Lodi, NJ 07644 (973) 365-4005. 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 June 30, 2009 to be \$3,000,000.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

Note 15 - 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 June 30, 2009, 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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2009

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 TY 2009 Capital Budget currently includes the following:

Purpose	Total	CIF and Other Funded Sources	Bonds & Notes Authorized
#606-11 Removal of Underground Storage Tanks/#2010-02 Improvements to Municipal Facilities	\$ 100,000	\$ 5,000	\$ 95,000
#2010-03 Improvements to Various Municipal Facilities	\$ 100,000	\$ 5,000	\$ 95,000
#2010-04 Improvements to Sanitary Sewer System	\$ 200,000	\$ 10,000	\$ 190,000
#2010-05 2009 Road Improvement Program (Local)	\$ 100,000	\$ 5,000	\$ 95,000
#2010-06 2009 Road Improvement Program (State)	\$ 200,000	\$ 150,000	\$ 50,000
#2010-07 2009 Road Improvement Program (CDBG)	\$ 400,000	\$ 310,000	\$ 90,000
#2010-12 Refunding Bonds (Tax Appeals)	\$ 820,000	\$ -	\$ 820,000

B. Bond Anticipation Notes

On January 16, March 26 and May 29, 2009 the Borough issued Bond Anticipation Notes in the amounts of \$3,805,850, \$6,866,212 and \$6,000,000 respectively to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Spencer Savings Bank SLA at interest rates of 1.50%, 3.00% and 2.54% respectively. These notes will mature on January 15, March 26, and May 28, 2010 respectively

BOROUGH OF LODI
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE (Statutory Basis)
CURRENT FUND

	2009	2008	2007	2006	2005
<u>ASSETS AND OTHER DEBITS</u>					
Cash:					
Operating Account	\$ 2,167,643	\$ 1,920,130	\$ 1,552,437	\$ 784,796	\$ 752,496
Local Law Enforcement Account	-	-	-	-	-
Change Fund	500	500	500	300	300
	<u>\$ 2,168,143</u>	<u>\$ 1,920,630</u>	<u>\$ 1,552,937</u>	<u>\$ 785,096</u>	<u>\$ 752,796</u>
Interfunds Receivable:					
Due From Dog License Trust Fund	\$ -	\$ 32	\$ 164	\$ 19	\$ 1,335
Due From Developer's Escrow Trust Fund	-	-	-	-	-
Due From Other Trust Fund	3,600	2,622	-	1,809	66,422
	<u>\$ 3,600</u>	<u>\$ 2,654</u>	<u>\$ 164</u>	<u>\$ 1,828</u>	<u>\$ 67,757</u>
Intergovernmental Receivable:					
Due From State of N.J. (P.L. 1976, c.73)	\$ 302,821	\$ 320,711	\$ 340,644	\$ 358,019	\$ 345,144
Other Receivables:					
Delinquent Property Taxes	\$ 2,183	\$ 2,634	\$ 7,117	\$ 71,621	\$ 80,242
Tax Title Liens Receivable	284,219	258,175	225,592	209,429	194,346
Property Acquired for Taxes at Assessed Valuation	18,247	18,247	18,247	18,247	18,247
P.V.W.C. Water Utility Lease Payment	-	-	-	-	50,648
Mortgage Receivable	-	-	-	-	-
Prepaid Local School Tax	-	60	-	-	-
	<u>\$ 304,649</u>	<u>\$ 279,116</u>	<u>\$ 250,956</u>	<u>\$ 299,297</u>	<u>\$ 343,483</u>
Deferred Charges:					
Emergency Authorizations	\$ -	\$ 881,000	\$ 610,658	\$ 138,294	\$ 620,109
Special Emergency Authorizations (N.J.S. 40A:4-55.1)	200,000	-	80,000	160,000	240,000
	<u>\$ 200,000</u>	<u>\$ 881,000</u>	<u>\$ 690,658</u>	<u>\$ 298,294</u>	<u>\$ 860,109</u>
Total Assets and Other Debits	<u>\$ 2,979,213</u>	<u>\$ 3,404,111</u>	<u>\$ 2,835,359</u>	<u>\$ 1,742,534</u>	<u>\$ 2,369,289</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>					
Interfunds Payable:					
Due to General Capital Fund	\$ 704	\$ 3,392	\$ 83,169	\$ 874	\$ 15,557
Due to Other Trust Fund	45	66	180	-	-
	<u>\$ 749</u>	<u>\$ 3,458</u>	<u>\$ 83,349</u>	<u>\$ 874</u>	<u>\$ 15,557</u>
Intergovernmental Payable:					
State of New Jersey	\$ 3,694	\$ 2,722	\$ 2,999	\$ 3,410	\$ 4,586
Other Liabilities and Reserves:					
Appropriation Reserves	\$ 863,311	\$ 585,849	\$ 482,958	\$ 609,610	\$ 1,109,231
Reserve for Encumbrances	175,393	242,588	219,299	237,499	163,283
Reserve for Flood Emergency Expenditures	-	-	-	-	-
Reserve for Domestic Violence Training	-	-	3,075	3,075	3,075
Reserve for BCUA Municipal Recycling Program	-	-	6,709	-	-
Reserve for Revaluation	-	-	-	-	-
Deferred Revenues	-	-	-	-	-
Due to Payroll Account	-	-	-	-	-
Tax Title Lien Redemptions Due to Outside Lien Holders	-	1,848	6,292	-	-
Taxes Collected in Advance	113,145	116,946	144,951	149,384	198,619
Tax Sale Premiums	-	-	-	-	-
Tax Overpayments	134,047	51,167	143,947	95,893	126,903
Emergency Note Payable	-	-	610,000	-	-
Special Emergency Note Payable	-	881,000	-	-	-
Accounts Payable	26,107	26,107	28,692	31,388	61,620
	<u>\$ 1,312,003</u>	<u>\$ 1,905,505</u>	<u>\$ 1,645,923</u>	<u>\$ 1,126,849</u>	<u>\$ 1,662,731</u>
Reserve for Receivables and Other Assets	\$ 308,249	\$ 281,770	\$ 251,120	\$ 301,125	\$ 411,240
Fund Balance	\$ 1,354,518	\$ 1,210,656	\$ 851,968	\$ 310,276	\$ 275,175
Total Liabilities, Reserves and Fund Balance	<u>\$ 2,979,213</u>	<u>\$ 3,404,111</u>	<u>\$ 2,835,359</u>	<u>\$ 1,742,534</u>	<u>\$ 2,369,289</u>

BOROUGH OF LODI
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME (Statutory Basis)
CURRENT FUND
Year Ended June 30, 2009

	Budget As Modified	Realized	Excess/ (Deficit)
Fund Balance Anticipated	\$ 325,000	\$ 325,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 20,000	\$ 22,205	\$ 2,205
Other Licenses	65,000	75,786	10,786
Fees and Permits	100,000	166,443	66,443
Municipal Court Fines and Costs	440,000	514,420	74,420
Interest and Costs on Taxes	100,000	113,028	13,028
Interest on Investments and Deposits	240,000	80,897	(159,103)
Sewer Charges	1,600,000	1,622,830	22,830
Consolidated Municipal Property Tax Relief	1,298,243	1,298,243	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,164,269	1,164,269	-
Uniform Construction Code Fees	265,000	160,820	(104,180)
Recycling Tonnage Grant	4,214	4,214	-
Drunk Driving Enforcement Fund	5,414	5,414	-
Clean Communities Program	24,343	24,343	-
Alcohol Education Rehabilitation Program	589	589	-
Municipal Alliance on Alcoholism and Drug Abuse	13,500	13,500	-
Click it or Ticket Grant	4,000	4,000	-
Office of Justice Programs - COPS Grant	61,428	61,428	-
Reserve for Payment of Notes	95,000	95,000	-
Reserve for Payment of Bonds	243,310	199,891	(43,419)
Redevelopment Reimbursement	300,000	247,947	(52,053)
Developer's Contributions	200,000	200,000	-
Uniform Fire Safety Act	50,000	48,102	(1,898)
Local Uniform Fire Safety Fees	150,000	170,334	20,334
Cable TV Franchise Fee	75,000	209,118	134,118
P.V.W.C. Water Utility Lease Payment	55,344	57,004	1,660
Host Community Fees	11,000	26,432	15,432
Joint Insurance Fund Reimbursements	44,868	44,868	-
Sale of Municipal Assets	32,500	32,500	-
Cellular Tower Lease	30,000	30,000	-
Summer Concert Donations	30,000	14,500	(15,500)
Health Benefit Reimbursement - Free Public Library	80,000	80,000	-
Sanitary Sewer Tie-In Agreement (Township of Saddle Brook)	20,000	40,000	20,000
Total Miscellaneous Revenues	\$ 6,823,022	\$ 6,828,125	\$ 5,103
Receipts From Delinquent Taxes	\$ 5,000	\$ 6,380	\$ 1,380
Amount to be Raised by Taxation	\$ 18,134,456	\$ 18,216,753	\$ 82,297
Total Budget Revenues	\$ 25,287,478	\$ 25,376,258	\$ 88,780

BOROUGH OF LODI
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME (Statutory Basis)
CURRENT FUND
Year Ended June 30, 2009

	<u>Budget</u> <u>As Modified</u>	<u>Realized</u>	<u>Excess/</u> <u>(Deficit)</u>
Other Credits to Income:			
Local District School Tax	\$ 32,514,298	\$ 32,514,298	\$ -
County Tax	4,391,816	4,391,816	-
Added County Tax	-	6,512	6,512
County Open Space Tax	249,750	249,750	-
Added County Open Space Tax	-	382	382
Non-Budget Revenues	-	204,210	204,210
Unexpended Balance of Budget Appropriations	-	1,536	1,536
Unexpended Balance of Appropriation Reserves and Encumbrances	-	353,123	353,123
Interfund Loans Returned	-	2,654	2,654
Statutory Excess From Dog License Fund	-	1,623	1,623
Prior Year Outstanding Checks Cancelled	-	-	-
Cancellations and Adjustments	-	4,804	4,804
Prepaid Local District School Tax	-	60	60
P.V.W.C. Receivable	-	-	-
Total Other Credits to Income	<u>\$ 37,155,864</u>	<u>\$ 37,730,768</u>	<u>\$ 574,904</u>
Total Revenues and Credits to Income	<u>\$ 62,443,342</u>	<u>\$ 63,107,026</u>	<u>\$ 663,684</u>

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2009

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS:						
General Administration:						
Salaries and Wages	\$ 203,000	\$ 210,245	\$ 210,245	\$ -	\$ -	-
Other Expenses	120,000	113,000	96,776	16,224	-	-
Mayor and Council:						
Salaries and Wages	32,500	32,500	32,500	-	-	-
Other Expenses	10,000	9,000	4,016	4,984	-	-
Municipal Clerk:						
Salaries and Wages	149,000	159,725	159,725	-	-	-
Other Expenses	37,000	44,000	20,599	23,401	-	-
Financial Administration:						
Salaries and Wages	216,500	216,500	216,080	420	-	-
Other Expenses	45,000	35,000	24,945	10,055	-	-
Computerized Data Processing:						
Other Expenses	25,000	25,000	21,979	3,021	-	-
Audit Services:						
Other Expenses	50,000	50,000	37,750	12,250	-	-
Revenue Administration:						
Salaries and Wages	126,500	126,500	125,967	533	-	-
Other Expenses	35,000	35,000	33,682	1,318	-	-
Tax Assessment Administration:						
Salaries and Wages	82,500	82,500	82,130	370	-	-
Other Expenses	65,000	25,000	5,849	19,151	-	-
Legal Services:						
Salaries and Wages	215,000	215,000	215,000	-	-	-
Other Expenses	65,000	65,000	61,258	3,742	-	-
Engineering Services:						
Other Expenses	75,000	55,000	35,427	19,573	-	-
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	1,500	1,500	1,500	-	-	-
Other Expenses	5,000	5,000	4,334	666	-	-
Zoning Board of Adjustment:						
Salaries and Wages	98,500	100,740	100,336	404	-	-
Other Expenses	5,000	5,000	4,686	314	-	-
Property Maintenance:						
Salaries and Wages	52,000	52,000	51,800	200	-	-
Other Expenses	3,000	3,000	3,000	-	-	-
INSURANCE:						
Liability Insurance	460,450	460,450	451,536	8,914	-	-
Worker Compensation Insurance	410,000	410,000	410,000	-	-	-
Employee Group Insurance	2,912,000	3,112,000	3,106,969	5,031	-	-
Unemployment Compensation	25,000	23,000	20,482	2,518	-	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2009

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
PUBLIC SAFETY FUNCTIONS:						
Police:						
Salaries and Wages	\$ 5,020,000	\$ 5,082,000	\$ 5,054,991	27,009	\$ -	\$ -
Other Expenses	200,000	200,000	173,099	26,901	-	-
911/Dispatch:						
Salaries and Wages	269,000	284,000	280,875	3,125	-	-
Other Expenses	30,000	28,000	24,221	3,779	-	-
Office of Emergency Management:						
Salaries and Wages	9,000	9,000	8,242	758	-	-
Other Expenses	11,500	11,500	11,445	55	-	-
Aid to Volunteer Fire Companies:						
Other Expenses	130,000	130,000	129,505	495	-	-
Aid to Volunteer Ambulance Companies:						
Other Expenses	35,000	35,000	35,000	-	-	-
Fire Department:						
Salaries and Wages	156,000	156,000	152,874	3,126	-	-
Other Expenses	44,000	40,000	31,114	8,886	-	-
Other Expenses-Sale of Fire Truck	32,500	32,500	32,464	36	-	-
Municipal Prosecutor's Office:						
Salaries and Wages	15,000	15,000	15,000	-	-	-
PUBLIC WORKS FUNCTIONS:						
Streets and Road Maintenance:						
Salaries and Wages	1,159,000	1,119,000	1,100,856	18,144	-	-
Other Expenses	370,000	390,000	366,335	23,665	-	-
Sanitary Sewer System Repairs:						
Other Expenses	-	-	-	-	-	-
Solid Waste Collection:						
Other Expenses	651,000	651,000	578,792	72,208	-	-
Vehicle Maintenance:						
Other Expenses	115,000	120,000	113,866	6,134	-	-
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Public Health Services:						
Salaries and Wages	64,000	64,000	63,800	200	-	-
Other Expenses	100,000	100,000	81,778	18,222	-	-
PARK AND RECREATION FUNCTIONS:						
Recreation Services and Programs:						
Salaries and Wages	250,500	250,500	232,139	18,361	-	-
Other Expenses	135,000	135,000	127,088	7,912	-	-
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	65,000	55,000	39,630	15,370	-	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2009

	Appropriated		Expended		Unexpended	Overexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
MUNICIPAL COURT:						
Municipal Court Administration:						
Salaries and Wages	\$ 231,000	\$ 236,000	\$ 234,940	\$ 1,060	\$ -	-
Other Expenses	15,000	15,000	10,469	4,531	-	-
Public Defender:						
Salaries and Wages	7,500	7,500	7,500	-	-	-
UNIFORM CONSTRUCTION CODE:						
Code Enforcement and Administration:						
Salaries and Wages	168,000	169,700	169,110	590	-	-
Other Expenses	20,000	15,000	3,920	11,080	-	-
UTILITY EXPENSES AND BULK PURCHASES:						
Electricity	475,000	525,000	460,756	64,244	-	-
Street Lighting	210,000	222,000	201,525	20,475	-	-
Telephone	100,000	92,000	84,863	7,137	-	-
Water	15,000	15,000	7,226	7,774	-	-
Gasoline	135,000	145,000	140,190	4,810	-	-
LANDFILL/SOLID WASTE DISPOSAL COSTS:						
Dump Fees	835,000	785,000	611,086	173,914	-	-
Recycling Disposal Fees	60,000	60,000	59,564	436	-	-
Roll-Off Containers	60,000	60,000	33,690	26,310	-	-
OTHER COMMON OPERATING FUNCTIONS:						
Accumulated Leave Compensation:						
Salaries and Wages	300,000	290,000	282,275	7,725	-	-
UNCLASSIFIED						
General Administration:						
Other Expenses (Energy Audit)	15,000	15,000	-	15,000	-	-
Other Expenses (Master Plan)	83,000	83,000	42,558	40,442	-	-
Total Operations Within "CAPS"	\$ 17,115,450	\$ 17,314,360	\$ 16,541,357	\$ 773,003	\$ -	-
Detail:						
Salaries and Wages	\$ 8,826,000	\$ 8,879,910	\$ 8,797,885	\$ 82,025	\$ -	-
Other Expenses	\$ 8,289,450	\$ 8,434,450	\$ 7,743,472	\$ 690,978	\$ -	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</u>						
DEFERRED CHARGES:						
Emergency Authorizations	\$ 313,620	\$ 313,620	\$ 313,620	\$ -	\$ -	-
STATUTORY EXPENDITURES:						
Social Security System (O.A.S.I.)	350,000	354,000	354,000	-	-	-
Local Firemen's Pension Fund	15,000	15,000	13,500	1,500	-	-
Public Employees' Retirement System	279,293	287,810	287,810	-	-	-
Police and Fireman's Retirement System	1,014,003	1,002,576	1,002,352	224	-	-
Deferred Compensation Contribution	-	-	-	-	-	-
	\$ 1,971,916	\$ 1,973,006	\$ 1,971,282	\$ 1,724	\$ -	-
Total General Appropriations Within "CAPS"	\$ 19,087,366	\$ 19,287,366	\$ 18,512,639	\$ 774,727	\$ -	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2009

	Appropriated		Expended		Unexpended		Overexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled		
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>							
<u>OTHER APPROPRIATIONS</u>							
EDUCATIONAL FUNCTIONS:							
Maintenance of Free Public Library	\$ 804,586	\$ 804,586	\$ 804,586	\$ -	\$ -	\$ -	-
UTILITY EXPENSES AND BULK PURCHASES:							
Sewer Processing and Disposal	1,550,000	1,550,000	1,495,416	54,584	-	-	-
STATUTORY EXPENDITURES:							
Public Employees' Retirement System	-	-	-	-	-	-	-
Police and Firemen's Retirement System	-	-	-	-	-	-	-
Volunteer Length of Service Award Program	40,000	40,000	31,000	9,000	-	-	-
	<u>\$ 2,394,586</u>	<u>\$ 2,394,586</u>	<u>\$ 2,331,002</u>	<u>\$ 63,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>							
Bergen County Prosecutor's Office - Confisca	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Recycling Tonnage Grant	4,214	4,214	4,214	-	-	-	-
Alcohol Education Rehabilitation Fund	589	589	589	-	-	-	-
Drunk Driving Enforcement Fund	5,414	5,414	5,414	-	-	-	-
Clean Communities Program	24,343	24,343	24,343	-	-	-	-
Body Armor Replacement Program	-	-	-	-	-	-	-
BCUA Municipal Recycling Assistance Progra	-	-	-	-	-	-	-
Office of Justice Programs - Federal	61,428	61,428	61,428	-	-	-	-
Office of Justice Programs - Local	114,081	114,081	114,081	-	-	-	-
Click it or Ticket Grant	4,000	4,000	4,000	-	-	-	-
GDL Enforcement & Education Grant	-	-	-	-	-	-	-
Municipal Alliance on Alcoholism and Drug At	13,500	13,500	13,500	-	-	-	-
Municipal Alliance on Alcoholism and Drug At	3,375	3,375	3,375	-	-	-	-
JIF Reimbursement - Fire Department	-	-	-	-	-	-	-
FEMA Reimbursements	-	-	-	-	-	-	-
	<u>\$ 230,944</u>	<u>\$ 230,944</u>	<u>\$ 230,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total Operations Excluded From "CAPS"	<u>\$ 2,625,530</u>	<u>\$ 2,625,530</u>	<u>\$ 2,561,946</u>	<u>\$ 63,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Detail:							
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other Expenses	\$ 2,625,530	\$ 2,625,530	\$ 2,561,946	\$ 63,584	\$ -	\$ -	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>							
Capital Improvement Fund	\$ 130,000	\$ 130,000	\$ 130,000	\$ -	\$ -	\$ -	-
Down Payment on Improvements	-	-	-	-	-	-	-
	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2009

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Bond Principal	\$ 1,725,000	\$ 1,725,000	\$ 1,725,000	\$ -	\$ -	-
Bond Interest	286,367	286,367	286,367	-	-	-
Note Principal	265,000	265,000	265,000	-	-	-
Note Interest	192,125	192,125	191,478	-	647	-
Emergency Note Interest	27,400	27,400	27,400	-	-	-
Green Trust Loan Principal	30,150	30,150	30,150	-	-	-
Green Trust Loan Interest	3,993	3,993	3,993	-	-	-
Green Trust Loan Principal	12,366	12,366	12,366	-	-	-
Green Trust Loan Interest	2,499	2,499	2,499	-	-	-
Green Trust Loan Principal	5,564	5,564	5,564	-	-	-
Green Trust Loan Interest	1,124	1,124	1,124	-	-	-
Green Trust Loan Principal	11,247	11,247	11,247	-	-	-
Green Trust Loan Interest	4,765	4,765	4,765	-	-	-
Green Trust Loan Principal	8,479	8,479	8,479	-	-	-
Green Trust Loan Interest	3,958	3,958	3,958	-	-	-
N.J.E.I.T. Loan Principal	10,521	10,521	10,521	-	-	-
N.J.E.I.T. Loan Interest	2,401	2,401	1,512	-	889	-
	<u>\$ 2,592,959</u>	<u>\$ 2,592,959</u>	<u>\$ 2,591,423</u>	<u>\$ -</u>	<u>\$ 1,536</u>	<u>\$ -</u>
DEFERRED CHARGES						
Emergency Authorizations	\$ 567,380	\$ 567,380	\$ 567,380	\$ -	\$ -	-
Special Emergency Authorizations - 5 Years (-	-	-	-	-	-
Special Emergency Authorizations - 3 Years (-	-	-	-	-	-
	<u>\$ 567,380</u>	<u>\$ 567,380</u>	<u>\$ 567,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
JUDGMENTS						
Judgments (N.J.S. 40A:4-45.3c)	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ -	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2009

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
Total General Appropriations - Excluded From "CAPS"	\$ 5,940,869	\$ 5,940,869	\$ 5,850,749	\$ 88,584	\$ 1,536	\$ -
Sub-Total General Appropriations	\$ 25,028,235	\$ 25,228,235	\$ 24,363,388	\$ 863,311	\$ 1,536	\$ -
Reserve for Uncollected Taxes	\$ 259,243	\$ 259,243	\$ 259,243	\$ -	\$ -	\$ -
Total General Appropriations	\$ 25,287,478	\$ 25,487,478	\$ 24,622,631	\$ 863,311	\$ 1,536	\$ -
Budget as Adopted	\$ 25,287,478	\$ 25,287,478				
Added by N.J.S. 40A:4-87	-	-				
Emergency Appropriations	-	200,000				
	\$ 25,287,478	\$ 25,487,478				
Other Charges to Income:						
Local District School Tax		\$ 32,514,298	\$ 32,514,298			
County Tax		4,391,816	4,391,816			
Added County Tax		-	6,512			
County Open Space Tax		249,750	249,750			
Added County Open Space Tax		-	382			
Interfund Advances Originating		-	3,600			
Prepaid Local District School Tax		-	-			
Refund of Prior Year Revenue		-	184,328			
		\$ 37,155,864	\$ 37,350,686			

BOROUGH OF LODI
STATEMENT OF ASSETS, LIABILITIES AND RESERVES (Statutory Basis)
FEDERAL AND STATE GRANT FUND

	2009	2008	2007	2006	2005
<u>ASSETS</u>					
Cash	\$ 109,435	\$ 103,360	\$ 77,661	\$ 61,159	\$ 175,153
Intergovernmental Receivable:					
Grants Receivable	\$ 85,450	\$ 90,794	\$ 135,351	\$ 522,161	\$ 233,234
Total Assets	<u>\$ 194,885</u>	<u>\$ 194,154</u>	<u>\$ 213,012</u>	<u>\$ 583,320</u>	<u>\$ 408,387</u>
<u>RESERVES</u>					
Other Liabilities and Reserves:					
Appropriated Reserves	\$ 136,797	\$ 159,594	\$ 179,647	\$ 552,677	\$ 373,157
Unappropriated Reserves	58,088	34,560	33,365	30,643	35,230
Total Reserves	<u>\$ 194,885</u>	<u>\$ 194,154</u>	<u>\$ 213,012</u>	<u>\$ 583,320</u>	<u>\$ 408,387</u>

BOROUGH OF LODI
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
FEDERAL AND STATE GRANT FUND
Year Ended June 30, 2009

Program	Balance June 30, 2008	Revenue Realized	Received	Adjustments	Balance June 30, 2009
Federal:					
	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State:					
Child Passenger Safety Education Grant	3,699	-	-	(3,699)	-
Click it or Ticket Program	1,400	4,000	3,900	(1,500)	-
Municipal Alliance on Alcoholism and Drug Abuse	19,355	13,500	7,615	(567)	24,673
Safe Streets to Schools Program	35,406	-	-	-	35,406
	<u>\$ 59,860</u>	<u>\$ 17,500</u>	<u>\$ 11,515</u>	<u>\$ (5,766)</u>	<u>\$ 60,079</u>
Other:					
Bergen County Prosecutor's Office - Confiscated Funds	30,934	-	5,563	-	25,371
	<u>\$ 30,934</u>	<u>\$ -</u>	<u>\$ 5,563</u>	<u>\$ -</u>	<u>\$ 25,371</u>
	<u>\$ 90,794</u>	<u>\$ 17,500</u>	<u>\$ 17,078</u>	<u>\$ (5,766)</u>	<u>\$ 85,450</u>

BOROUGH OF LODI
STATEMENT OF APPROPRIATED RESERVES
FEDERAL AND STATE GRANT FUND
Year Ended June 30, 2009

Program	Balance June 30, 2008	Amount Budgeted	Paid or Charged	Adjustments	Balance June 30, 2009
Federal:					
U.S. Department of Homeland Security:					
Assistance to Firefighters Grant Program-					
Operations & Firefighter Safety					
Federal	\$ -	\$ -	\$ -	\$ -	-
Local	-	-	-	-	-
Office of Justice Programs - COPS:					
Federal Share - Salaries and Wages	-	47,976	45,946	(2,030)	-
Local Share - Salaries and Wages	-	89,100	85,328	(3,772)	-
Federal Share - Other Expenses	-	13,452	12,935	(517)	-
Local Share - Other Expenses	-	24,981	24,025	(956)	-
	<u>\$ -</u>	<u>\$ 175,509</u>	<u>\$ 168,234</u>	<u>\$ (7,275)</u>	<u>\$ -</u>
State:					
Special Legislative Grant	\$ 20	\$ -	\$ 20	\$ -	-
Drunk Driving Enforcement Fund:					
Salaries and Wages	-	2,707	1,251	-	1,456
Other Expenses	-	2,707	2,358	-	349
Drunk Driving Enforcement Fund:					
Salaries and Wages	2,800	-	-	-	2,800
Other Expenses	2,797	-	2,797	-	-
Drunk Driving Enforcement Fund:					
Salaries and Wages	11,445	-	-	-	11,445
Other Expenses	11,415	-	11,415	-	-
Clean Communities Program:					
Salaries and Wages	-	1,200	-	-	1,200
Other Expenses	-	23,143	23,143	-	-
Recycling Tonnage Grant	-	4,214	-	-	4,214
State Police HMTUSA	32	-	32	-	-
Alcohol Education Rehabilitation Program	-	589	-	-	589
Alcohol Education Rehabilitation Program	226	-	-	-	226
Alcohol Education Rehabilitation Program	11,782	-	-	-	11,782
Division of Criminal Justice Body Armor Fund	4,526	-	2,006	-	2,520
Division of Criminal Justice Body Armor Fund	3,941	-	3,941	-	-
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	-	12,933	2,490	-	10,443
Local Share	-	3,375	3,375	-	-
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	13,500	-	-	-	13,500
Local Share	3,375	-	-	-	3,375
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	15,717	-	-	-	15,717
Local Share	-	-	-	-	-
B.C. Prosecutor Confiscated Funds	30,934	-	5,563	(20)	25,351
B.C. Prosecutor Confiscated Funds	23	-	-	-	23
Municipal Stormwater Regulation Program	5,149	-	5,149	-	-
Statewide Local Domestic Preparedness Equipment G	-	-	-	-	-
Safe Streets to Schools Program	31,807	-	-	-	31,807
Child Passenger Safety Education Grant:					
Salaries and Wages	1,035	-	-	(1,035)	-
Other Expenses	1,462	-	-	(1,462)	-
Click It or Ticket Program	-	4,000	3,900	(100)	-
Click It or Ticket Program	1,400	-	-	(1,400)	-
GDL Enforcement & Education:					
Salaries and Wages	-	-	-	-	-
	<u>\$ 153,386</u>	<u>\$ 54,868</u>	<u>\$ 67,440</u>	<u>\$ (4,017)</u>	<u>\$ 136,797</u>
Other:					
BCUA Municipal Recycling Assistance Program:					
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	-
Other Expenses	6,208	-	6,208	-	-
	<u>\$ 6,208</u>	<u>\$ -</u>	<u>\$ 6,208</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 159,594</u>	<u>\$ 230,377</u>	<u>\$ 241,882</u>	<u>\$ (11,292)</u>	<u>\$ 136,797</u>

BOROUGH OF LODI
STATEMENT OF UNAPPROPRIATED RESERVES
FEDERAL AND STATE GRANT FUND
Year Ended June 30, 2009

Program	Balance June 30, 2008	Amount Budgeted	Amount Received	Adjustments	Balance June 30, 2009
Drunk Driving Enforcement Fund	\$ 589	\$ 589	\$ 743	\$ -	\$ 743
Clean Communities Program	5,414	5,414	3,984	-	3,984
Alcohol Education Rehabilitation Program	4,214	4,214	13,018	-	13,018
Recycling Tonnage Grant	24,343	24,343	31,270	-	31,270
Body Armor Fund	-	-	4,073	-	4,073
Smart Future Grant	-	-	5,000	-	5,000
	<u>\$ 34,560</u>	<u>\$ 34,560</u>	<u>\$ 58,088</u>	<u>\$ -</u>	<u>\$ 58,088</u>

BOROUGH OF LODI
STATEMENT OF ASSETS, LIABILITIES AND RESERVES (Statutory Basis)
TRUST FUND

	Payroll Agency Trust	Dog License Trust	Escrow Deposits	Other Trust	Employee Benefit Trust	Downtown Redevelopment Trust	Route 46 Redevelopment Trust	Deferred Compensation Plans	2009 Total	2008	2007	2006
ASSETS												
Cash	\$ 17,426	\$ 6,497	\$ 232,343	\$ 573,766	\$ 14,282	\$ 26,436	\$ 12,853	\$ -	\$ 883,603	\$ 914,744	\$ 993,297	\$ 1,318,031
Deferred Compensation Assets:												
Nationwide Retirement Solutions, Inc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 852,440	\$ 852,440	\$ 835,084	\$ 792,436	\$ 688,288
ING	-	-	-	-	-	-	-	940,228	940,228	962,354	932,434	760,587
Lincoln National Life Insurance Co.	-	-	-	-	-	-	-	173,916	173,916	178,785	169,036	113,589
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,966,584	\$ 1,966,584	\$ 1,976,223	\$ 1,893,906	\$ 1,562,464
Interfund Receivable:												
Current Fund	\$ -	\$ -	\$ 45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45	\$ 66	\$ 180	\$ -
Total Assets	\$ 17,426	\$ 6,497	\$ 232,388	\$ 573,766	\$ 14,282	\$ 26,436	\$ 12,853	\$ 1,966,584	\$ 2,850,232	\$ 2,891,033	\$ 2,887,383	\$ 2,880,495
LIABILITIES AND RESERVES												
Interfund Payable:												
Current Fund	\$ -	\$ -	\$ -	\$ 3,600	\$ -	\$ -	\$ -	\$ -	\$ 3,600	\$ 2,654	\$ 164	\$ 1,828
Intergovernmental Payable:												
State of New Jersey	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20	\$ 34	\$ 23	\$ 15
Other Liabilities and Reserves:												
Net Payroll and Withholdings Payable	\$ 17,426	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,426	\$ 20,267	\$ 24,534	\$ 11,097
Reserve for Dog Expenditures	-	6,477	-	-	-	-	-	-	6,477	6,715	6,463	6,495
Reserve for Developer's Escrow Deposits	-	-	232,388	-	-	-	-	-	232,388	376,000	464,525	466,127
Reserve for Employee Benefit Expenditures	-	-	-	-	14,282	-	-	-	14,282	52,820	55,659	256,853
Reserve for Recycling Expenditures	-	-	-	-	-	-	-	-	-	-	8,144	8,144
Reserve for Uniform Fire Safety Expenditures	-	-	-	-	-	-	-	-	-	2,036	6,034	6,693
Reserve for Fire Department/Code Enforcement Penalty	-	-	-	65,218	-	-	-	-	65,218	20,255	16,156	240
Reserve for Parking Offenses Adjudication Act Expenditu	-	-	-	43,844	-	-	-	-	43,844	38,375	38,370	34,172
Reserve for Tax Sale Premiums	-	-	-	366,000	-	-	-	-	366,000	161,700	225,100	338,700
Reserve for Outside Police Employment Expenditures	-	-	-	33,958	-	-	-	-	33,958	50,226	68,340	143,178
Reserve for Cable TV Franchise Fees	-	-	-	4,403	-	-	-	-	4,403	8,178	13,491	24,328
Reserve for April '07 Nor'easter Expenditures	-	-	-	56,743	-	-	-	-	56,743	123,980	17,893	-
Reserve for Disaster Victims Expenditures	-	-	-	-	-	-	-	-	-	-	30,000	-
Reserve for Downtown Redevelopment Expenditures	-	-	-	-	-	26,436	-	-	26,436	38,717	5,728	3,668
Reserve for Route 46 Redevelopment Expenditures	-	-	-	-	-	-	12,853	-	12,853	12,853	12,853	16,493
Reserve for Deferred Compensation Plan	-	-	-	-	-	-	-	1,966,584	1,966,584	1,976,223	1,893,906	1,562,464
Total Other Liabilities and Reserves	\$ 17,426	\$ 6,477	\$ 232,388	\$ 570,166	\$ 14,282	\$ 26,436	\$ 12,853	\$ 1,966,584	\$ 2,846,612	\$ 2,888,345	\$ 2,887,196	\$ 2,878,652
Total Liabilities and Reserves	\$ 17,426	\$ 6,497	\$ 232,388	\$ 573,766	\$ 14,282	\$ 26,436	\$ 12,853	\$ 1,966,584	\$ 2,850,232	\$ 2,891,033	\$ 2,887,383	\$ 2,880,495

BOROUGH OF LODI
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE (Statutory Basis)
GENERAL CAPITAL FUND

	2009	2008	2007	2006	2005
ASSETS					
Cash:					
Checking Account	\$ 4,432,410	\$ 3,013,185	\$ 2,527,322	\$ 1,951,524	\$ 1,898,300
Green Trust Account	-	-	-	257,500	269,007
Gregg Street Drainage Improvement Account	-	-	-	-	-
Railroad Plaza Development A/C	4,650,893	-	-	-	-
Refunding Bond Escrow Account	-	-	-	-	-
	<u>\$ 9,083,303</u>	<u>\$ 3,013,185</u>	<u>\$ 2,527,322</u>	<u>\$ 2,209,024</u>	<u>\$ 2,167,307</u>
Interfund Receivable:					
Current Fund	\$ 704	\$ 3,392	\$ 83,169	\$ 874	\$ 15,557
Intergovernmental Receivable:					
State of New Jersey - Department of Transportation	\$ 427,923	\$ 343,815	\$ 345,924	\$ 466,500	\$ 395,277
State of New Jersey - Economic Improvement Authority	-	-	-	43,168	43,168
State of New Jersey - Department of Environmental Protection	-	-	600,000	600,000	257,500
State of New Jersey - Department of Community Affairs	13,500	13,500	13,500	33,500	53,500
Bergen County Open Space	200,000	200,000	200,000	200,000	-
Bergen County Community Development	1,344,518	1,310,969	1,228,146	1,158,552	1,042,997
	<u>\$ 1,985,941</u>	<u>\$ 1,868,284</u>	<u>\$ 2,387,570</u>	<u>\$ 2,501,720</u>	<u>\$ 1,792,442</u>
Deferred Charges:					
Funded	\$ 6,722,179	\$ 8,093,578	\$ 9,737,426	\$ 11,339,900	\$ 12,603,663
Unfunded	16,672,062	8,193,350	6,536,400	4,310,500	3,030,000
	<u>\$ 23,394,241</u>	<u>\$ 16,286,928</u>	<u>\$ 16,273,826</u>	<u>\$ 15,650,400</u>	<u>\$ 15,633,663</u>
Total Assets	<u>\$ 34,464,189</u>	<u>\$ 21,171,789</u>	<u>\$ 21,271,887</u>	<u>\$ 20,362,018</u>	<u>\$ 19,608,969</u>
LIABILITIES AND RESERVES					
Other Liabilities and Reserves:					
Capital Improvement Fund	\$ 5,950	\$ 25,950	\$ 5,950	\$ -	\$ 849
Accrued Interest	3,027	3,027	3,027	3,027	3,027
Reserve for Purchase of Ambulance	-	-	-	-	75,000
Reserve for Refunding Bonds	-	-	-	-	-
Reserve for Refunding Bonds Cost of Issuance	-	-	-	-	-
Reserve for N.J. Department of Transportation Grants Receivable	113,673	179,565	311,675	336,500	395,277
Reserve for Community Development Block Grants Receivable	255,292	386,146	386,147	437,865	637,997
Reserve for Gregg Street Drainage Ditch Improvements	-	-	-	-	-
Reserve for Railroad Plaza	893	-	-	-	-
Reserve for Payment of Bonds	497,821	243,310	-	-	264,903
Reserve for Payment of Bond Anticipation Notes	-	95,000	-	-	-
	<u>\$ 876,656</u>	<u>\$ 932,998</u>	<u>\$ 706,799</u>	<u>\$ 777,392</u>	<u>\$ 1,377,053</u>
Improvement Authorizations:					
Funded	\$ 1,502,854	\$ 1,204,183	\$ 1,299,342	\$ 2,094,066	\$ 2,123,504
Unfunded	8,685,510	2,336,550	2,986,992	1,839,649	1,176,739
	<u>\$ 10,188,364</u>	<u>\$ 3,540,733</u>	<u>\$ 4,286,334</u>	<u>\$ 3,933,715</u>	<u>\$ 3,300,243</u>
Serial Bonds Payable	\$ 5,641,000	\$ 7,366,000	\$ 8,941,000	\$ 10,481,000	\$ 11,946,000
Loans Payable	\$ 1,081,179	\$ 1,133,780	\$ 796,426	\$ 858,901	\$ 657,663
Bond Anticipation Notes Payable	\$ 16,672,062	\$ 8,193,350	\$ 6,536,400	\$ 4,310,500	\$ 2,327,500
Fund Balance	\$ 4,928	\$ 4,928	\$ 4,928	\$ 510	\$ 510
Total Liabilities and Reserves	<u>\$ 34,464,189</u>	<u>\$ 21,171,789</u>	<u>\$ 21,271,887</u>	<u>\$ 20,362,018</u>	<u>\$ 19,608,969</u>

BOROUGH OF LODI
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
GENERAL CAPITAL FUND
Year Ended June 30, 2009

E-2

Improvement Description	Balance June 30, 2008	Authorized	Notes Paid by Budget Appropriation	Deferred Charges Paid by Budget Appropriation	Adjustments	Balance June 30, 2009	Analysis of June 30, 2009 Balance			
							Financed by BANs	Deficit Cash Balance	Unexpended Balance of BANs	Improvement Authorizations Unfunded
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	407,000	-	17,000	-	-	390,000	390,000	-	-	-
#202-23 Route 46 Redevelopment - Phase I	79,000	-	4,000	-	-	75,000	75,000	-	-	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	201,500	-	9,000	-	-	192,500	192,500	-	-	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	132,500	-	5,000	-	-	127,500	127,500	-	-	-
#404-06 Downtown Redevelopment - Phase I (Supplemental #2)	219,500	-	9,000	-	-	210,500	210,500	-	-	-
#505-19 Downtown Redevelopment - Phase III	558,000	-	12,000	-	-	546,000	546,000	-	-	-
#505-20 Downtown Redevelopment - Phase IV	937,000	-	13,000	-	-	924,000	924,000	-	-	-
#505-24 Improvement of Memorial Park (Supplemental)	95,000	-	95,000	-	-	-	-	-	-	-
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	-	53,000	-	-	422,000	422,000	-	-	-
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	-	3,500	-	-	56,500	56,500	-	-	-
#606-04 SFY 2006 Shade Tree Program	2,000	-	100	-	-	1,900	1,900	-	-	-
#606-05 Acquisition of Ambulance	61,000	-	6,900	-	-	54,100	54,100	-	-	-
#606-10 Improvement of Charles Street - Section II	80,000	-	4,500	-	-	75,500	75,500	-	-	-
#606-11 Removal of Underground Storage Tanks	95,000	-	4,000	-	-	91,000	91,000	-	-	-
#606-14 Improvements to Municipal Facilities	95,000	-	4,000	-	-	91,000	91,000	-	-	-
#606-15 Improvements to Kennedy Park	700,000	-	25,000	-	(200,000)	475,000	475,000	-	-	-
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	-	-	-	-	24,400	24,400	-	-	-
#707-03 Improvement of Garibaldi Avenue	13,000	-	-	-	-	13,000	13,000	-	-	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	-	-	-	-	475,000	475,000	-	-	-
#707-05 Improvements to Municipal Facilities	95,000	-	-	-	-	95,000	95,000	-	-	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	-	-	-	-	237,500	237,500	-	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	1,425,000	-	-	-	-	1,425,000	1,425,000	-	-	-
#808-03 Downtown Redevelopment - Phase I (Supplemental)	237,500	-	-	-	-	237,500	237,500	-	-	-
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	475,000	-	-	-	-	475,000	475,000	-	-	-
#808-05 Improvements to Municipal Facilities	95,000	-	-	-	-	95,000	95,000	-	-	-
#808-06 Computer System Upgrades	142,500	-	-	-	-	142,500	142,500	-	-	-
#808-07 Sanitary Sewer System Improvements	190,000	-	-	-	-	190,000	190,000	-	-	-
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	220,000	-	-	-	-	220,000	220,000	-	-	-
#808-09 Downtown Redevelopment - Phase III (Supplemental)	95,000	-	-	-	-	95,000	95,000	-	-	-
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	80,950	-	-	-	-	80,950	80,950	-	-	-
#808-24 Acquisition of New Street Sweeper	190,000	-	-	-	-	190,000	190,000	-	-	-
#909-11 Improvements to Sanitary Sewer System	-	475,000	-	-	-	475,000	475,000	-	-	-
#909-12 Downtown Redevelopment - Phase V	-	6,000,000	-	-	-	6,000,000	6,000,000	-	-	-
#909-13 Roof Improvements to Various Municipal Facilities	-	1,710,000	-	-	-	1,710,000	1,710,000	-	-	-
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Development)	-	88,712	-	-	-	88,712	88,712	-	-	-
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	-	237,500	-	-	-	237,500	237,500	-	-	-
#909-16 Downtown Redevelopment - Phase 1 (Supplemental)	-	237,500	-	-	-	237,500	237,500	-	-	-
#909-19 Improvements to Various Municipal Facilities	-	95,000	-	-	-	95,000	95,000	-	-	-
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	-	100,000	-	-	-	100,000	100,000	-	-	-
	\$ 8,193,350	\$ 8,943,712	\$ 265,000	\$ -	\$ (200,000)	\$ 16,672,062	\$ 16,672,062	\$ -	\$ -	\$ -

BOROUGH OF LODI
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
GENERAL CAPITAL FUND
Year Ended June 30, 2009

E-3

Improvement Description	Date	Amount	Balance June 30, 2008		Authorized in SFY 2009				Balance June 30, 2009			
			Ordinance	Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded	Other	Paid or Charged	Canceled	Funded	Unfunded
#194-05/195-10 Construction and Installation of Various Capital Improvements	09/19/95											
#198-03 Reconstruction of Prospect Street - Phase II of III	03/16/98											
#200-11/202-12 Avenue A Sewer Improvements and Various Other Locations	04/17/00											
#201-10 Improvement of Hunter Street - Phase II of II	02/20/01	220,000	16,046	-	-	-	-	16,046	-	-	-	-
#201-16 Storm Water Drainage Improvements to Massey, Prospect and Union	06/18/01	150,000	2,282	-	-	-	-	1,597	-	685	-	-
#202-20 Improvement of a Portion of Kipp Avenue	06/17/02	200,000	4,211	-	-	-	-	4,211	-	-	-	-
#202-21 2001 Shade Tree Program	06/17/02	90,000	6,610	-	-	-	-	6,454	-	156	-	-
#202-24 Acquisition of Computer Equipment	06/17/02	40,000	350	-	-	-	-	350	-	-	-	-
#303-16 Hamilton Avenue Mini Park Improvements	05/19/03	50,000	48,999	-	-	-	-	-	-	48,999	-	-
#303-17 Improvement of Kipp Avenue - Phase II	05/19/03	150,000	15,920	-	-	-	-	1,834	-	14,086	-	-
#404-04 SFY 2004 Roadway Improvement Program	08/26/03	450,000	22,118	-	-	-	-	3,033	-	19,085	-	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	08/26/03	150,000	-	44,798	-	-	-	2,340	-	-	-	42,458
#505-04 SFY 2005 Shade Tree Program	09/20/04	100,000	68,056	-	-	-	-	68,056	-	-	-	-
#505-06 Acquisition of Senior Bus	09/20/04	60,000	11,068	-	-	-	-	-	-	11,068	-	-
#505-07 SFY 2005 Road, Curb and Sidewalk Improvement Program (CD)	09/20/04	415,000	40,253	-	-	-	-	35,643	-	4,610	-	-
#505-19 Downtown Redevelopment - Phase III	04/25/05	600,000	-	10,447	-	-	-	5,159	-	-	-	5,288
#505-24 Improvement of Memorial Park (Supplemental)	06/24/05	100,000	-	61,578	-	-	-	18,256	-	-	-	43,322
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	08/15/05	500,000	-	243,393	-	-	-	234,009	-	-	-	9,384
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	08/15/05	350,000	44,010	60,000	-	-	-	67,908	-	-	-	36,102
#606-04 SFY 2006 Shade Tree Program	08/15/05	42,500	-	1,339	-	-	-	1,339	-	-	-	-
#606-11 Removal of Underground Storage Tanks	09/19/05	100,000	-	75,972	-	-	-	637	-	-	-	75,335
#606-15 Improvements to Kennedy Park	02/27/06	1,500,000	-	53	-	-	-	40	-	-	-	13
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	10/10/06	350,000	324,769	24,400	-	-	-	138,626	-	186,143	-	24,400
#707-03 Improvement of Garibaldi Avenue	10/10/06	150,000	-	1,169	-	-	-	1,169	-	-	-	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	10/10/06	500,000	8,236	475,000	-	-	-	64,491	-	-	-	418,745
#707-05 Improvements to Municipal Facilities	10/10/06	100,000	-	3,870	-	-	-	2,766	-	-	-	1,104
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	11/20/06	1,500,000	-	77,583	-	-	-	76,461	-	-	-	1,122
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	08/20/07	500,000	24,410	475,000	-	-	-	24,537	-	-	-	474,873
#808-05 Improvements to Municipal Facilities	09/17/07	100,000	310	95,000	-	-	-	95,101	-	-	-	209
#808-06 Computer System Upgrades	09/17/07	150,000	-	1,703	-	-	-	1,568	-	-	-	135
#808-07 Sanitary Sewer System Improvements	09/17/07	200,000	9,410	190,000	-	-	-	193,243	-	-	-	6,167
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	10/15/07	350,000	129,268	220,000	-	-	-	10,800	-	118,468	-	220,000
#808-09 Downtown Redevelopment - Phase III (Supplemental)	10/15/07	100,000	-	4,296	-	-	-	155	-	-	-	4,141
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	10/15/07	500,000	418,460	80,950	-	-	-	159,842	-	258,618	-	80,950
#808-24 Acquisition of New Street Sweeper	02/11/08	200,000	9,398	190,000	-	-	-	161	-	9,237	-	190,000
#909-11 Improvements to Sanitary Sewer System	03/26/09	500,000	-	-	500,000	-	-	68,386	-	-	-	431,614
#909-12 Downtown Redevelopment - Phase V	05/29/09	6,000,000	-	-	6,000,000	-	-	1,356,440	-	-	-	4,643,560
#909-13 Roof Improvements to Various Municipal Facilities	03/26/09	1,800,000	-	-	1,800,000	-	-	3,786	-	86,214	-	1,710,000
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Development)	03/26/09	450,000	-	-	450,000	-	-	1,101	-	360,187	-	88,712
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	03/26/09	250,000	-	-	250,000	-	-	1,101	-	236,399	-	12,500
#909-16 Downtown Redevelopment - Phase 1 (Supplemental)	03/26/09	250,000	-	-	250,000	-	-	250,000	-	-	-	-
#909-19 Improvements to Various Municipal Facilities	03/26/09	100,000	-	-	100,000	-	-	34,624	-	-	-	65,376
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	03/26/09	250,000	-	-	250,000	-	-	1,101	-	148,899	-	100,000
			\$ 1,204,184	\$ 2,336,551	\$ 9,600,000	\$ -	\$ -	\$ 2,952,371	\$ -	\$ 1,502,854	\$ 8,685,510	

BOROUGH OF LODI
STATEMENT OF SERIAL BONDS PAYABLE
GENERAL CAPITAL FUND
Year Ended June 30, 2009

<u>Date of Issue - Purpose</u>	<u>Interest Rate</u>	<u>Amount of Issue</u>	<u>Balance June 30, 2008</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance June 30, 2009</u>
06/15/01 Refunding Bonds	4.00%	5,630,000	\$ 580,000	\$ -	\$ 580,000	\$ -
03/15/03 Pension Refunding Bonds	Various	1,270,000	1,230,000	-	620,000	610,000
04/15/99 General Improvement Bonds	4.35%	5,431,000	2,056,000	-	500,000	1,556,000
06/15/05 General Improvement Bonds	3.697759%	3,550,000	3,500,000	-	25,000	3,475,000
			<u>\$ 7,366,000</u>	<u>\$ -</u>	<u>\$ 1,725,000</u>	<u>\$ 5,641,000</u>

BOROUGH OF LODI
STATEMENT OF LOANS PAYABLE
GENERAL CAPITAL FUND
Year Ended June 30, 2009

Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance June 30, 2008	Issued	Paid by Budget Appropriation	Balance June 30, 2009
Environmental Infrastructure Trust	2.00%	\$ 126,252	\$ 93,754	-	\$ 10,522	\$ 83,232
04/8/98 Green Trust Loan	2.00%	490,000	207,144	-	30,150	176,994
02/28/98 Green Trust Loan	2.00%	234,007	128,030	-	12,366	115,664
09/21/98 Green Trust Loan	2.00%	103,000	57,607	-	5,564	52,043
6/5/06 Green Trust Loan	2.00%	257,500	447,245	25,727	11,247	461,725
10/15/07 Green Trust Loan	2.00%	200,000	200,000	-	8,479	191,521
			<u>\$ 1,133,780</u>	<u>\$ 25,727</u>	<u>\$ 78,328</u>	<u>\$ 1,081,179</u>

**BOROUGH OF LODI
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended June 30, 2009**

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Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance June 30, 2008	Increased by		Decreased by			Balance June 30, 2009
							New Cash	Renewal	Budget Appropriation Paydown	Renewal	Grant Received	
No. 08-2R												
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	475,000	06/28/02	03/26/08	03/26/09	1.820%	\$ 407,000	\$ -	\$ -	\$ 17,000	\$ 390,000	\$ -	\$ -
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	03/26/08	03/26/09	1.820%	79,000	-	-	4,000	75,000	-	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	237,500	07/22/02	03/26/08	03/26/09	1.820%	201,500	-	-	9,000	192,500	-	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	06/25/04	03/26/08	03/26/09	1.820%	132,500	-	-	5,000	127,500	-	-
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	03/26/08	03/26/09	1.820%	219,500	-	-	9,000	210,500	-	-
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	03/26/08	03/26/09	1.820%	558,000	-	-	12,000	546,000	-	-
#505-20 Downtown Redevelopment - Phase IV	600,000	06/03/05	03/26/08	03/26/09	1.820%	937,000	-	-	13,000	924,000	-	-
#505-24 Improvements to Memorial Park (Supplemental Funding)	95,000	04/26/06	03/26/08	03/26/09	1.820%	95,000	-	-	95,000	-	-	-
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	04/26/06	03/26/08	03/26/09	1.820%	475,000	-	-	53,000	422,000	-	-
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	04/26/06	03/26/08	03/26/09	1.820%	60,000	-	-	3,500	56,500	-	-
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	03/26/08	03/26/09	1.820%	2,000	-	-	100	1,900	-	-
#606-05 Acquisition of Ambulance	61,000	04/26/06	03/26/08	03/26/09	1.820%	61,000	-	-	6,900	54,100	-	-
#606-10 Improvement of Charles Street - Section II	80,000	04/26/06	03/26/08	03/26/09	1.820%	80,000	-	-	4,500	75,500	-	-
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	03/26/08	03/26/09	1.820%	95,000	-	-	4,000	91,000	-	-
#606-14 Improvements to Municipal Facilities	95,000	04/26/06	03/26/08	03/26/09	1.820%	95,000	-	-	4,000	91,000	-	-
#606-15 Improvements to Kennedy Park	700,000	04/26/06	03/26/08	03/26/09	1.820%	700,000	-	-	25,000	475,000	200,000	-
#808-24 Acquisition of New Street Sweeper	190,000	03/26/08	03/26/08	03/26/09	1.820%	190,000	-	-	-	190,000	-	-
						\$ 4,387,500	\$ -	\$ -	\$ 265,000	\$ 3,922,500	\$ 200,000	\$ -
No. 08-1R												
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	01/19/07	01/18/08	01/16/09	2.950%	\$ 24,400	\$ -	\$ -	\$ -	\$ 24,400	\$ -	\$ -
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	01/18/08	01/16/09	2.950%	13,000	-	-	-	13,000	-	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/19/07	01/18/08	01/16/09	2.950%	475,000	-	-	-	475,000	-	-
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	01/18/08	01/16/09	2.950%	95,000	-	-	-	95,000	-	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	01/18/08	01/16/09	2.950%	237,500	-	-	-	237,500	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	1,425,000	01/19/07	01/18/08	01/16/09	2.950%	1,425,000	-	-	-	1,425,000	-	-
#808-03 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/18/08	01/18/08	01/16/09	2.950%	237,500	-	-	-	237,500	-	-
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/18/08	01/18/08	01/16/09	2.950%	475,000	-	-	-	475,000	-	-
#808-05 Improvements to Municipal Facilities	95,000	01/18/08	01/18/08	01/16/09	2.950%	95,000	-	-	-	95,000	-	-
#808-06 Computer System Upgrades	142,500	01/18/08	01/18/08	01/16/09	2.950%	142,500	-	-	-	142,500	-	-
#808-07 Sanitary Sewer System Improvements	190,000	01/18/08	01/18/08	01/16/09	2.950%	190,000	-	-	-	190,000	-	-
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	220,000	01/18/08	01/18/08	01/16/09	2.950%	220,000	-	-	-	220,000	-	-
#808-09 Downtown Redevelopment - Phase III (Supplemental)	95,000	01/18/08	01/18/08	01/16/09	2.950%	95,000	-	-	-	95,000	-	-
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	80,950	01/18/08	01/18/08	01/16/09	2.950%	80,950	-	-	-	80,950	-	-
						\$ 3,805,850	\$ -	\$ -	\$ -	\$ 3,805,850	\$ -	\$ -

BOROUGH OF LODI
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended June 30, 2009

E-6

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance June 30, 2008	Increased by		Decreased by			Balance June 30, 2009
							New Cash	Renewal	Budget Appropriation Paydown	Renewal	Grant Received	
No. 09-2R												
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	475,000	06/28/02	03/26/09	03/26/10	3.000%	\$ -	\$ -	\$ 390,000	\$ -	\$ -	\$ -	\$ 390,000
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	03/26/09	03/26/10	3.000%	-	-	75,000	-	-	-	75,000
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	237,500	07/22/02	03/26/09	03/26/10	3.000%	-	-	192,500	-	-	-	192,500
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	06/25/04	03/26/09	03/26/10	3.000%	-	-	127,500	-	-	-	127,500
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	03/26/09	03/26/10	3.000%	-	-	210,500	-	-	-	210,500
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	03/26/09	03/26/10	3.000%	-	-	546,000	-	-	-	546,000
#505-20 Downtown Redevelopment - Phase IV	600,000	06/03/05	03/26/09	03/26/10	3.000%	-	-	924,000	-	-	-	924,000
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	04/26/06	03/26/09	03/26/10	3.000%	-	-	422,000	-	-	-	422,000
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	04/26/06	03/26/09	03/26/10	3.000%	-	-	56,500	-	-	-	56,500
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	03/26/09	03/26/10	3.000%	-	-	1,900	-	-	-	1,900
#606-05 Acquisition of Ambulance	61,000	04/26/06	03/26/09	03/26/10	3.000%	-	-	54,100	-	-	-	54,100
#606-10 Improvement of Charles Street - Section II	80,000	04/26/06	03/26/09	03/26/10	3.000%	-	-	75,500	-	-	-	75,500
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	03/26/09	03/26/10	3.000%	-	-	91,000	-	-	-	91,000
#606-14 Improvements to Municipal Facilities	95,000	04/26/06	03/26/09	03/26/10	3.000%	-	-	91,000	-	-	-	91,000
#606-15 Improvements to Kennedy Park	700,000	04/26/06	03/26/09	03/26/10	3.000%	-	-	475,000	-	-	-	475,000
#808-24 Acquisition of New Street Sweeper	190,000	03/26/08	03/26/09	03/26/10	3.000%	-	-	190,000	-	-	-	190,000
#909-11 Improvements to Sanitary Sewer System	475,000	03/26/09	03/26/09	03/26/10	3.000%	-	475,000	-	-	-	-	475,000
#909-13 Roof Improvements to Various Municipal Facilities	1,710,000	03/26/09	03/26/09	03/26/10	3.000%	-	1,710,000	-	-	-	-	1,710,000
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Developme	88,712	03/26/09	03/26/09	03/26/10	3.000%	-	88,712	-	-	-	-	88,712
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	237,500	03/26/09	03/26/09	03/26/10	3.000%	-	237,500	-	-	-	-	237,500
#909-16 Downtown Redevelopment - Phase 1 (Supplemental)	237,500	03/26/09	03/26/09	03/26/10	3.000%	-	237,500	-	-	-	-	237,500
#909-19 Imprvemets to Various Municipal Facilities	95,000	03/26/09	03/26/09	03/26/10	3.000%	-	95,000	-	-	-	-	95,000
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	100,000	03/26/09	03/26/09	03/26/10	3.000%	-	100,000	-	-	-	-	100,000
						\$ -	\$ 2,943,712	\$ 3,922,500	\$ -	\$ -	\$ -	\$ 6,866,212

**BOROUGH OF LODI
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended June 30, 2009**

E-6

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance June 30, 2008	Increased by		Decreased by			Balance June 30, 2009
							New Cash	Renewal	Budget Appropriation Paydown	Renewal	Grant Received	
<u>No. 09-2R</u>												
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	01/19/07	01/16/09	01/15/10	1.500%	\$ -	\$ -	\$ 24,400	\$ -	\$ -	\$ -	\$ 24,400
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	01/16/09	01/15/10	1.500%	-	-	13,000	-	-	-	13,000
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/19/07	01/16/09	01/15/10	1.500%	-	-	475,000	-	-	-	475,000
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	01/16/09	01/15/10	1.500%	-	-	95,000	-	-	-	95,000
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	01/16/09	01/15/10	1.500%	-	-	237,500	-	-	-	237,500
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	1,425,000	01/19/07	01/16/09	01/15/10	1.500%	-	-	1,425,000	-	-	-	1,425,000
#808-03 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/18/08	01/16/09	01/15/10	1.500%	-	-	237,500	-	-	-	237,500
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/18/08	01/16/09	01/15/10	1.500%	-	-	475,000	-	-	-	475,000
#808-05 Improvements to Municipal Facilities	95,000	01/18/08	01/16/09	01/15/10	1.500%	-	-	95,000	-	-	-	95,000
#808-06 Computer System Upgrades	142,500	01/18/08	01/16/09	01/15/10	1.500%	-	-	142,500	-	-	-	142,500
#808-07 Sanitary Sewer System Improvements	190,000	01/18/08	01/16/09	01/15/10	1.500%	-	-	190,000	-	-	-	190,000
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	220,000	01/18/08	01/16/09	01/15/10	1.500%	-	-	220,000	-	-	-	220,000
#808-09 Downtown Redevelopment - Phase III (Supplemental)	95,000	01/18/08	01/16/09	01/15/10	1.500%	-	-	95,000	-	-	-	95,000
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	80,950	01/18/08	01/16/09	01/15/10	1.500%	-	-	80,950	-	-	-	80,950
						<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,805,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,805,850</u>
<u>No. 09-1</u>												
#909-12 Downtown Redevelopment - Phase V	\$ 6,000,000	05/29/09	05/29/09	05/28/10	2.540%	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000
						<u>\$ 8,193,350</u>	<u>\$ 8,943,712</u>	<u>\$ 7,728,350</u>	<u>\$ 265,000</u>	<u>\$ 7,728,350</u>	<u>\$ 200,000</u>	<u>\$ 16,672,062</u>

BOROUGH OF LODI
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
GENERAL CAPITAL FUND
Year Ended June 30, 2009

E-7

Improvement Description	Balance June 30, 2008	Authorized	BANs Issued	Cancelled	Decreased	Balance June 30, 2009
#909-11 Improvements to Sanitary Sewer System	\$ -	475,000	475,000	\$ -	\$ -	-
#909-13 Roof Improvements to Vroius Municipal Facilities	-	1,710,000	1,710,000	-	-	-
#909-14 SFY 2009 Road, Curb & Sidewalk Program (CD)	-	88,712	88,712	-	-	-
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	-	237,500	237,500	-	-	-
#909-16 Downtown Redevelopment - Phase 1 (Supplemental)	-	237,500	237,500	-	-	-
#909-19 Imprvements to Various Municipal Facilities	-	95,000	95,000	-	-	-
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	-	100,000	100,000	-	-	-
#909-12 Downtown Redevelopment - Phase V	-	6,000,000	6,000,000	-	-	-
	<u>\$ -</u>	<u>\$ 8,943,712</u>	<u>\$ 8,943,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

BOROUGH OF LODI
STATEMENT OF ASSETS AND RESERVES (Statutory Basis)
GENERAL FIXED ASSET ACCOUNT GROUP

	2009	2008	2007	2006	2005
<u>ASSETS</u>					
Land	\$ 11,179,200	\$ 11,179,200	\$ 11,179,200	\$ 11,179,200	\$ 11,179,200
Land Improvements	344,800	344,800	344,800	344,800	344,800
Buildings	6,185,450	6,185,450	6,185,450	6,185,450	6,185,450
Machinery and Equipment	5,503,607	5,503,607	5,503,607	5,503,607	5,503,607
Underground Equipment	21,475	21,475	21,475	21,475	21,475
	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>

RESERVES

Reserve for General Fixed Assets	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>
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BOROUGH OF LODI

Comprehensive Annual Financial Report

Statistical Section

BOROUGH OF LODI
Adopted Budgets
(Unaudited)

	SFY 2009	SFY 2008	SFY 2007	SFY 2006	SFY 2005
<u>CURRENT FUND</u>					
<u>REVENUES</u>					
Fund Balance	\$ 325,000	\$ 340,000	\$ -	\$ -	\$ 362,931
Miscellaneous Revenues	6,823,022	7,046,264	6,050,332	7,034,375	6,319,189
Receipts From Delinquent Taxes	5,000	25,000	25,000	55,000	112,000
Amount to be Raised by Taxation	18,134,456	16,920,517	15,812,722	14,779,221	13,395,449
Total Revenues	<u>\$ 25,287,478</u>	<u>\$ 24,331,781</u>	<u>\$ 21,888,054</u>	<u>\$ 21,868,596</u>	<u>\$ 20,189,569</u>
<u>APPROPRIATIONS</u>					
Within "CAPS":					
Operations:					
Salaries and Wages	\$ 8,826,000	\$ 8,627,600	\$ 7,869,650	\$ 8,044,400	\$ 7,432,500
Other Expenses	8,289,450	7,856,450	7,747,055	4,187,000	4,023,276
Deferred Charges and Statutory Expenditures	1,971,916	407,240	345,000	697,437	569,077
Excluded From "CAPS":					
Operations:					
Salaries and Wages	-	-	-	220,000	-
Other Expenses	2,625,530	4,170,500	2,958,903	5,759,781	5,199,662
Capital Improvements	130,000	100,000	125,000	50,000	50,000
Municipal Debt Service	2,592,959	2,353,735	2,229,940	2,119,173	2,141,380
Deferred Charges	567,380	633,419	218,294	365,931	621,471
Judgments	25,000	25,000	250,000	298,891	63,891
Reserve for Uncollected Taxes	259,243	157,837	144,212	125,983	88,312
Total Appropriations	<u>\$ 25,287,478</u>	<u>\$ 24,331,781</u>	<u>\$ 21,888,054</u>	<u>\$ 21,868,596</u>	<u>\$ 20,189,569</u>

BOROUGH OF LODI
Ten Largest Taxpayers by Assessment
(Unaudited)

Taxpayer	CY 2009 Assessed Valuation	As a Percent of Total CY 2009 Net Valuations \$ 1,958,222,996
1. Cedar Wright Gardens (8 Properties)	\$ 36,652,800	1.87%
2. Vornado Realty Trust (2 Properties)	20,879,700	1.07%
3. Parker Properties c/o The Home Depot (3 Properties)	17,266,600	0.88%
4. Rothman, Leonard & Mildred (2 Properties)	13,154,700	0.67%
5. Vornado Lodi Delaware LLC (3 Properties)	12,415,400	0.63%
6. Lodi Market, LLC	11,345,700	0.58%
7. Kmart Corp. Property Tax Compliance	10,973,400	0.56%
8. 240 Associates c/o David F. Bolger	8,000,000	0.41%
9. Vista Garden Associates, LLC (2 Properties)	7,790,900	0.40%
10. McCain Ellio's Foods, Inc.	7,280,500	0.37%
	\$ 145,759,700	

BOROUGH OF LODI
Tax Levy and Collection Data
(Unaudited)

	SFY 2009	SFY 2008	SFY 2007	SFY 2006	SFY 2005
Total Tax Levy	\$ 55,266,054	\$ 54,494,788	\$ 52,015,213	\$ 48,665,837	\$ 45,409,146
Current Tax Collections	\$ 55,120,268	\$ 54,240,351	\$ 51,881,507	\$ 48,531,380	\$ 45,292,674
Percent of Tax Levy Collected	99.74%	99.53%	99.74%	99.72%	99.74%

BOROUGH OF LODI
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										
County Equalized Valuations		<u>1.33%</u>		<u>1.34%</u>		<u>1.35%</u>		<u>1.34%</u>		<u>1.31%</u>

BOROUGH OF LODI
Tax Rate Data
(Unaudited)

	2009	2008	2007	2006	2005
Net Valuations Taxable	\$ 1,958,222,996	\$ 1,963,204,181	\$ 1,950,189,705	\$ 1,933,645,536	\$ 1,928,946,700
TAX REQUIREMENTS					
County	\$ 4,534,510	\$ 4,264,738	\$ 4,010,583	\$ 3,651,048	\$ 3,370,245
County Open Space	250,124	244,564	234,208	206,974	178,661
Local School	33,109,897	32,600,375	32,197,863	30,833,980	29,241,551
Municipal	17,291,197	17,615,984	16,842,440	15,179,732	13,536,585
Total	<u>\$ 55,185,728</u>	<u>\$ 54,725,661</u>	<u>\$ 53,285,094</u>	<u>\$ 49,871,734</u>	<u>\$ 46,327,042</u>
TAX RATES					
County	0.232	0.218	0.206	0.189	0.175
County Open Space	0.013	0.013	0.010	0.010	0.010
Local School	1.691	1.661	1.651	1.595	1.516
Municipal	0.883	0.898	0.873	0.786	0.702
Total	<u>2.819</u>	<u>2.79</u>	<u>2.74</u>	<u>2.58</u>	<u>2.40</u>

BOROUGH OF LODI
Ratio of Annual Debt Service Appropriations to Total Current Fund Budget Appropriations
(Unaudited)

	<u>SFY 2009</u>	<u>SFY 2008</u>	<u>SFY 2007</u>	<u>SFY 2006</u>	<u>SFY 2005</u>
Serial Bonds:					
Principal	\$ 1,725,000	\$ 1,575,000	\$ 1,540,000	\$ 1,465,000	\$ 1,330,000
Interest	286,367	341,273	404,320	464,507	385,076
Notes:					
Principal	265,000	89,500	44,000	30,000	207,638
Interest	219,525	261,917	162,937	90,000	113,051
Loans:					
Principal	78,328	68,848	63,790	56,264	87,483
Interest	18,739	17,197	15,085	13,403	18,133
Sub-Total Debt Service	<u>\$ 2,592,959</u>	<u>\$ 2,353,735</u>	<u>\$ 2,230,132</u>	<u>\$ 2,119,174</u>	<u>\$ 2,141,381</u>
Less Revenue Off-Sets	-	-	-	-	(171,600)
Net Debt Service	<u>\$ 2,592,959</u>	<u>\$ 2,353,735</u>	<u>\$ 2,230,132</u>	<u>\$ 2,119,174</u>	<u>\$ 1,969,781</u>
Total Current Fund Budget Appropriations	<u>\$ 25,287,478</u>	<u>\$ 24,331,781</u>	<u>\$ 21,888,054</u>	<u>\$ 21,868,596</u>	<u>\$ 20,189,569</u>
Ratio of Debt Service to Current Fund Budget Appropriations	<u>10.25%</u>	<u>9.67%</u>	<u>10.19%</u>	<u>9.69%</u>	<u>9.76%</u>

BOROUGH OF LODI
Direct and Overlapping Debt
(Unaudited)

DIRECT DEBT

	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005
Municipal Debt (Net)	\$ 22,784,241	\$ 14,544,820	\$ 13,388,826	\$ 15,650,400	\$ 15,633,663
Local School Debt	1,455,000	1,785,000	2,105,000	2,410,000	2,995,000
	<u>\$ 24,239,241</u>	<u>\$ 16,329,820</u>	<u>\$ 15,493,826</u>	<u>\$ 18,060,400</u>	<u>\$ 18,628,663</u>

OVERLAPPING DEBT

	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004
(1) County Debt:					
Municipal Equalized Valuations	\$ 2,445,640,300	\$ 2,342,082,157	\$ 2,069,742,996	\$ 1,786,614,921	\$ 1,562,824,022
Total County Equalized Valuations	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626	\$ 136,528,998,442	\$ 121,601,699,827
	1.34%	1.35%	1.34%	1.31%	1.29%
X's Outstanding County Debt	1,102,573,565	1,087,757,268	825,597,736	808,502,305	651,460,590
	<u>\$ 14,774,486</u>	<u>\$ 14,684,723</u>	<u>\$ 11,063,010</u>	<u>\$ 10,591,380</u>	<u>\$ 8,403,842</u>

(2) Passaic Valley Sewerage Authority Debt

Municipal Sewer Flow Charges	\$ 1,465,106	\$ 1,434,906	\$ 1,367,245	\$ 1,109,343	\$ 968,084
Total Flow Charges	\$ 125,403,855	\$ 121,388,216	\$ 118,930,095	\$ 99,930,995	\$ 94,136,079
	1.17%	1.18%	1.15%	1.11%	1.03%
X's Outstanding Debt	293,890,682	305,405,498	316,172,356	285,797,506	294,049,501
	<u>\$ 3,438,521</u>	<u>\$ 3,603,785</u>	<u>\$ 3,635,982</u>	<u>\$ 3,172,352</u>	<u>\$ 3,028,710</u>

DEBT LIMIT - MUNICIPAL DEBT

Equalized Valuation Basis	\$ 2,402,224,264	\$ 2,256,079,114	\$ 2,042,779,832	\$ 1,789,204,841	\$ 1,557,211,389
Permitted Debt Limitation (3 1/2%)	84,077,849	78,962,769	71,497,294	62,622,169	54,502,399
Net Debt	22,784,241	14,544,820	13,388,826	15,650,400	15,633,663
Remaining Borrowing Power	<u>\$ 61,293,608</u>	<u>\$ 64,417,949</u>	<u>\$ 58,108,468</u>	<u>\$ 46,971,769</u>	<u>\$ 38,868,736</u>

DEBT LIMIT - SCHOOL DEBT

Equalized Valuation Basis	\$ 2,402,224,264	\$ 2,256,079,114	\$ 2,042,779,832	\$ 1,789,204,841	\$ 1,557,211,389
Permitted Debt Limitation (4%)	96,088,971	90,243,165	81,711,193	71,568,194	62,288,456
Net Debt	1,455,000	1,785,000	2,105,000	2,410,000	2,995,000
Remaining Borrowing Power	<u>\$ 94,633,971</u>	<u>\$ 88,458,165</u>	<u>\$ 79,606,193</u>	<u>\$ 69,158,194</u>	<u>\$ 59,293,456</u>

BOROUGH OF LODI
Ratio of Gross and Net Debt to County Equalized Value and Debt Per Capita
(Unaudited)

	SFY 2009	SFY 2008	SFY 2007	SFY 2006	SFY 2005
Population	23,776	23,776	23,776	23,819	23,899
County Equalized Valuation	\$ 2,445,640,300	\$ 2,342,082,157	\$ 2,069,742,996	\$ 1,786,614,921	\$ 1,562,824,022
Gross Debt	\$ 24,849,241	\$ 18,478,130	\$ 18,378,826	\$ 18,060,400	\$ 18,628,663
Gross Debt Per Capita	\$ 1,045	\$ 777	\$ 773	\$ 758	\$ 779
Ratio of Gross Debt to County Equalized Valuations	1.02%	0.79%	0.89%	1.01%	1.19%
Net Debt	\$ 22,784,241	\$ 14,544,820	\$ 13,388,826	\$ 11,700,400	\$ 10,378,760
Ratio of Net Debt to County Equalized Valuations	0.93%	0.62%	0.65%	0.65%	0.66%
Net Debt per Capita	\$ 958	\$ 612	\$ 563	\$ 491	\$ 434

BOROUGH OF LODI
Comparative Schedule of Delinquent Taxes and Tax Title Liens
(Unaudited)

	SFY 2009	SFY 2008	SFY 2007	SFY 2006	SFY 2005
Total Tax Levy	\$ 55,266,054	\$ 54,494,788	\$ 52,015,213	\$ 48,665,837	\$ 45,409,146
Current Tax Collections	\$ 55,120,268	\$ 54,240,351	\$ 51,881,507	\$ 48,531,380	\$ 45,292,674
% of Tax Levy Collected	<u>99.74%</u>	<u>99.53%</u>	<u>99.74%</u>	<u>99.72%</u>	<u>99.74%</u>
Tax Title Liens	\$ 284,219	\$ 258,175	\$ 225,592	\$ 209,429	\$ 144,346
Delinquent Taxes	2,183	2,634	7,117	71,621	80,242
Total Delinquent	\$ 286,402	\$ 260,809	\$ 232,709	\$ 281,050	\$ 224,588
Tax Levy	\$ 55,266,054	\$ 54,494,788	\$ 52,015,213	\$ 48,665,837	\$ 45,409,146
% of Delinquencies to Tax Levy	<u>0.52%</u>	<u>0.48%</u>	<u>0.45%</u>	<u>0.58%</u>	<u>0.49%</u>
Foreclosed Property: Assessed Valuation	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247

BOROUGH OF LODI
Comparative Schedule of Property Acquired by Tax Title Lien Liquidation
(Unaudited)

	SFY 2009	SFY 2008	SFY 2007	SFY 2006	SFY 2005	SFY 2004
Foreclosed Property:						
Assessed Valuation	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247

BOROUGH OF LODI
Comparison of Current Fund Balances Appropriated
(Unaudited)

	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005
Current Fund Balance Year End	\$ 1,354,518	\$ 1,210,656	\$ 851,968	\$ 310,276	\$ 275,175
Utilized in Budget of Succeeding Year	\$ 56,119	\$ 325,000	\$ 340,000	-	-
Percentage Utilized	4.14%	26.84%	39.91%	0.00%	0.00%

BOROUGH OF LODI
Comprehensive Annual Financial Report
Single Audit Section

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Public Accountants and Consultants

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

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

We have audited the financial statements of the Borough of Lodi in the County of Bergen, State of New Jersey, as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated December 31, 2009. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Lodi prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Compliance

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of it's compliance with certain provisions of laws, regulations, contracts, and grants, 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 an instance that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is described in the accompanying schedule of findings and questioned costs as item 09-01.

Di Maria & Di Maria LLP

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in
Accordance With Government Auditing Standards (Continued)**Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We consider item 09-01 to be a material weakness as described above.

This report is intended solely for the information and use of the Borough's management, council members, others within the organization, the Division of Local Government Services, and Federal and State awarding agencies and pass-through

DI MARIA & DI MARIA LLP
Public Accountants and Consultants

Frank R. Di Maria

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

December 31, 2009

BOROUGH OF LODI
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
Year Ended June 30, 2009

K-3

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period		Balance June 30, 2008	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2009	Deferred Revenue June 30, 2009	Due to Grantor June 30, 2009
			From	To									
Federal and State Grant Fund													
SFY 2008 Office of Justice Programs:													
Federal Share - Salaries and Wages	16.710	\$ 47,976	7/1/2008	6/30/2009	\$ -	\$ -	\$ 47,976	\$ (45,946)	\$ (2,030)	\$ -	\$ -	\$ -	\$ -
Local Share - Salaries and Wages	16.710	89,100	7/1/2008	6/30/2009	-	-	89,100	(85,328)	(3,772)	-	-	-	-
Federal Share - Other Expenses	16.710	13,452	7/1/2008	6/30/2009	-	-	13,452	(12,935)	(517)	-	-	-	-
Local Share - Other Expenses	16.710	24,981	7/1/2008	6/30/2009	-	-	24,981	(24,025)	(956)	-	-	-	-
Total Federal Financial Assistance					\$ -	\$ -	\$ 175,509	\$ (168,234)	\$ (7,275)	\$ -	\$ -	\$ -	\$ -

*Denotes Major Program

BOROUGH OF LODI
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2009

K-4

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2008	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2009	Deferred Revenue June 30, 2009	Due to Grantor June 30, 2009
			From	To									
Federal and State Grant Fund													
State of New Jersey, Department of Health --													
SFY 2009 Alcohol, Education, Rehabilitation and Enforcement Fund	046-760-4240	589	7/1/2008	6/30/2009	\$ -	\$ -	589	-	-	-	-	589	-
SFY 2008 Alcohol, Education, Rehabilitation and Enforcement Fund	046-760-4240	226	7/1/2007	6/30/2008	226	-	-	-	-	-	-	226	-
SFY 2005 Alcohol, Education, Rehabilitation and Enforcement Fund	046-760-4240		7/1/2004	6/30/2005	11,782	-	-	-	-	-	-	11,782	-
SFY 2009 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		13,500	7/1/2008	6/30/2009	-	-	13,500	-	(567)	-	(12,933)	25,866	-
Local Share		3,375	7/1/2008	6/30/2009	-	-	3,375	-	-	-	-	3,375	-
SFY 2008 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		13,500	7/1/2007	6/30/2008	13,500	-	1,759	-	-	-	(11,739)	26,998	-
Local Share		3,375	7/1/2007	6/30/2008	3,375	-	-	(3,375)	-	-	-	-	-
SFY 2005 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share			7/1/2004	6/30/2005	15,717	-	5,855	(2,489)	(7,617)	-	-	11,466	-
State of New Jersey, Department of Environmental Protection --													
SFY 2009 Clean Communities Program													
Salaries and Wages	042-765-6010	24,343	Non-Expiring		-	-	1,200	-	-	-	-	1,200	-
Other Expenses					-	-	23,143	(23,143)	-	-	-	-	-
SFY 2009 Recycling Tonnage Grant													
	042-752-6020	4,214	Non-Expiring		-	-	4,214	-	-	-	-	4,214	-
State of New Jersey, Department of Community Affairs --													
SFY 2001 Special Legislative Grant													
Consolidated Municipal Property Tax Relief Aid	022-495-6020		7/1/2000	6/30/2001	20	-	-	-	(20)	-	-	-	-
	082-495-6020	1,298,243	7/1/2008	6/30/2009	-	-	1,298,243	(1,298,243)	-	-	-	-	-
State of New Jersey, Department of Treasury --													
Energy Receipts Tax													
Veterans & Senior Citizens	082-100-6020	1,164,269	7/1/2008	6/30/2009	-	-	1,164,269	(1,164,269)	-	-	-	-	-
	082-495-6020	299,196	7/1/2008	6/30/2009	-	-	299,196	(299,196)	-	-	-	-	-
State of New Jersey, Department of Law and Public Safety --													
SFY 2009 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,707	7/1/2008	6/30/2009	-	-	2,707	(1,250)	-	-	-	1,457	-
Other Expenses		2,707	7/1/2008	6/30/2009	-	-	2,707	(2,356)	-	-	-	351	-
SFY 2008 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,800	7/1/2007	6/30/2008	2,800	-	-	-	-	-	-	2,800	-
Other Expenses		2,797	7/1/2007	6/30/2008	2,797	-	-	(2,797)	-	-	-	-	-
SFY 2005 Drunk Driving Enforcement Fund:													
Salaries and Wages			7/1/2004	6/30/2005	11,445	-	-	-	-	-	-	11,445	-
Other Expenses			7/1/2004	6/30/2005	11,415	-	-	(11,415)	-	-	-	-	-
SFY 2008 Division of Criminal Justice Body Armor Fund													
SFY 2005 Division of Criminal Justice Body Armor Fund		4,526	7/1/2007	6/30/2008	4,526	-	-	(2,006)	-	-	-	2,520	-
			7/1/2004	6/30/2005	3,941	-	-	(3,941)	-	-	-	-	-
SFY 2008 B.C. Prosecutor Confiscated Funds													
SFY 2005 B.C. Prosecutor Confiscated Funds	30,934		7/1/2007	6/30/2008	30,934	-	5,563	(5,563)	(5,563)	-	(25,371)	50,742	-
			7/1/2004	6/30/2005	23	-	-	-	(23)	-	-	-	-
SFY 2005 State Police HMTUSA													
			7/1/2004	6/30/2005	32	-	-	-	(32)	-	-	-	-
SFY 2005 Safe Streets to Schools Program													
SFY 2005 Child Passenger Safety Education Grant:													
Salaries and Wages			7/1/2004	6/30/2005	1,035	-	-	-	(1,035)	-	-	-	-
Other Expenses			7/1/2004	6/30/2005	1,462	-	-	-	(1,462)	-	-	-	-
SFY 2009 Click it or Ticket Program:													
Salaries and Wages	066-100-6010	4,000	7/1/2008	6/30/2009	-	-	4,000	(3,900)	(100)	-	-	-	-
SFY 2008 Click it or Ticket Program:													
Salaries and Wages	066-100-6010	4,000	7/1/2007	6/30/2008	1,400	-	-	-	(1,400)	-	-	-	-
Others --													
SFY 2005 Municipal Stormwater Regulation Program													
BCUA Municipal Recycling Assistance Program			7/1/2004	6/30/2005	5,149	-	-	(5,149)	-	-	-	-	-
Other Expenses			7/1/2007	6/30/2008	6,208	-	-	(6,208)	-	-	-	-	-
					\$ 159,594	\$ -	\$ 2,830,320	\$ (2,835,300)	\$ (17,819)	\$ -	\$ (85,449)	\$ 222,244	\$ -

*Denotes Major Program

BOROUGH OF LODI
NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2009

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 I 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 1 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 THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2009

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 July 1, 2008 to June 30, 2009.

**BOROUGH OF LODI
NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2009**

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 municipality did not have any federal and state loans outstanding at of June 30, 2009.

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 June 30, 2009

Section I -- Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unqualified
2. Internal control over financial reporting:
- a. Material weakness(es) identified? X yes no
- b. Reportable condition(s) identified that are not considered to be material weakness(es)? yes X none reported
3. Noncompliance material to financial statements noted? yes X no

**BOROUGH OF LODI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

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. Reportable condition(s) identified that are not considered to be material weakness(es)? _____ yes _____ none reported

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:

<u>CFDA Number(s)</u>	<u>Name of Federal 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 June 30, 2009**

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. Reportable condition(s) identified that are not considered to be material weakness(es)? _____ yes _____ none reported

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 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 June 30, 2009

Section II -- Financial Statement Findings

SFY 2009-01 Condition: The municipality failed to comply with D.L.G.S. Technical Accounting Directive #85-2 which requires the implementation and continued maintenance of a fixed asset accounting system.

Criteria: Technical Accounting Directive #85-2.

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 Technical Accounting Directive #85-2.

**BOROUGH OF LODI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

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

Current Year

Federal Awards:

None

State Awards:

None

BOROUGH OF LODI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2009

Finding

Status

SFY 2009-01 Condition Continues to Exist

BOROUGH OF LODI

Comprehensive Annual Financial Report

General Comments and Recommendations Section

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2009

General

1. Not all interfund balances were cleared prior to year-end. Miscellaneous non-tax billings were not made timely, nor were related accounts receivable records maintained.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2009

Cash Cycle

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2009

Revenues/Cash Receipts Cycles

Treasurer

None

Tax Collector

None

Municipal Clerk

1. The Municipal Clerk's Account was not reconciled monthly nor maintained on an imprest basis.

Recreation Department

None

Fire Official

None

Construction Code Official

None

Registrar of Vital Statistics

1. The Registrar's Account was not reconciled monthly nor maintained on an imprest basis.

Police Department

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2009

Expenditures/Cash Disbursement Cycles

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2009

Payroll Cycle

1. The payroll account was not maintained on an imprest basis.
2. The Borough did not adopt an ordinance enabling the municipality to utilize a payroll servicer.
3. The Borough has not executed a contract with the payroll servicer in accordance with N.J.A.C. 5:30-17.4 and 6.
4. The Borough has not designated an approval officer responsible for authorizing and supervising.
5. The Borough has not ensured that the payroll servicer has its own internal controls to ensure calculations are performed correctly and that they adverse conditions in accordance with N.J.A.C. 5:30-17.5. appropriately guard against theft.
6. The Borough has not ensured that there is an acceptable distance from the service location to the approval officer to ensure that physical delivery of documents can occur to assure the delivery of paychecks for regularly scheduled paydays and timely delivery all other payroll materials in accordance with N.J.A.C. 5:30-17.5.
7. That the Chief Financial Officer properly include clothing allowances paid to receiving employees under a non-accountable plan in their respective W-2s in accordance with U.S. Treasury Regulations.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2009

Capital Assets

None

BOROUGH OF LODI
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Recommendations

1. That the payroll account be reconciled monthly, and maintained on an imprest basis.*
2. That the Borough adopt an ordinance enabling the municipality to utilize a payroll servicer in accordance with N.J.A.C. 5:30-17.3.*
3. That a contract be executed with the Borough's payroll servicer in accordance with N.J.A.C. 5:30-17.4 and 6.*
4. That the Borough designate an approval officer responsible for authorizing and supervising the activities of the servicer in accordance with N.J.A.C. 5:30-17.4.*
5. That the Borough ensure that the payroll servicer has its own internal controls to ensure that calculations are performed correctly and that they appropriately guard against theft and other adverse conditions in accordance with N.J.A.C. 5:30-17.5.*
6. That the Borough ensure there is an acceptable distance from the service location to the approval officer to ensure that physical delivery of documents can occur to assure the delivery of paychecks for regularly scheduled paydays and timely delivery all other payroll materials in accordance with N.J.A.C. 5:30-17.5.*
7. That the Chief Financial Officer properly include clothing allowances paid to receiving employees under a non-accountable plan in their respective W-2s in accordance with U.S. Treasury Regulations.*
8. That the Municipal Clerk's account be reconciled on a monthly basis and maintained on a an imprest basis.*
9. That the Registrar of Vital Statistic's account be reconciled on a monthly basis and maintained on a an imprest basis.*
10. That interfund balances be cleared prior to year end.*
11. That fixed asset accounting records be updated on a regular basis.*
12. That controls procedures be implemented to ensure the timeliness of miscellaneous non-tax municipal billings, and the maintenance of related accounts receivable records.*
13. That the Ordinance pertaining to Outside Police Employment be strictly adhered to.

**BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2009**

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.

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
Public Accountants and Consultants**

Frank R. Di Maria

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

December 31, 2009