

BOROUGH OF LODI
County of Bergen, New Jersey

Comprehensive Annual Financial Report
Year Ended December 31, 2010
(With Independent Auditors' Reports Thereon)

BOROUGH OF LODI
Comprehensive Annual Financial Report
Year Ended December 31, 2010
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BOROUGH OF LODI

Comprehensive Annual Financial Report

Introductory Section

BOROUGH OF LODI
Municipal Officials
Year Ended December 31, 2010

Thomas DeSomma

Name	Title	Term Expires
<u>GENERAL ADMINISTRATION</u>		
Thomas DeSomma	Mayor	June 30, 2011
Paula Fiduccia	Deputy Mayor	June 30, 2011
Karen Viscana	Councilwoman	June 30, 2011
Bruce Masopust	Councilman	June 30, 2011
Marc Schrieks	Councilman	June 30, 2011
Anthony Luna	Municipal Manager	
Debra A. Ciliento	Municipal Clerk	
Alan Spiniello, Esq.	Borough Attorney	
Neglia Engineering Associates	Borough Engineer	
Di Maria & Di Maria, LLP	Borough Auditor	
Professional Insurance Associates, Inc.	Risk Management Consultants	
Rogut McCarthy, LLC	Bond Counsel	
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	
Margaret Dunne	Health Inspector	

BOROUGH OF LODI
Municipal Officials
Year Ended December 31, 2010

Thomas DeSomma

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>PLANNING BOARD</u>		
Alexander J. Noreika	Chairperson	June 30, 2013
Francis Carrasco	Co-Chairperson	June 30, 2014
Thomas Palumbo	Member	June 30, 2011
Alighieri Borelli	Member	June 30, 2012
David Lortz	Member	June 30, 2011
Marjorie Brietwieser	Member	June 30, 2012
Louis V. Ingenito	Class I	June 30, 2011
Paul Wanco	Class II	June 30, 2011
Paula Fiduccia	Class III	June 30, 2011
Joseph Russo, Esq.	Planning Board Attorney	
Marlene Muska	Planning Board Secretary	
Thomas Solfaro	Planning Board Engineer	

ZONING BOARD

Louis Avola	Chairperson	June 30, 2012
Gerald Inserra	Co-Chairperson	June 30, 2011
Frank Gaciovano	Member	June 30, 2013
Bruce Gilson	Member	June 30, 2014
Domenic Staine	Member	June 30, 2015
Frank Pinto	Member	June 30, 2012
Robert Schrieks	Member	June 30, 2012
Anthony Bene	Alternate #1	June 30, 2012
Anthony Bua	Alternate #2	June 30, 2012
Marcel Wurms, Esq.	Zoning Board Attorney	
Marlene Muska	Zoning Board Secretary	
Gary Pappozzi	Zoning Board Planner	
Thomas Solfaro	Zoning Board Engineer	

BOROUGH OF LODI

Comprehensive Annual Financial Report

Financial Section

Di Maria & Di Maria LLP

Accountants & Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
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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 statements of financial position - regulatory basis of the various funds of the Borough of Lodi, State of New Jersey, as of and for the years ended December 31, 2010 and 2009, and the related statements of operations and changes in fund balance - regulatory basis, and statement of revenue and expenditures - regulatory basis 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.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; 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 in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Independent Auditors' Report (Continued)

In our opinion, because of the Borough of Lodi's requirement to prepare its financial statements on the basis of accounting discussed in preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Borough of Lodi, State of New Jersey, as of December 31, 2010 and 2009, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Lodi, State of New Jersey at December 31, 2010 and 2009, and the results of its operations and the changes in fund balance of the individual funds for the years then ended, and the revenues and expenditures of the various funds for the years ended December 31, 2010 and 2009 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

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 of each of the respective individual funds and account groups taken as a whole.

DI MARIA & DI MARIA LLP Public Accountants and Consultants

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

June 30, 2011

BOROUGH OF LODI

COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE (Statutory Basis)

ALL FUND TYPES AND ACCOUNT GROUPS

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Fixed Asset Account Group	Totals (Memorandum Only)	
						December 31, 2010	December 31, 2009
<u>ASSETS AND OTHER DEBITS</u>							
Cash	\$ 4,769,609	\$ 153,454	\$ 614,912	\$ 2,343,739	\$ -	\$ 7,881,714	\$ 7,778,828
Deferred Compensation Assets	-	-	2,474,010	-	-	2,474,010	2,189,065
Interfunds Receivable	-	-	-	-	-	-	-
Intergovernmental Receivable	28,972	273,449	-	1,831,408	-	2,133,829	1,986,057
Accounts Receivable	135,542	-	-	-	-	135,542	996,359
Deferred Charges	-	-	-	23,842,093	-	23,842,093	24,690,249
Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Total Assets and Other Debits	<u>\$ 4,934,123</u>	<u>\$ 426,903</u>	<u>\$ 3,088,922</u>	<u>\$ 28,017,240</u>	<u>\$ 23,234,532</u>	<u>\$ 59,701,720</u>	<u>\$ 60,875,090</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>							
Interfunds Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Payable	7,797	-	11	-	-	7,808	14,053
Other Liabilities and Reserves	1,293,623	426,903	3,088,911	1,048,028	-	5,857,465	5,616,530
Improvement Authorizations	-	-	-	3,821,951	-	3,821,951	4,871,713
Serial Bonds Payable	-	-	-	4,496,000	-	4,496,000	5,641,000
Loans Payable	-	-	-	937,531	-	937,531	1,037,187
Bond Anticipation Notes Payable	-	-	-	17,708,562	-	17,708,562	17,492,062
Reserve for General Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Reserve for Receivables and Other Assets	135,542	-	-	-	-	135,542	996,359
Fund Balances	3,497,161	-	-	5,168	-	3,502,329	1,971,654
Total Liabilities, Reserves and Fund Balance	<u>\$ 4,934,123</u>	<u>\$ 426,903</u>	<u>\$ 3,088,922</u>	<u>\$ 28,017,240</u>	<u>\$ 23,234,532</u>	<u>\$ 59,701,720</u>	<u>\$ 60,875,090</u>

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

	CY 2010	TY 2009
REVENUES AND OTHER CREDITS TO INCOME		
Revenues:		
Fund Balance Anticipated	\$ 1,600,000	\$ 56,119
Miscellaneous Revenues	6,675,128	3,769,328
Receipts from Delinquent Taxes	748,671	2,183
Amount to be Raised by Taxation	17,776,155	7,711,064
Total Revenues	<u>\$ 26,799,954</u>	<u>\$ 11,538,694</u>
Other Credits to Income	41,804,645	20,926,369
Total Revenues and Other Credits to Income	<u>\$ 68,604,599</u>	<u>\$ 32,465,063</u>
EXPENDITURES AND OTHER CHARGES TO INCOME		
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	\$ 9,613,201	\$ 4,772,022
Other Expenses	7,387,859	5,127,451
Deferred Charges and Statutory Expenditures	1,753,561	417,000
Operations Excluded From "CAPS":		
Salaries and Wages	-	-
Other Expenses	3,500,267	1,469,611
Capital Improvements	100,000	100,000
Municipal Debt Service	2,201,677	174,421
Deferred Charges	-	-
Judgments	-	12,500
Reserve for Uncollected Taxes	600,000	137,851
Total Budget Expenditures	<u>\$ 25,156,565</u>	<u>\$ 12,210,856</u>
Other Expenses and Charges to Income	40,317,599	19,585,880
Total Expenditures	<u>\$ 65,474,164</u>	<u>\$ 31,796,736</u>
Statutory Excess to Fund Balance	3,130,435	668,327
Transferred to Deferred Charge of Succeeding Year	-	-
Fund Balance, July 1	1,966,726	1,354,518
	<u>5,097,161</u>	<u>2,022,845</u>
Decreased by:		
Utilization as Anticipated Revenue	1,600,000	56,119
Fund Balance, December 31	<u>\$ 3,497,161</u>	<u>\$ 1,966,726</u>

BOROUGH OF LODI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE (Statutory Basis)
BUDGET AND ACTUAL -- CURRENT FUND
Year Ended December 31, 2010

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ 1,600,000	\$ 1,600,000	\$ -
Miscellaneous Revenues	5,995,297	6,675,128	679,831
Receipts from Delinquent Taxes	310,000	748,671	438,671
Amount to be Raised by Taxation	17,251,268	17,776,155	524,887
Total Revenues	25,156,565	26,799,954	1,643,389
Other Credits to Income	40,213,675	41,804,645	1,590,970
Total Revenues and Other Credits to Income	\$ 65,370,240	\$ 68,604,599	\$ 3,234,359
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	\$ 9,613,201	\$ 9,613,201	\$ -
Other Expenses	7,387,859	7,387,859	-
Deferred Charges and Statutory Expenditures	1,753,561	1,753,561	-
Operations Excluded From "CAPS":			
Salaries and Wages	-	-	-
Other Expenses	3,500,267	3,500,267	-
Capital Improvements	100,000	100,000	-
Municipal Debt Service	2,201,677	2,201,677	-
Deferred Charges	-	-	-
Judgments	-	-	-
Reserve for Uncollected Taxes	600,000	600,000	-
Total Budget Expenditures	25,156,565	25,156,565	-
Other Expenses	40,213,675	40,317,599	103,924
Total Expenditures	\$ 65,370,240	\$ 65,474,164	\$ 103,924
Statutory Excess to Current Fund Balance		3,130,435	
Transferred to Deferred Charge of Succeeding Year		-	
Fund Balance, July 1		1,966,726	
		5,097,161	
Decreased by:			
Utilization as Anticipated Revenue		1,600,000	
Fund Balance, December 31		\$ 3,497,161	

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 operated on a transition fiscal year, July 1 to December 31, in preparation of reverting back to a calendar fiscal year from a state fiscal year.

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 December 31, 2010

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 December 31, 2010

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 December 31, 2010

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 December 31, 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

G. Foreclosed Property

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

H. Deferred Charges

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

I. Appropriation Reserves

Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

J. Liens Sold for Other Governmental Units

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

K. Fund Balance

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

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

L. Revenues

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

M. Property Tax Revenues

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

N. School Taxes

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

O. County Taxes

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

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 December 31, 2010

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 December 31, 2010

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 December 31, the municipality's deposits categorized by level of risk are summarized as follows:

Year	Book Balance	Category			Carrying Amount
		1	2	3	
CY 2010	\$ 7,881,714	\$ 8,183,435	\$ -	\$ -	\$ 8,183,435
TY 2009	\$ 7,778,828	\$ 8,621,775	\$ -	\$ -	\$ 8,621,775
SFY 2009	\$ 12,244,484	\$ 12,433,455	\$ -	\$ -	\$ 12,433,455
SFY 2008	\$ 5,951,921	\$ 6,551,645	\$ -	\$ -	\$ 6,551,645
SFY 2007	\$ 5,151,217	\$ 5,849,879	\$ -	\$ -	\$ 5,849,879
SFY 2006	\$ 4,487,304	\$ 5,384,883	\$ -	\$ -	\$ 5,384,883
SFY 2005	\$ 4,362,337	\$ 4,850,150	\$ -	\$ -	\$ 4,850,150
SFY 2004	\$ 4,517,932	\$ 4,923,431	\$ -	\$ -	\$ 4,923,431
SFY 2003	\$ 3,182,619	\$ 3,958,866	\$ -	\$ -	\$ 3,958,866
SFY 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 December 31, 2010

Note 4 - Investments

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

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

No investments were held as of December 31, 2010.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 December 31, 2010

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 December 31, 2010

Note 7 - Fixed Assets

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

CY 2010

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

TY 2009

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

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 December 31, 2010

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.

	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
Issued:		
School Bonds and Notes	\$ 1,105,000	\$ 1,455,000
General Bonds and Notes	23,142,093	24,170,249
	<u>\$ 24,247,093</u>	<u>\$ 25,625,249</u>
Authorized but not Issued:		
General Bonds and Notes	\$ 700,000	\$ 520,000
	<u>\$ 24,947,093</u>	<u>\$ 26,145,249</u>
Gross Debt		
	<u>\$ 24,947,093</u>	<u>\$ 26,145,249</u>
Deductions	\$ 2,489,966	\$ 3,382,821
	<u>\$ 22,457,127</u>	<u>\$ 22,762,428</u>
Net Debt		
	<u>\$ 22,457,127</u>	<u>\$ 22,762,428</u>
Equalized Valuation Basis	\$ 2,351,342,268	\$ 2,423,856,737
Statutory Net Debt Percentage	0.96%	0.94%
3-1/2% of Equalized Valuation Basis	\$ 82,296,979	\$ 84,834,986
Remaining Borrowing Power	\$ 59,839,852	\$ 62,072,558

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 December 31, 2010 are as follows:

Calendar Year	2003 Pension Refunding Bonds		4/15/99 General Obligation Bonds	
	Principal	Interest	Principal	Interest
2011	-	-	515,000	34,300
2012	-	-	531,000	11,549
	\$ -	\$ -	\$ 1,046,000	\$ 45,849

Calendar Year	6/15/05 General Obligation Bonds		4/08/97 Green Trust Loan Memorial & Kennedy Parks	
	Principal	Interest	Principal	Interest
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	-	-
	\$ 3,450,000	\$ 499,269	\$ 130,626	\$ 5,946

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
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	14,644	220	6,589	99
	\$ 96,648	\$ 7,405	\$ 43,487	\$ 3,332

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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
	2011	8,911	3,525	11,039
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>\$ 178,482</u>	<u>\$ 32,940</u>	<u>\$ 221,107</u>	<u>\$ 40,807</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
	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>\$ 212,500</u>	<u>\$ 35,688</u>	<u>\$ 24,681</u>	<u>\$ -</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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
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	-	-	607,035	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
	\$ 30,000	\$ 3,075	\$ 5,433,531	\$ 674,311

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 8 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt

During the fiscal year ended December 31, 2010, 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	\$ 5,641,000	\$ -	\$ (1,145,000)	\$ 4,496,000
Loan Payable	1,037,187	-	(99,656)	937,531
Bond Anticipation Notes	17,492,062	21,920,912	(21,704,412)	17,708,562
Authorized but not Issued	520,000	700,000	(520,000)	700,000
	<u>\$ 24,690,249</u>	<u>\$ 22,620,912</u>	<u>\$ (23,469,068)</u>	<u>\$ 23,842,093</u>
	<u>\$ 24,690,249</u>	<u>\$ 22,620,912</u>	<u>\$ (23,469,068)</u>	<u>\$ 23,842,093</u>

	Ending Balance	Amounts Due in 2011	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -		\$ -
Emergency Notes	-		-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 4,496,000	\$ 940,000	\$ 3,556,000
Loan Payable	937,531	100,904	836,627
Bond Anticipation Notes	17,708,562	17,708,562	-
Authorized but not Issued	700,000	-	700,000
	<u>\$ 23,842,093</u>	<u>\$ 18,749,466</u>	<u>\$ 5,092,627</u>
	<u>\$ 23,842,093</u>	<u>\$ 18,749,466</u>	<u>\$ 5,092,627</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 December 31, 2010

Note 10 - Interfunds

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

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
<u>CY 2010</u>		
Current Fund	\$ -	\$ -
Trust Fund	-	-
General Capital Fund	-	-
	<u>\$ -</u>	<u>\$ -</u>
		-
<u>TY 2009</u>		
Current Fund	\$ -	\$ -
Trust Fund	-	-
General Capital Fund	-	-
	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 11 - Deferred Charges to be Raised in Succeeding Budgets

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

	<u>Balance</u> <u>Current Period</u>	<u>Appropriated in</u> <u>Subsequent</u> <u>Year's Budget</u>	<u>Balance to</u> <u>Succeeding</u>
<u>CY 2010</u>			
Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations (40A:4-55)	-	-	-
Special Emergency Authorizations (40A:4-53)	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TY 2009

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

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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, 2009 and 2008, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2009	2008
State of New Jersey	1	1
County Agencies	65	65
Municipalities	584	583
School Districts	566	561
Other Public Agencies	484	486
Total	<u>1,700</u>	<u>1,696</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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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. 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 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal 2012.

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

Membership in the system consisted of the following at June 30, 2009 and 2008, the dates of the most recent actuarial valuations:

	2009	2008
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	138,619	134,555
Active Members:		
Vested	144,698	142,280
Non-Vested	172,151	176,902
Total Active Members	316,849	319,182
Total	455,468	453,737

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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, 2009 and 2008, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2009	2008
State of New Jersey	1	1
Municipalities	588	588
Total	<u>589</u>	<u>589</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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 December 31, 2010

Note 12 - Retirement Plans (Continued)

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

Significant Legislation:

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

Membership in the System consisted of the following at June 30, 2009 and 2008 the dates of the most recent actuarial valuations:

	2009	2008
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	34,364	33,151
Active members:		
Vested	29,400	29,056
Non-vested	15,750	16,410
Total active members	45,150	45,466
Total	79,514	78,617

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 December 31, 2010

Note 12 - Retirement Plans (Continued)

D. Contributions Required by Employer

<u>Year</u>	<u>Pension Cost</u>	<u>Percentage Contributed</u>	<u>Pension Obligation</u>
<i>Police and Firemens' Pension Fund (PFRS)</i>			
CY 2010	\$ 1,097,724	100.00%	\$ 1,097,724
TY 2009	\$ -	100.00%	\$ -
SFY 2009	\$ 1,014,003	100.00%	\$ 1,014,003
SFY 2008	\$ 426,321	100.00%	\$ 426,321
SFY 2007	\$ 308,961	80.00%	\$ 386,201
<i>Public Employees Retirement System (PERS)</i>			
CY 2010	\$ 330,585	100.00%	\$ 330,585
TY 2009	\$ -	100.00%	\$ -
SFY 2009	\$ 279,293	100.00%	\$ 279,293
SFY 2008	\$ 66,406	80.00%	\$ 83,008
SFY 2007	\$ 38,075	60.00%	\$ 63,458
<i>Defined Contribution Retirement Program (DCRP)</i>			
CY 2010	\$ -	100.00%	\$ -
TY 2009	\$ -	100.00%	\$ -
SFY 2009	\$ -	100.00%	\$ -
SFY 2008	\$ -	100.00%	\$ -
SFY 2007	\$ -	100.00%	\$ -

E. 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 December 31, 2010

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>2010</u>
Assets, Beginning of Year (Market Value)	\$ 903,339
Employee Contributions	58,694
Earnings and Adjustments to Market Value	39,709
Payments to Eligible Employees	(9,996)
Charges and Credits	(39)
Assets, Ending of Year (Market Value)	<u>\$ 991,707</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>2010</u>
Assets, Beginning of Year (Market Value)	\$ 1,062,256
Employee Contributions	115,352
Earnings and Adjustments to Market Value	82,332
Payments to Eligible Employees	(37,884)
Charges and Credits	(510)
Assets, Ending of Year (Market Value)	<u>\$ 1,221,546</u>

C. Lincoln National Life Insurance Co.

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

	<u>2010</u>
Assets, Beginning of Year (Market Value)	\$ 223,470
Municipal Contribution	17,000
Earnings and Adjustments to Market Value	29,559
Payments to Eligible Employees	(6,582)
Charges and Credits	(2,690)
Assets, Ending of Year (Market Value)	<u>\$ 260,757</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 December 31, 2010 to be \$3,225,000.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

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 December 31, 2010, 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 December 31, 2010

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 CY 2011 Capital Budget currently includes the following:

Purpose	Total	CIF and Other Funded Sources	Bonds & Notes Authorized
#2011-06 Acquisition of Real Property	\$ 800,000	\$ 500,000	\$ 300,000
#2011-07 Improvements to Municipal Facilities	100,000	5,000	95,000
#2011-08 CY2011 Road Improvement Program (CD)	450,000	360,000	90,000
#2011-09 CY2011 Road Improvement Program (NJDOT)	180,000	150,000	30,000
#2011-10 Acquisition of Vehicles	100,000	5,000	95,000
#2011-11 Acquisition of Equipment	100,000	5,000	95,000
#2011-12 Improvements to Sanitary Sewer System	250,000	15,000	235,000
	<u>\$ 1,980,000</u>	<u>\$ 1,040,000</u>	<u>\$ 940,000</u>

B. Bond Anticipation Notes

On January 14, 2011 the Borough issued a Bond Anticipation Note in the amount of \$11,234,762, to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said note to Beneficial Bank MSD at an interest rate of 1.75% receiving a premium of \$53,140.43 resulting in a net interest rate of 1.2757%. This note will mature on January 13, 2012.

On May 26, 2011 the Borough issued a Bond Anticipation Note in the amount of \$6,000,000, to temporarily finance expenditures related to Phase V of the downtown redevelopment. The Borough awarded the sale of said note to Bank of America at an interest rate of 1.70%. This note will mature on May 25, 2012.

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

	CY 2010	TY 2009
<u>ASSETS AND OTHER DEBITS</u>		
Cash:		
Operating Account	\$ 4,769,109	\$ 3,525,713
Change Fund	500	500
	<u>\$ 4,769,609</u>	<u>\$ 3,526,213</u>
Interfunds Receivable:		
Due From Dog License Trust Fund	\$ -	\$ -
Due From Developer's Escrow Trust Fund	-	-
Due From Other Trust Fund	-	-
	<u>\$ -</u>	<u>\$ -</u>
Intergovernmental Receivable:		
Due From State of N.J. (P.L. 1976, c.73)	\$ 28,972	\$ 25,787
Other Receivables:		
Delinquent Property Taxes	\$ 16,723	\$ 685,244
Tax Title Liens Receivable	100,572	292,868
Property Acquired for Taxes at Assessed Valuation	18,247	18,247
	<u>\$ 135,542</u>	<u>\$ 996,359</u>
Deferred Charges:		
Emergency Authorizations	\$ -	\$ -
Special Emergency Authorizations (N.J.S. 40A:4-55.1)	-	-
	<u>\$ -</u>	<u>\$ -</u>
Total Assets and Other Debits	<u>\$ 4,934,123</u>	<u>\$ 4,548,359</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfunds Payable:		
Due to General Capital Fund	\$ -	\$ -
Due to Other Trust Fund	-	-
	<u>\$ -</u>	<u>\$ -</u>
Intergovernmental Payable:		
County of Bergen	\$ 4,315	\$ 11,140
State of New Jersey	3,482	2,900
	<u>\$ 7,797</u>	<u>\$ 14,040</u>
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 986,347	\$ 1,201,095
Reserve for Encumbrances	119,996	154,793
Tax Title Lien Redemptions Due to Outside Lien Holders	11,462	29,180
Taxes Collected in Advance	175,818	184,496
Tax Overpayments	-	1,670
	<u>\$ 1,293,623</u>	<u>\$ 1,571,234</u>
Reserve for Receivables and Other Assets	<u>\$ 135,542</u>	<u>\$ 996,359</u>
Fund Balance	<u>\$ 3,497,161</u>	<u>\$ 1,966,726</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 4,934,123</u>	<u>\$ 4,548,359</u>

BOROUGH OF LODI
STATEMENT OF BUDGET REVENUES AND OTHER CREDITS TO INCOME (Statutory Basis)
CURRENT FUND
Year Ended December 31, 2010

	Budget As Modified	Realized	Excess/ (Deficit)
Fund Balance Anticipated	\$ 1,600,000	\$ 1,600,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 20,000	\$ 21,965	\$ 1,965
Other Licenses	75,000	97,929	22,929
Fees and Permits	165,000	197,278	32,278
Municipal Court Fines and Costs	500,000	388,457	(111,543)
Interest and Costs on Taxes	110,000	257,231	147,231
Interest on Investments and Deposits	80,000	83,574	3,574
Sewer Charges	1,600,000	2,108,119	508,119
Consolidated Municipal Property Tax Relief	531,943	529,109	(2,834)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,397,601	1,437,683	40,082
Uniform Construction Code Fees	160,000	163,774	3,774
FEMA Firefighter's Grant	142,560	142,560	-
U.S. Immigration & Customs Enforcement Asset Sharing Program	176,490	176,490	-
Body Armor Replacement Program	1,526	1,526	-
Drunk Driving Enforcement Fund	4,926	4,926	-
Recycling Tonnage Grant	28,792	28,792	-
Clean Communities Grant	31,270	31,270	-
Alcohol Education & Rehabilitation Grant	743	743	-
Municipal Alliance on alcoholism & Drug Abuse	12,157	12,157	-
Click It or Ticket Program	4,000	4,000	-
Office of Justice Programs - COPS Grant	13,352	13,352	-
Uniform Fire Safety Act	50,000	52,371	2,371
Local Uniform Fire Safety Fees	170,000	176,543	6,543
Host Community Fees	60,000	68,972	8,972
Cable TV Franchise Fees - Cablevision	205,861	205,861	-
Cable TV Franchise Fees - Verizon FIOS	45,362	45,362	-
P.V.W.C. Water Utility Lease Payment	58,714	58,714	-
Joint Insurance Fund Dividend	40,000	38,467	(1,533)
Developer's Contributions	200,000	200,000	-
Cellular Tower Lease - AT&T	30,000	47,903	17,903
Health Benefit Reimbursement - Free Public Library	80,000	80,000	-
Total Miscellaneous Revenues	<u>\$ 5,995,297</u>	<u>\$ 6,675,128</u>	<u>\$ 679,831</u>
Receipts From Delinquent Taxes	<u>\$ 310,000</u>	<u>\$ 748,671</u>	<u>\$ 438,671</u>
Amount to be Raised by Taxation	<u>\$ 17,251,268</u>	<u>\$ 17,776,155</u>	<u>\$ 524,887</u>
Total Budget Revenues	<u>\$ 25,156,565</u>	<u>\$ 26,799,954</u>	<u>\$ 1,643,389</u>

BOROUGH OF LODI
STATEMENT OF BUDGET REVENUES AND OTHER CREDITS TO INCOME (Statutory Basis)
CURRENT FUND
Year Ended December 31, 2010

	Budget As Modified	Realized	Excess/ (Deficit)
Other Credits to Income:			
Local District School Tax	\$ 35,615,525	\$ 35,615,525	\$ -
County Tax	4,538,528	4,538,528	-
Added County Tax	-	4,260	4,260
County Open Space Tax	59,622	59,622	-
Added County Open Space Tax	-	55	55
Non-Budget Revenues	-	313,977	313,977
Unexpended Balance of Budget Appropriations	-	500,605	500,605
Unexpended Balance of Appropriation Reserves and Encumbrances	-	772,073	772,073
Interfund Loans Returned	-	-	-
Cancellations and Adjustments	-	-	-
Total Other Credits to Income	<u>\$ 40,213,675</u>	<u>\$ 41,804,645</u>	<u>\$ 1,590,970</u>
Total Revenues and Credits to Income	<u>\$ 65,370,240</u>	<u>\$ 68,604,599</u>	<u>\$ 3,234,359</u>

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended December 31, 2010

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS:						
General Administration:						
Salaries and Wages	\$ 240,000	\$ 240,000	\$ 239,590	\$ 410	\$ -	\$ -
Other Expenses	100,000	100,000	83,726	16,274	-	-
Mayor and Council:						
Salaries and Wages	32,500	32,501	32,500	1	-	-
Other Expenses	10,000	10,000	2,453	7,547	-	-
Municipal Clerk:						
Salaries and Wages	161,000	164,000	163,875	125	-	-
Other Expenses	25,000	33,000	32,046	954	-	-
Financial Administration:						
Salaries and Wages	235,000	235,000	232,431	2,569	-	-
Other Expenses	45,000	45,000	19,174	25,826	-	-
Computerized Data Processing:						
Other Expenses	50,000	55,000	49,787	5,213	-	-
Audit Services:						
Other Expenses	50,000	50,000	45,000	5,000	-	-
Revenue Administration:						
Salaries and Wages	145,000	146,000	145,952	48	-	-
Other Expenses	25,000	25,000	18,719	6,281	-	-
Tax Assessment Administration:						
Salaries and Wages	85,000	85,000	83,429	1,571	-	-
Other Expenses	50,000	30,000	25,092	4,908	-	-
Legal Services:						
Salaries and Wages	120,000	120,000	115,000	5,000	-	-
Other Expenses	200,000	200,000	190,278	9,722	-	-
Engineering Services:						
Other Expenses	75,000	70,000	51,916	18,084	-	-
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	2,000	2,000	2,000	-	-	-
Other Expenses	7,500	7,500	7,267	233	-	-
Zoning Board of Adjustment:						
Salaries and Wages	120,000	120,000	118,967	1,033	-	-
Other Expenses	7,500	7,500	5,423	2,077	-	-
Property Maintenance:						
Salaries and Wages	80,000	80,000	76,046	3,954	-	-
Other Expenses	7,500	7,500	5,799	1,701	-	-
INSURANCE:						
Liability Insurance	560,000	560,000	528,067	31,933	-	-
Worker Compensation Insurance	468,200	468,200	468,200	-	-	-
Employee Group Insurance	2,100,000	2,100,000	2,039,055	60,945	-	-
Unemployment Compensation	30,000	30,000	25,192	4,808	-	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended December 31, 2010

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
PUBLIC SAFETY FUNCTIONS:						
Police:						
Salaries and Wages	\$ 5,900,000	\$ 5,935,000	\$ 5,827,600	107,400	\$ -	\$ -
Other Expenses	200,000	200,000	149,793	50,207	-	-
911/Dispatch:						
Salaries and Wages	270,000	280,000	275,423	4,577	-	-
Other Expenses	30,000	30,000	22,531	7,469	-	-
Office of Emergency Management:						
Salaries and Wages	10,700	10,700	10,700	-	-	-
Other Expenses	10,000	10,000	4,464	5,536	-	-
Aid to Volunteer Fire Companies:						
Other Expenses	124,160	129,160	123,308	5,852	-	-
Fire Department:						
Salaries and Wages	175,000	175,000	171,054	3,946	-	-
Other Expenses	25,000	34,000	31,384	2,616	-	-
Municipal Prosecutor's Office:						
Salaries and Wages	15,000	15,000	15,000	-	-	-
PUBLIC WORKS FUNCTIONS:						
Streets and Road Maintenance:						
Salaries and Wages	1,215,000	1,225,000	1,204,023	20,977	-	-
Other Expenses	425,000	435,000	417,635	17,365	-	-
Shade Tree:						
Other Expenses	10,000	20,000	398	19,602	-	-
Solid Waste Collection:						
Other Expenses	500,000	470,000	397,811	72,189	-	-
Vehicle Maintenance:						
Other Expenses	115,000	115,000	111,207	3,793	-	-
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Public Health Services:						
Salaries and Wages	70,000	70,000	69,320	680	-	-
Other Expenses	100,000	122,800	114,715	8,085	-	-
PARK AND RECREATION FUNCTIONS:						
Recreation Services and Programs:						
Salaries and Wages	235,000	235,000	231,040	3,960	-	-
Other Expenses	135,000	135,000	126,024	8,976	-	-
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	30,000	26,199	21,495	4,704	-	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended December 31, 2010

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
MUNICIPAL COURT:						
Municipal Court Administration:						
Salaries and Wages	\$ 240,000	\$ 246,000	\$ 243,692	\$ 2,308	\$ -	\$ -
Other Expenses	20,000	20,000	15,863	4,137	-	-
Public Defender:						
Salaries and Wages	15,000	15,000	15,000	-	-	-
UNIFORM CONSTRUCTION CODE:						
Code Enforcement and Administration:						
Salaries and Wages	180,000	182,000	180,711	1,289	-	-
Other Expenses	20,000	20,000	6,052	13,948	-	-
UTILITY EXPENSES AND BULK PURCHASES:						
Electricity	475,000	475,000	427,616	47,384	-	-
Street Lighting	210,000	215,000	195,951	19,049	-	-
Telephone	100,000	100,000	85,747	14,253	-	-
Water	15,000	19,000	18,398	602	-	-
Gasoline	150,000	140,000	123,214	16,786	-	-
LANDFILL/SOLID WASTE DISPOSAL COSTS:						
Dump Fees	850,000	757,000	558,341	198,659	-	-
Recycling Disposal Fees	60,000	70,000	61,625	8,375	-	-
Roll-Off Containers	60,000	46,000	29,621	16,379	-	-
Total Operations Within "CAPS"	\$ 17,021,060	\$ 17,001,060	\$ 16,093,740	\$ 907,320	\$ -	\$ -
Detail:						
Salaries and Wages	\$ 9,546,200	\$ 9,613,201	\$ 9,453,353	\$ 159,848	\$ -	\$ -
Other Expenses	\$ 7,474,860	\$ 7,387,859	\$ 6,640,387	\$ 747,472	\$ -	\$ -
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</u>						
DEFERRED CHARGES:						
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STATUTORY EXPENDITURES:						
Social Security System (O.A.S.I.)	400,000	400,000	396,552	3,448	-	-
Local Firemen's Pension Fund	15,000	15,000	15,000	-	-	-
Public Employees' Retirement System	289,068	289,068	289,068	-	-	-
Police and Fireman's Retirement System	1,049,493	1,049,493	1,049,493	-	-	-
Deferred Compensation Contribution	-	-	-	-	-	-
	\$ 1,753,561	\$ 1,753,561	\$ 1,750,113	\$ 3,448	\$ -	\$ -
Total General Appropriations Within "CAPS"	\$ 18,774,621	\$ 18,754,621	\$ 17,843,853	\$ 910,768	\$ -	\$ -

**STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended December 31, 2010**

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS EXCLUDED FROM "CAPS"						
OTHER APPROPRIATIONS						
EDUCATIONAL FUNCTIONS:						
Maintenance of Free Public Library	\$ 790,767	\$ 790,767	\$ 790,767	\$ -	\$ -	\$ -
UTILITY EXPENSES AND BULK PURCHASES:						
Sewer Processing and Disposal	1,600,000	1,600,000	1,552,421	47,579	-	-
STATUTORY EXPENDITURES:						
Public Employees' Retirement System	41,517	41,517	41,517	-	-	-
Police and Firemen's Retirement System	48,231	48,231	48,231	-	-	-
Volunteer Length of Service Award Program	45,000	45,000	17,000	28,000	-	-
Reserve for Tax Appeals	500,000	500,000	-	-	500,000	-
	<u>\$ 3,025,515</u>	<u>\$ 3,025,515</u>	<u>\$ 2,449,936</u>	<u>\$ 75,579</u>	<u>\$ 500,000</u>	<u>\$ -</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Bergen County Prosecutor's Office - Confiscat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recycling Tonnage Grant	28,792	28,792	28,792	-	-	-
Alcohol Education Rehabilitation Fund	743	743	743	-	-	-
Drunk Driving Enforcement Fund	4,926	4,926	4,926	-	-	-
Clean Communities Program	31,270	31,270	31,270	-	-	-
Body Armor Replacement Program	1,526	1,526	1,526	-	-	-
Click It or Ticket Program	4,000	4,000	4,000	-	-	-
Municipal Alliance - State	12,157	12,157	12,157	-	-	-
Municipal Alliance - Local	3,040	3,040	3,040	-	-	-
Office of Justice Programs - Federal	13,352	13,352	13,352	-	-	-
Office of Justice Programs - Local	40,056	40,056	40,056	-	-	-
U.S. Immigration & Customs Enforcement As	176,490	176,490	176,490	-	-	-
FEMA Firefighter's Grant - Federal	142,560	142,560	142,560	-	-	-
FEMA Firefighter's Grant - Local	15,840	15,840	15,840	-	-	-
	<u>\$ 474,752</u>	<u>\$ 474,752</u>	<u>\$ 474,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Operations Excluded From "CAPS"	<u>\$ 3,500,267</u>	<u>\$ 3,500,267</u>	<u>\$ 2,924,688</u>	<u>\$ 75,579</u>	<u>\$ 500,000</u>	<u>\$ -</u>
Detail:						
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	\$ 3,500,267	\$ 3,500,267	\$ 2,924,688	\$ 75,579	\$ 500,000	\$ -
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -
Down Payment on Improvements	-	-	-	-	-	-
	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended December 31, 2010

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Bond Principal	\$ 1,145,000	\$ 1,145,000	\$ 1,145,000	\$ -	\$ -	\$ -
Bond Interest	202,881	202,881	202,881	-	-	-
Note Principal	283,500	303,500	303,500	-	-	-
Note Interest	429,746	429,746	429,141	-	605	-
Green Trust Loan Principal	10,822	10,822	10,822	-	-	-
Green Trust Loan Interest	4,585	4,585	4,585	-	-	-
Green Trust Loan Principal	31,064	31,064	31,064	-	-	-
Green Trust Loan Interest	3,079	3,079	3,079	-	-	-
Green Trust Loan Principal	12,740	12,740	12,740	-	-	-
Green Trust Loan Interest	2,124	2,124	2,124	-	-	-
Green Trust Loan Principal	5,733	5,733	5,733	-	-	-
Green Trust Loan Interest	956	956	956	-	-	-
Green Trust Loan Principal	11,588	11,588	11,588	-	-	-
Green Trust Loan Interest	4,424	4,424	4,424	-	-	-
Green Trust Loan Principal	8,736	8,736	8,736	-	-	-
Green Trust Loan Interest	3,701	3,701	3,701	-	-	-
N.J.E.I.T. Loan Principal	18,973	18,973	18,973	-	-	-
N.J.E.I.T. Loan Interest	2,025	2,025	2,025	-	-	-
	\$ 2,181,677	\$ 2,201,677	\$ 2,201,072	\$ -	\$ 605	\$ -
DEFERRED CHARGES						
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Emergency Authorizations - 5 Years	-	-	-	-	-	-
Special Emergency Authorizations - 3 Years	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JUDGMENTS						
Judgments (N.J.S. 40A:4-45.3c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended December 31, 2010

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
Total General Appropriations - Excluded From "CAPS"	\$ 5,781,944	\$ 5,801,944	\$ 5,225,760	\$ 75,579	\$ 500,605	\$ -
Sub-Total General Appropriations	\$ 24,556,565	\$ 24,556,565	\$ 23,069,613	\$ 986,347	\$ 500,605	\$ -
Reserve for Uncollected Taxes	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -
Total General Appropriations	\$ 25,156,565	\$ 25,156,565	\$ 23,669,613	\$ 986,347	\$ 500,605	\$ -
Budget as Adopted	\$ 25,156,565	\$ 25,156,565				
Added by N.J.S. 40A:4-87	-	-				
Emergency Appropriations	-	-				
	\$ 25,156,565	\$ 25,156,565				
Other Charges to Income:						
Local District School Tax		\$ 35,615,525	\$ 35,615,525			
County Tax		4,538,528	4,538,528			
Added County Tax		-	4,260			
County Open Space Tax		59,622	59,622			
Added County Open Space Tax		-	55			
Interfund Advances Originating		-	-			
Prepaid Local District School Tax		-	-			
Refund of Prior Year Revenue		-	99,609			
		\$ 40,213,675	\$ 40,317,599			

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

	<u>CY</u> 2010	<u>TY</u> 2009
<u>ASSETS</u>		
Cash	\$ 153,454	\$ 105,354
Intergovernmental Receivable: Grants Receivable	\$ 273,449	\$ 152,080
Total Assets	<u>\$ 426,903</u>	<u>\$ 257,434</u>
<u>RESERVES</u>		
Other Liabilities and Reserves:		
Appropriated Reserves	\$ 367,609	\$ 191,765
Unappropriated Reserves	59,294	65,669
Total Reserves	<u>\$ 426,903</u>	<u>\$ 257,434</u>

BOROUGH OF LODI
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
FEDERAL AND STATE GRANT FUND
Year Ended December 31, 2010

Program	Balance December 31, 2009	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2010
Federal:						
FEMA Firefighter's Grant	\$ -	\$ 142,560	\$ -	\$ -	\$ -	\$ 142,560
U.S. Immigration & Customs Enforcement Asset Sharing Program	-	176,490	176,490	-	-	-
	<u>\$ -</u>	<u>\$ 319,050</u>	<u>\$ 176,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,560</u>
State:						
Body Armor Replacement Program	\$ -	\$ 1,526	\$ -	\$ 1,526	\$ -	\$ -
Recycling Tonnage Grant	-	28,792	-	28,792	-	-
Drunk Driving Enforcement Fund	-	4,926	-	4,926	-	-
Office of Justice Programs	-	13,352	13,352	-	-	-
Clean Communities Program	-	31,270	-	31,270	-	-
Alcohol Education & Rehabilitation Program	-	743	-	743	-	-
Smart Future Grant	45,000	-	-	-	-	45,000
You Drink, You Drive, You Lose Grant	-	-	-	-	5,000	5,000
COPS Secure our Schools Grant	23,579	-	23,579	-	-	-
Click It Or Ticket Grant	-	4,000	3,700	-	(300)	-
Municipal Alliance on Alcoholism and Drug Abuse	24,673	12,157	9,390	-	-	27,440
Bergen County Prosecutor's Office - Confiscated Funds	23,422	-	5,379	-	-	18,043
Safe Streets to Schools Program	35,406	-	-	-	-	35,406
	<u>\$ 152,080</u>	<u>\$ 96,766</u>	<u>\$ 55,400</u>	<u>\$ 67,257</u>	<u>\$ 4,700</u>	<u>\$ 130,889</u>
Total	<u>\$ 152,080</u>	<u>\$ 415,816</u>	<u>\$ 231,890</u>	<u>\$ 67,257</u>	<u>\$ 4,700</u>	<u>\$ 273,449</u>

BOROUGH OF LODI
STATEMENT OF APPROPRIATED RESERVES
FEDERAL AND STATE GRANT FUND
Year Ended December 31, 2010

Program	Balance December 31, 2009	Amount Budgeted	Paid or Charged	Cancellations & Adjustments	Balance December 31, 2010
Federal:					
FEMA Firefighter's Grant - Federal	\$ -	\$ 142,560	\$ 142,560	\$ -	\$ -
FEMA Firefighter's Grant - Local	-	15,840	14,993	-	847
U.S. Immigration & Customs Enforcement Asset Sharing Program	-	176,490	10,890	-	165,600
	<u>\$ -</u>	<u>\$ 334,890</u>	<u>\$ 168,443</u>	<u>\$ -</u>	<u>\$ 166,447</u>
State:					
Drunk Driving Enforcement Fund:					
Salaries and Wages	\$ 14,651	\$ 2,463	\$ 5,300	\$ -	\$ 11,814
Other Expenses	1,221	2,463	1,094	-	2,590
Clean Communities Program:					
Salaries and Wages	-	1,500	1,500	-	-
Other Expenses	-	29,770	27,770	-	2,000
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	33,840	12,157	14,800	-	31,197
Local Share	3,375	3,040	-	-	6,415
Department of Justice - COPS Grant:					
Salaries and Wages - Federal	-	10,227	10,227	-	-
Other Expenses - Federal	-	3,125	3,125	-	-
Salaries and Wages - Local	-	30,681	30,681	-	-
Other Expenses - Local	-	9,375	9,375	-	-
Click It Or Ticket Grant:					
Salaries and Wages	-	4,000	3,700	(300)	-
Recycling Tonnage Grant	4,214	28,792	4,214	-	28,792
Alcohol Education Rehabilitation Program	11,514	743	-	-	12,257
You Drink, You Drive, You Lose Grant	-	-	2,000	5,000	3,000
Division of Criminal Justice Body Armor Fund	6,593	1,526	4,875	-	3,244
B.C. Prosecutor Confiscated Funds	23,424	-	5,378	-	18,046
Smart Future Grant	50,000	-	-	-	50,000
Safe Streets to Schools Program	31,807	-	-	-	31,807
Edward Byrne Memorial Grant	11,126	-	11,126	-	-
	<u>\$ 191,765</u>	<u>\$ 139,862</u>	<u>\$ 135,165</u>	<u>\$ 4,700</u>	<u>\$ 201,162</u>
	<u>\$ 191,765</u>	<u>\$ 474,752</u>	<u>\$ 303,608</u>	<u>\$ 4,700</u>	<u>\$ 367,609</u>

BOROUGH OF LODI
STATEMENT OF UNAPPROPRIATED RESERVES
FEDERAL AND STATE GRANT FUND
Year Ended December 31, 2010

Program	Balance December 31, 2009	Amount Budgeted	Amount Received	Adjustments	Balance December 31, 2010
Alcohol Education Rehabilitation Program	\$ 743	\$ 743	\$ 1,257	\$ -	\$ 1,257
Drunk Driving Enforcement Fund	4,926	4,926	4,415	-	4,415
Recycling Tonnage Grant	28,730	28,792	17,432	-	17,370
Clean Communities Program	31,270	31,270	32,520	-	32,520
Body Armor Fund	-	1,526	5,258	-	3,732
	<u>\$ 65,669</u>	<u>\$ 67,257</u>	<u>\$ 60,882</u>	<u>\$ -</u>	<u>\$ 59,294</u>

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

D-1

	Payroll Agency Trust	Dog License Trust	Escrow Deposits	Other Trust	Employee Benefit Trust	Downtown Redevelopment Trust	Route 46 Redevelopment Trust	Deferred Compensation Plans	CY 2010 Total	TY 2009
ASSETS										
Cash	\$ 11,312	\$ 2,844	\$ 242,248	\$ 317,634	\$ 1,567	\$ 26,454	\$ 12,853	\$ -	\$ 614,912	\$ 646,448
Deferred Compensation Assets:										
Nationwide Retirement Solutions, Inc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 991,707	\$ 991,707	\$ 903,339
ING	-	-	-	-	-	-	-	1,221,546	1,221,546	1,062,256
Lincoln National Life Insurance Co.	-	-	-	-	-	-	-	260,757	260,757	223,470
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,474,010	\$ 2,474,010	\$ 2,189,065
Interfund Receivable:										
Current Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 11,312	\$ 2,844	\$ 242,248	\$ 317,634	\$ 1,567	\$ 26,454	\$ 12,853	\$ 2,474,010	\$ 3,088,922	\$ 2,835,513
LIABILITIES AND RESERVES										
Interfund Payable:										
Current Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Payable:										
State of New Jersey	\$ -	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 13
Other Liabilities and Reserves:										
Net Payroll and Withholdings Payable	\$ 11,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,312	\$ 17,305
Reserve for Dog Expenditures	-	2,833	-	-	-	-	-	-	2,833	6,263
Reserve for Developer's Escrow Deposits	-	-	242,248	-	-	-	-	-	242,248	214,865
Reserve for Employee Benefit Expenditures	-	-	-	-	1,567	-	-	-	1,567	14,568
Reserve for Fire Department/Code Enforcement Penalty Ex	-	-	-	65,830	-	-	-	-	65,830	67,207
Reserve for Parking Offenses Adjudication Act Expenditures	-	-	-	47,729	-	-	-	-	47,729	44,900
Reserve for Tax Sale Premiums	-	-	-	184,800	-	-	-	-	184,800	187,300
Reserve for Outside Police Employment Expenditures	-	-	-	4,782	-	-	-	-	4,782	9,565
Reserve for Cable TV Franchise Fees	-	-	-	-	-	-	-	-	-	2,778
Reserve for April '07 Nor'easter Expenditures	-	-	-	14,493	-	-	-	-	14,493	42,382
Reserve for Downtown Redevelopment Expenditures	-	-	-	-	-	26,454	-	-	26,454	26,449
Reserve for Route 46 Redevelopment Expenditures	-	-	-	-	-	-	12,853	-	12,853	12,853
Reserve for Deferred Compensation Plan	-	-	-	-	-	-	-	2,474,010	2,474,010	2,189,065
Total Other Liabilities and Reserves	\$ 11,312	\$ 2,833	\$ 242,248	\$ 317,634	\$ 1,567	\$ 26,454	\$ 12,853	\$ 2,474,010	\$ 3,088,911	\$ 2,835,500
Total Liabilities and Reserves	\$ 11,312	\$ 2,844	\$ 242,248	\$ 317,634	\$ 1,567	\$ 26,454	\$ 12,853	\$ 2,474,010	\$ 3,088,922	\$ 2,835,513

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

	CY 2010	TY 2009
<u>ASSETS</u>		
Cash:		
Checking Account	\$ 2,335,690	\$ 3,492,784
Community Development Account	3	-
Green Acres Account	1	-
Railroad Plaza Development Account	8,045	8,029
	<u>\$ 2,343,739</u>	<u>\$ 3,500,813</u>
Interfund Receivable:		
Current Fund	\$ -	\$ -
Intergovernmental Receivable:		
State of New Jersey - Department of Transportation	\$ 515,367	\$ 577,923
State of New Jersey - Economic Improvement Authority	-	-
State of New Jersey - Department of Environmental Protection	-	-
State of New Jersey - Department of Community Affairs	13,500	13,500
Bergen County Open Space	200,000	200,000
Bergen County Community Development	1,102,541	1,016,767
	<u>\$ 1,831,408</u>	<u>\$ 1,808,190</u>
Deferred Charges:		
Funded	\$ 5,433,531	\$ 6,678,187
Unfunded	18,408,562	18,012,062
	<u>\$ 23,842,093</u>	<u>\$ 24,690,249</u>
Total Assets	<u>\$ 28,017,240</u>	<u>\$ 29,999,252</u>
<u>LIABILITIES AND RESERVES</u>		
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 140,140	\$ 80,409
Accrued Interest	3,027	3,027
Reserve for Purchase of Ambulance	-	-
Reserve for Refunding Bonds	-	-
Reserve for Refunding Bonds Cost of Issuance	-	-
Reserve for N.J. Department of Transportation Grants Receivable	235,366	113,673
Reserve for Community Development Block Grants Receivable	82,373	255,292
Reserve for Gregg Street Drainage Ditch Improvements	-	-
Reserve for Railroad Plaza	2,156	2,140
Reserve for Payment of Bonds	584,966	497,821
Reserve for Payment of Bond Anticipation Notes	-	-
	<u>\$ 1,048,028</u>	<u>\$ 952,362</u>
Improvement Authorizations:		
Funded	\$ 916,951	\$ 1,036,231
Unfunded	2,905,000	3,835,482
	<u>\$ 3,821,951</u>	<u>\$ 4,871,713</u>
Serial Bonds Payable	<u>\$ 4,496,000</u>	<u>\$ 5,641,000</u>
Loans Payable	<u>\$ 937,531</u>	<u>\$ 1,037,187</u>
Bond Anticipation Notes Payable	<u>\$ 17,708,562</u>	<u>\$ 17,492,062</u>
Fund Balance	<u>\$ 5,168</u>	<u>\$ 4,928</u>
Total Liabilities and Reserves	<u>\$ 28,017,240</u>	<u>\$ 29,999,252</u>

BOROUGH OF LODI
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
GENERAL CAPITAL FUND
Year Ended December 31, 2010

Improvement Description	Balance December 31, 2009	Authorized	Notes Paid by Budget Appropriation	Deferred Charges Paid by Budget Appropriation	Adjustments	Balance December 31, 2010	Analysis of December 31, 2010 Balance		
							Financed by BANs	B&N Authorized	Deficit Cash Balance
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	\$ 390,000	\$ -	\$ 17,000	\$ -	\$ -	\$ 373,000	\$ 373,000	\$ -	\$ -
#202-23 Route 46 Redevelopment - Phase I	75,000	-	4,000	-	-	71,000	71,000	-	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	192,500	-	9,000	-	-	183,500	183,500	-	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	127,500	-	5,000	-	-	122,500	122,500	-	-
#404-06 Downtown Redevelopment - Phase I (Supplemental #2)	210,500	-	9,000	-	-	201,500	201,500	-	-
#505-19 Downtown Redevelopment - Phase III	546,000	-	12,000	-	-	534,000	534,000	-	-
#505-20 Downtown Redevelopment - Phase IV	924,000	-	13,000	-	-	911,000	911,000	-	-
#505-24 Improvement of Memorial Park (Supplemental)	-	-	-	-	-	-	-	-	-
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	422,000	-	53,000	-	-	369,000	369,000	-	-
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	56,500	-	3,500	-	-	53,000	53,000	-	-
#606-04 SFY 2006 Shade Tree Program	1,900	-	100	-	-	1,800	1,800	-	-
#606-05 Acquisition of Ambulance	54,100	-	6,900	-	-	47,200	47,200	-	-
#606-10 Improvement of Charles Street - Section II	75,500	-	4,500	-	-	71,000	71,000	-	-
#606-11 Removal of Underground Storage Tanks	91,000	-	4,000	-	-	87,000	87,000	-	-
#606-14 Improvements to Municipal Facilities	91,000	-	4,000	-	-	87,000	87,000	-	-
#606-15 Improvements to Kennedy Park	475,000	-	25,000	-	-	450,000	450,000	-	-
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	-	1,300	-	-	23,100	23,100	-	-
#707-03 Improvement of Garibaldi Avenue	13,000	-	700	-	-	12,300	12,300	-	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	-	25,000	-	-	450,000	450,000	-	-
#707-05 Improvements to Municipal Facilities	95,000	-	3,300	-	-	91,700	91,700	-	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	-	8,200	-	-	229,300	229,300	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	1,425,000	-	75,000	-	-	1,350,000	1,350,000	-	-
#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 Vroius 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	-	-
#2010-03 Improvements to Various Municipal Facilities	95,000	-	-	-	-	95,000	95,000	-	-
#2010-04 Improvements to Sanitary Sewer System	190,000	-	-	-	-	190,000	190,000	-	-
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	95,000	-	-	-	-	95,000	95,000	-	-
#2010-06 2009 Road, Curb & Sidewalk Program (State)	50,000	-	-	-	-	50,000	50,000	-	-
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development)	90,000	-	-	-	-	90,000	90,000	-	-
#2010-12 Refunding Bond Ordinance	820,000	-	20,000	-	-	800,000	800,000	-	-
#2010-28 Improvements to Sanitary Sewer System	-	425,000	-	-	-	425,000	-	425,000	-
#2010-29 Improvements to Various Municipal Facilities	-	95,000	-	-	-	95,000	-	95,000	-
#2010-30 2010 Road, Curb & Sidewalk Program (Community Development)	-	85,000	-	-	-	85,000	-	85,000	-
#2010-31 Acquisition of Various Equipment, Machinery & Vehicles	-	95,000	-	-	-	95,000	-	95,000	-
	\$ 18,012,062	\$ 700,000	\$ 303,500	\$ -	\$ -	\$ 18,408,562	\$ 17,708,562	\$ 700,000	\$ -

BOROUGH OF LODI
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
GENERAL CAPITAL FUND
Year Ended December 31, 2010

E-3

Improvement Description	Date	Amount	Balance December 31, 2009		Authorized in 2010				Balance December 31, 2010		
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded	Other	Paid or Charged	Canceled	Funded	Unfunded
#201-16 Storm Water Drainage Improvements to Massey, Prospect and Union	06/18/01	150,000	685	-	-	-	-	-	-	685	-
#202-21 2001 Shade Tree Program	06/17/02	90,000	156	-	-	-	-	-	-	156	-
#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	14,086	-	-	-	-	-	-	14,086	-
#404-04 SFY 2004 Roadway Improvement Program	08/26/03	450,000	19,085	-	-	-	-	-	-	19,085	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	08/26/03	150,000	-	42,458	-	-	-	271	-	-	42,186
#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	2,317	-	-	-	-	2,233	-	84	-
#505-19 Downtown Redevelopment - Phase III	04/25/05	600,000	-	5,288	-	-	-	3,319	-	-	1,969
#505-24 Improvement of Memorial Park (Supplemental)	06/24/05	100,000	-	43,322	-	-	-	1,552	-	-	41,769
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	08/15/05	500,000	-	9,384	-	-	-	9,384	-	-	-
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	08/15/05	350,000	-	26,006	-	-	-	17,788	-	-	8,218
#606-11 Removal of Underground Storage Tanks	09/19/05	100,000	-	74,407	-	-	-	74,332	-	-	75
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	10/10/06	350,000	25,605	24,400	-	-	-	28,866	-	-	21,139
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	10/10/06	500,000	-	346,847	-	-	-	344,599	-	-	2,248
#707-05 Improvements to Municipal Facilities	10/10/06	100,000	-	77	-	-	-	77	-	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	11/20/06	1,500,000	-	135	-	-	-	135	-	-	-
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	08/20/07	500,000	-	467,373	-	-	-	102,136	-	-	365,237
#808-06 Computer System Upgrades	09/17/07	150,000	-	135	-	-	-	135	-	-	-
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	10/15/07	350,000	118,468	220,000	-	-	-	259	-	118,208	220,000
#808-09 Downtown Redevelopment - Phase III (Supplemental)	10/15/07	100,000	-	4,141	-	-	-	1,456	-	-	2,685
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	10/15/07	500,000	-	77,498	-	-	-	259	-	-	77,239
#808-24 Acquisition of New Street Sweeper	02/11/08	200,000	-	173,411	-	-	-	121,287	-	-	52,124
#909-11 Improvements to Sanitary Sewer System	03/26/09	500,000	-	249,501	-	-	-	239,343	-	-	10,158
#909-13 Roof Improvements to Various Municipal Facilities	03/26/09	1,800,000	-	1,167,242	-	-	-	479,173	-	-	688,069
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Development)	03/26/09	450,000	216,448	88,712	-	-	-	202,383	-	14,065	88,712
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	03/26/09	250,000	11,399	237,500	-	-	-	135	-	11,263	237,501
#909-19 Improvements to Various Municipal Facilities	03/26/09	100,000	-	1,345	-	-	-	164	-	-	1,181
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	03/26/09	250,000	125,562	100,000	-	-	-	13,619	-	111,943	100,000
#2010-03 Improvements to Various Municipal Facilities	08/17/09	100,000	-	91,342	-	-	-	85,910	-	-	5,432
#2010-04 Improvements to Sanitary Sewer System	08/17/09	200,000	-	122,152	-	-	-	83,645	-	-	38,507
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	08/17/09	100,000	4,072	95,000	-	-	-	259	-	3,813	95,000
#2010-06 2009 Road, Curb & Sidewalk Program (State)	08/17/09	200,000	149,072	50,000	-	-	-	259	-	148,813	50,000
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development)	08/17/09	400,000	289,209	90,000	-	-	-	229,895	-	59,314	90,000
#2010-12 Refunding Bond Ordinance	10/20/09	820,000	-	27,806	-	-	-	7,231	-	-	20,575
#2010-28 Improvements to Sanitary Sewer System	08/16/10	450,000	-	-	25,000	425,000	-	75,395	-	-	374,605
#2010-29 Improvements to Various Municipal Facilities	08/16/10	100,000	-	-	5,000	95,000	-	9,629	-	-	90,371
#2010-30 2010 Road, Curb & Sidewalk Program (Community Development)	08/16/10	450,000	-	-	5,269	85,000	359,731	13,888	-	351,112	85,000
#2010-31 Acquisition of Various Equipment, Machinery & Vehicles	08/16/10	100,000	-	-	5,000	95,000	-	743	-	4,257	95,000
			\$ 1,036,231	\$ 3,835,482	\$ 40,269	\$ 700,000	\$ 359,731	\$ 2,149,759	\$ -	\$ 916,951	\$ 2,905,000

BOROUGH OF LODI
STATEMENT OF SERIAL BONDS PAYABLE
GENERAL CAPITAL FUND
Year Ended December 31, 2010

<u>Date of Issue - Purpose</u>	<u>Interest Rate</u>	<u>Amount of Issue</u>	<u>Balance December 31, 2009</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2010</u>
03/15/03 Pension Refunding Bonds	Various	1,270,000	610,000	-	610,000	-
04/15/99 General Improvement Bonds	4.318%	5,431,000	1,556,000	-	510,000	1,046,000
06/15/05 General Improvement Bonds	Various	3,550,000	3,475,000	-	25,000	3,450,000
			<u>\$ 5,641,000</u>	<u>\$ -</u>	<u>\$ 1,145,000</u>	<u>\$ 4,496,000</u>

BOROUGH OF LODI
STATEMENT OF LOANS PAYABLE
GENERAL CAPITAL FUND
Year Ended December 31, 2010

Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance December 31, 2009	Issued	Paid by Budget Appropriation	Balance December 31, 2010
Environmental Infrastructure Trust	2.00%	\$ 126,252	\$ 73,653	-	\$ 18,973	\$ 54,680
04/8/98 Green Trust Loan (Memorial and Kennedy Parks)	2.00%	490,000	161,692	-	31,064	130,628
02/28/98 Green Trust Loan (Saddle River Park Acquisition)	2.00%	234,007	109,388	-	12,740	96,648
09/21/98 Green Trust Loan (Saddle River Park)	2.00%	103,000	49,219	-	5,733	43,486
6/5/06 Green Trust Loan (Memorial Park Impts.)	2.00%	257,500	224,088	-	11,588	212,500
8/27/09 Green Trust Loan (Memorial Park Impts.)	2.00%	231,929	231,929	-	10,822	221,107
10/15/07 Green Trust Loan (Kennedy Park Impts.)	2.00%	200,000	187,218	-	8,736	178,482
			<u>\$ 1,037,187</u>	<u>\$ -</u>	<u>\$ 99,656</u>	<u>\$ 937,531</u>

BOROUGH OF LODI
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2010

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2009	Increased by		Decreased by			Balance December 31, 2010
							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	\$ -	\$ -	\$ 17,000	\$ 373,000	\$ -	\$ -
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	03/26/09	03/26/10	3.000%	75,000	-	-	4,000	71,000	-	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	237,500	07/22/02	03/26/09	03/26/10	3.000%	192,500	-	-	9,000	183,500	-	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	06/25/04	03/26/09	03/26/10	3.000%	127,500	-	-	5,000	122,500	-	-
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	03/26/09	03/26/10	3.000%	210,500	-	-	9,000	201,500	-	-
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	03/26/09	03/26/10	3.000%	546,000	-	-	12,000	534,000	-	-
#505-20 Downtown Redevelopment - Phase IV	600,000	06/03/05	03/26/09	03/26/10	3.000%	924,000	-	-	13,000	911,000	-	-
#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	-	-	53,000	369,000	-	-
#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	-	-	3,500	53,000	-	-
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	03/26/09	03/26/10	3.000%	1,900	-	-	100	1,800	-	-
#606-05 Acquisition of Ambulance	61,000	04/26/06	03/26/09	03/26/10	3.000%	54,100	-	-	6,900	47,200	-	-
#606-10 Improvement of Charles Street - Section II	80,000	04/26/06	03/26/09	03/26/10	3.000%	75,500	-	-	4,500	71,000	-	-
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	03/26/09	03/26/10	3.000%	91,000	-	-	4,000	87,000	-	-
#606-14 Improvements to Municipal Facilities	95,000	04/26/06	03/26/09	03/26/10	3.000%	91,000	-	-	4,000	87,000	-	-
#606-15 Improvements to Kennedy Park	700,000	04/26/06	03/26/09	03/26/10	3.000%	475,000	-	-	25,000	450,000	-	-
#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 Developn	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 Improvements 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	-	-
						\$ 6,866,212	\$ -	\$ -	\$ 170,000	\$ 6,696,212	\$ -	\$ -
No. 09-1R												
#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	\$ -	\$ -	\$ 1,300	\$ 23,100	\$ -	\$ -
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	01/16/09	01/15/10	1.500%	13,000	-	-	700	12,300	-	-
#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	-	-	25,000	450,000	-	-
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	01/16/09	01/15/10	1.500%	95,000	-	-	3,300	91,700	-	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	01/16/09	01/15/10	1.500%	237,500	-	-	8,200	229,300	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipme	1,425,000	01/19/07	01/16/09	01/15/10	1.500%	1,425,000	-	-	75,000	1,350,000	-	-
#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	-	-
						\$ 3,805,850	\$ -	\$ -	\$ 113,500	\$ 3,692,350	\$ -	\$ -
No. 09-1												
#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	\$ -	\$ -
No. 09-2												
#2010-12 Refunding Bond Ordinance	\$ 820,000	12/23/09	12/23/09	12/15/10	1.000%	\$ 820,000	\$ -	\$ -	\$ 20,000	\$ 800,000	\$ -	\$ -
						\$ 17,492,062	\$ -	\$ -	\$ 303,500	\$ 17,188,562	\$ -	\$ -

**BOROUGH OF LODI
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2010**

E-6

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2009	Increased by		Decreased by			Balance December 31, 2010
							New Cash	Renewal	Budget Appropriation Paydown	Renewal	Grant Received	
No. 10-1R												
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	01/19/07	01/15/10	03/26/10	0.750%	\$ -	\$ -	\$ 23,100	\$ -	\$ 23,100	\$ -	\$ -
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	01/15/10	03/26/10	0.750%	-	-	12,300	-	12,300	-	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/19/07	01/15/10	03/26/10	0.750%	-	-	450,000	-	450,000	-	-
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	01/15/10	03/26/10	0.750%	-	-	91,700	-	91,700	-	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	01/15/10	03/26/10	0.750%	-	-	229,300	-	229,300	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipme	1,425,000	01/19/07	01/15/10	03/26/10	0.750%	-	-	1,350,000	-	1,350,000	-	-
#808-03 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/18/08	01/15/10	03/26/10	0.750%	-	-	237,500	-	237,500	-	-
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/18/08	01/15/10	03/26/10	0.750%	-	-	475,000	-	475,000	-	-
#808-05 Improvements to Municipal Facilities	95,000	01/18/08	01/15/10	03/26/10	0.750%	-	-	95,000	-	95,000	-	-
#808-06 Computer System Upgrades	142,500	01/18/08	01/15/10	03/26/10	0.750%	-	-	142,500	-	142,500	-	-
#808-07 Sanitary Sewer System Improvements	190,000	01/18/08	01/15/10	03/26/10	0.750%	-	-	190,000	-	190,000	-	-
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	220,000	01/18/08	01/15/10	03/26/10	0.750%	-	-	220,000	-	220,000	-	-
#808-09 Downtown Redevelopment - Phase III (Supplemental)	95,000	01/18/08	01/15/10	03/26/10	0.750%	-	-	95,000	-	95,000	-	-
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	80,950	01/18/08	01/15/10	03/26/10	0.750%	-	-	80,950	-	80,950	-	-
#2010-03 Improvements to Various Municipal Facilities	95,000	01/15/10	01/15/10	03/26/10	0.750%	-	95,000	-	-	95,000	-	-
#2010-04 Improvements to Sanitary Sewer System	190,000	01/15/10	01/15/10	03/26/10	0.750%	-	190,000	-	-	190,000	-	-
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	95,000	01/15/10	01/15/10	03/26/10	0.750%	-	95,000	-	-	95,000	-	-
#2010-06 2009 Road, Curb & Sidewalk Program (State)	50,000	01/15/10	01/15/10	03/26/10	0.750%	-	50,000	-	-	50,000	-	-
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development)	90,000	01/15/10	01/15/10	03/26/10	0.750%	-	90,000	-	-	90,000	-	-
						\$ -	\$ 520,000	\$ 3,692,350	\$ -	\$ 4,212,350	\$ -	\$ -

BOROUGH OF LODI
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2010

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2009	Increased by		Decreased by			Balance December 31, 2010
							New Cash	Renewal	Budget Appropriation Paydown	Renewal	Grant Received	
No. 10-2R												
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	475,000	06/28/02	3/26/2010	1/14/2011	0.790%	\$ -	\$ -	\$ 373,000	\$ -	\$ -	\$ -	\$ 373,000
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	3/26/2010	1/14/2011	0.790%	-	-	71,000	-	-	-	71,000
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	237,500	07/22/02	3/26/2010	1/14/2011	0.790%	-	-	183,500	-	-	-	183,500
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	06/25/04	3/26/2010	1/14/2011	0.790%	-	-	122,500	-	-	-	122,500
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	3/26/2010	1/14/2011	0.790%	-	-	201,500	-	-	-	201,500
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	3/26/2010	1/14/2011	0.790%	-	-	534,000	-	-	-	534,000
#505-20 Downtown Redevelopment - Phase IV	600,000	06/03/05	3/26/2010	1/14/2011	0.790%	-	-	911,000	-	-	-	911,000
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	04/26/06	3/26/2010	1/14/2011	0.790%	-	-	369,000	-	-	-	369,000
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	04/26/06	3/26/2010	1/14/2011	0.790%	-	-	53,000	-	-	-	53,000
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	3/26/2010	1/14/2011	0.790%	-	-	1,800	-	-	-	1,800
#606-05 Acquisition of Ambulance	61,000	04/26/06	3/26/2010	1/14/2011	0.790%	-	-	47,200	-	-	-	47,200
#606-10 Improvement of Charles Street - Section II	80,000	04/26/06	3/26/2010	1/14/2011	0.790%	-	-	71,000	-	-	-	71,000
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	3/26/2010	1/14/2011	0.790%	-	-	87,000	-	-	-	87,000
#606-14 Improvements to Municipal Facilities	95,000	04/26/06	3/26/2010	1/14/2011	0.790%	-	-	87,000	-	-	-	87,000
#606-15 Improvements to Kennedy Park	700,000	04/26/06	3/26/2010	1/14/2011	0.790%	-	-	450,000	-	-	-	450,000
#808-24 Acquisition of New Street Sweeper	190,000	03/26/08	3/26/2010	1/14/2011	0.790%	-	-	190,000	-	-	-	190,000
#909-11 Improvements to Sanitary Sewer System	475,000	03/26/09	3/26/2010	1/14/2011	0.790%	-	-	475,000	-	-	-	475,000
#909-13 Roof Improvements to Various Municipal Facilities	1,710,000	03/26/09	3/26/2010	1/14/2011	0.790%	-	-	1,710,000	-	-	-	1,710,000
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Developn	88,712	03/26/09	3/26/2010	1/14/2011	0.790%	-	-	88,712	-	-	-	88,712
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	237,500	03/26/09	3/26/2010	1/14/2011	0.790%	-	-	237,500	-	-	-	237,500
#909-16 Downtown Redevelopment - Phase 1 (Supplemental)	237,500	03/26/09	3/26/2010	1/14/2011	0.790%	-	-	237,500	-	-	-	237,500
#909-19 Improvements to Various Municipal Facilities	95,000	03/26/09	3/26/2010	1/14/2011	0.790%	-	-	95,000	-	-	-	95,000
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	100,000	03/26/09	3/26/2010	1/14/2011	0.790%	-	-	100,000	-	-	-	100,000
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	01/19/07	3/26/2010	1/14/2011	0.790%	-	-	23,100	-	-	-	23,100
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	3/26/2010	1/14/2011	0.790%	-	-	12,300	-	-	-	12,300
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/19/07	3/26/2010	1/14/2011	0.790%	-	-	450,000	-	-	-	450,000
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	3/26/2010	1/14/2011	0.790%	-	-	91,700	-	-	-	91,700
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	3/26/2010	1/14/2011	0.790%	-	-	229,300	-	-	-	229,300
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipme	1,425,000	01/19/07	3/26/2010	1/14/2011	0.790%	-	-	1,350,000	-	-	-	1,350,000
#808-03 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/18/08	3/26/2010	1/14/2011	0.790%	-	-	237,500	-	-	-	237,500
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/18/08	3/26/2010	1/14/2011	0.790%	-	-	475,000	-	-	-	475,000
#808-05 Improvements to Municipal Facilities	95,000	01/18/08	3/26/2010	1/14/2011	0.790%	-	-	95,000	-	-	-	95,000
#808-06 Computer System Upgrades	142,500	01/18/08	3/26/2010	1/14/2011	0.790%	-	-	142,500	-	-	-	142,500
#808-07 Sanitary Sewer System Improvements	190,000	01/18/08	3/26/2010	1/14/2011	0.790%	-	-	190,000	-	-	-	190,000
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	220,000	01/18/08	3/26/2010	1/14/2011	0.790%	-	-	220,000	-	-	-	220,000
#808-09 Downtown Redevelopment - Phase III (Supplemental)	95,000	01/18/08	3/26/2010	1/14/2011	0.790%	-	-	95,000	-	-	-	95,000
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	80,950	01/18/08	3/26/2010	1/14/2011	0.790%	-	-	80,950	-	-	-	80,950
#2010-03 Improvements to Various Municipal Facilities	95,000	01/15/10	3/26/2010	1/14/2011	0.790%	-	-	95,000	-	-	-	95,000
#2010-04 Improvements to Sanitary Sewer System	190,000	01/15/10	3/26/2010	1/14/2011	0.790%	-	-	190,000	-	-	-	190,000
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	95,000	01/15/10	3/26/2010	1/14/2011	0.790%	-	-	95,000	-	-	-	95,000
#2010-06 2009 Road, Curb & Sidewalk Program (State)	50,000	01/15/10	3/26/2010	1/14/2011	0.790%	-	-	50,000	-	-	-	50,000
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development)	90,000	01/15/10	3/26/2010	1/14/2011	0.790%	-	-	90,000	-	-	-	90,000
						\$ -	\$ -	\$ 10,908,562	\$ -	\$ -	\$ -	\$ 10,908,562
No. 10-1												
#909-12 Downtown Redevelopment - Phase V	\$ 6,000,000	05/29/09	05/28/10	05/26/11	1.750%	\$ -	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,000,000
No. 10-4 R												
#2010-12 Refunding Bond Ordinance	\$ 820,000	12/23/09	12/15/10	12/15/11	1.500%	\$ -	\$ -	\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000
						\$ 17,492,062	\$ 520,000	\$ 21,400,912	\$ 303,500	\$ 21,400,912	\$ -	\$ 17,708,562

BOROUGH OF LODI
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
GENERAL CAPITAL FUND
Year Ended December 31, 2010

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Improvement Description	Balance December 31, 2009	Authorized	BANs Issued	Cancelled	Decreased	Balance December 31, 2010
#2010-03 Improvements to Various Municipal Facilities	\$ 95,000	-	95,000	\$ -	\$ -	-
#2010-04 Improvements to Sanitary Sewer System	190,000	-	190,000	-	-	-
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	95,000	-	95,000	-	-	-
#2010-06 2009 Road, Curb & Sidewalk Program (State)	50,000	-	50,000	-	-	-
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development)	90,000	-	90,000	-	-	-
#2010-28 Improvements to Sanitary Sewer System	-	425,000	-	-	-	425,000
#2010-29 Improvements to Various Municipal Facilities	-	95,000	-	-	-	95,000
#2010-30 2010 Road, Curb & Sidewalk Program (Community Development)	-	85,000	-	-	-	85,000
#2010-31 Acquisition of Various Equipment, Machinery & Vehicles	-	95,000	-	-	-	95,000
	<u>\$ 520,000</u>	<u>\$ 700,000</u>	<u>\$ 520,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700,000</u>

BOROUGH OF LODI
STATEMENT OF ASSETS AND RESERVES (Statutory Basis)
GENERAL FIXED ASSET ACCOUNT GROUP
Year Ended December 31, 2010

	CY 2010	TY 2009
<u>ASSETS</u>		
Land	\$ 11,179,200	\$ 11,179,200
Land Improvements	344,800	344,800
Buildings	6,185,450	6,185,450
Machinery and Equipment	5,503,607	5,503,607
Underground Equipment	21,475	21,475
	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>
<u>RESERVES</u>		
Reserve for General Fixed Assets	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>

BOROUGH OF LODI

Comprehensive Annual Financial Report

Statistical Section

BOROUGH OF LODI
Adopted Budgets
(Unaudited)

	<u>CY 2010</u>	<u>TY 2009</u>
<u>CURRENT FUND</u>		
<u>REVENUES</u>		
Fund Balance	\$ 1,600,000	\$ 56,119
Miscellaneous Revenues	5,995,297	3,967,262
Receipts From Delinquent Taxes	310,000	-
Amount to be Raised by Taxation	17,251,268	8,187,475
Total Revenues	<u>\$ 25,156,565</u>	<u>\$ 12,210,856</u>
<u>APPROPRIATIONS</u>		
Within "CAPS":		
Operations:		
Salaries and Wages	\$ 9,546,200	\$ 4,708,071
Other Expenses	7,474,860	5,238,852
Deferred Charges and Statutory Expenditures	1,753,561	382,500
Excluded From "CAPS":		
Operations:		
Salaries and Wages	-	-
Other Expenses	3,500,267	1,456,661
Capital Improvements	100,000	100,000
Municipal Debt Service	2,181,677	174,421
Deferred Charges	-	-
Judgments	-	12,500
Reserve for Uncollected Taxes	600,000	137,851
Total Appropriations	<u>\$ 25,156,565</u>	<u>\$ 12,210,856</u>

BOROUGH OF LODI
Ten Largest Taxpayers by Assessment
(Unaudited)

Taxpayer	CY 2010 Assessed Valuation	As a Percent of Total CY 2010 Net Valuations \$ 1,955,425,160
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)	16,766,600	0.86%
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%
	\$ 145,259,700	

BOROUGH OF LODI
Tax Levy and Collection Data
(Unaudited)

	<u>CY 2010</u>	<u>TY 2009</u>	<u>SFY 2009</u>	<u>SFY 2008</u>	<u>SFY 2007</u>
Total Tax Levy	<u>\$ 57,473,612</u>	<u>\$ 27,708,519</u>	<u>\$ 55,266,054</u>	<u>\$ 54,494,788</u>	<u>\$ 52,015,213</u>
Current Tax Collections	<u>\$ 57,394,145</u>	<u>\$ 26,967,075</u>	<u>\$ 55,120,268</u>	<u>\$ 54,240,351</u>	<u>\$ 51,881,507</u>
Percent of Tax Levy Collected	<u>99.86%</u>	<u>97.32%</u>	<u>99.74%</u>	<u>99.53%</u>	<u>99.74%</u>

BOROUGH OF LODI
Assessed and County Equalized Valuation Data
(Unaudited)

J-4

Description	2010		2009		2008		2007		2006	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
Net Valuations Taxable:										
Vacant Land	73	\$ 9,257,200	78	\$ 6,849,400	79	\$ 7,274,700	83	\$ 12,173,700	102	\$ 12,064,400
Residential	4443	1,418,646,900	4436	1,416,454,300	4440	1,416,914,100	4426	1,410,476,800	4399	1,391,425,900
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	302	262,212,400	305	263,971,900	309	267,186,800	309	253,309,900	313	261,751,100
Industrial	112	124,511,800	114	131,949,300	114	131,949,300	115	134,837,300	108	127,848,000
Apartments	<u>92</u>	<u>136,831,600</u>	<u>92</u>	<u>136,929,100</u>	<u>92</u>	<u>137,836,600</u>	<u>91</u>	<u>137,552,000</u>	<u>91</u>	<u>138,552,000</u>
Sub-Total	5022	1,951,459,900	5025	1,956,154,000	5034	1,961,161,500	5024	1,948,349,700	5013	1,931,641,400
Personal Property		<u>3,965,260</u>		<u>2,068,996</u>		<u>2,042,681</u>		<u>1,840,005</u>		<u>2,004,136</u>
Net Valuations Taxable		<u>1,955,425,160</u>		<u>1,958,222,996</u>		<u>1,963,204,181</u>		<u>1,950,189,705</u>		<u>1,933,645,536</u>
County Equalization Adjustment		429,437,233		543,017,102		482,436,119		391,892,452		136,097,460
County Equalized Valuation		<u>\$ 2,384,862,393</u>		<u>\$ 2,501,240,098</u>		<u>\$ 2,445,640,300</u>		<u>\$ 2,342,082,157</u>		<u>\$ 2,069,742,996</u>
County Equalization Ratio		<u>82.53%</u>		<u>78.78%</u>		<u>80.78%</u>		<u>83.79%</u>		<u>93.42%</u>
Average Residential Assessment		<u>\$ 319,299</u>		<u>\$ 319,309</u>		<u>\$ 319,125</u>		<u>\$ 318,680</u>		<u>\$ 316,305</u>
Total County Equalized Valuations		<u>\$ 183,412,099,706</u>		<u>\$ 187,580,071,463</u>		<u>\$ 182,767,512,263</u>		<u>\$ 172,863,500,734</u>		<u>\$ 153,984,695,626</u>
Municipal Percentage										
County Equalized Valuations		<u>1.30%</u>		<u>1.33%</u>		<u>1.34%</u>		<u>1.35%</u>		<u>1.34%</u>

BOROUGH OF LODI
Tax Rate Data
(Unaudited)

	2010	2009	2008	2007	2006
Net Valuations Taxable	\$ 1,955,425,160	\$ 1,958,222,996	\$ 1,963,204,181	\$ 1,950,189,705	\$ 1,933,645,536
TAX REQUIREMENTS					
County	\$ 4,538,528	\$ 4,534,510	\$ 4,264,738	\$ 4,010,583	\$ 3,651,048
County Open Space	59,622	250,124	244,564	234,208	206,974
Local School	35,615,525	33,109,897	32,600,375	32,197,863	30,833,980
Municipal	17,251,268	17,291,197	17,615,984	16,842,440	15,179,732
Total	\$ 57,464,943	\$ 55,185,728	\$ 54,725,661	\$ 53,285,094	\$ 49,871,734
TAX RATES					
County	0.233	0.232	0.218	0.206	0.189
County Open Space	0.003	0.013	0.013	0.010	0.010
Local School	1.821	1.691	1.661	1.651	1.595
Municipal	0.882	0.883	0.898	0.873	0.786
Total	2.94	2.82	2.79	2.74	2.58

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

	<u>CY 2010</u>	<u>TY 2009</u>	<u>SFY 2009</u>	<u>SFY 2008</u>	<u>SFY 2007</u>
Serial Bonds:					
Principal	\$ 1,145,000	\$ -	\$ 1,725,000	\$ 1,575,000	\$ 1,540,000
Interest	202,881	113,687	286,367	341,273	404,320
Notes:					
Principal	283,500	-	265,000	89,500	44,000
Interest	429,746	-	219,525	261,917	162,937
Loans:					
Principal	99,656	43,993	78,328	68,848	63,790
Interest	20,894	16,741	18,739	17,197	15,085
Sub-Total Debt Service	<u>\$ 2,181,677</u>	<u>\$ 174,421</u>	<u>\$ 2,592,959</u>	<u>\$ 2,353,735</u>	<u>\$ 2,230,132</u>
Less Revenue Off-Sets	-	-	-	-	-
Net Debt Service	<u>\$ 2,181,677</u>	<u>\$ 174,421</u>	<u>\$ 2,592,959</u>	<u>\$ 2,353,735</u>	<u>\$ 2,230,132</u>
Total Current Fund Budget Appropriations	<u>\$ 25,156,565</u>	<u>\$ 12,210,856</u>	<u>\$ 25,287,478</u>	<u>\$ 24,331,781</u>	<u>\$ 21,888,054</u>
Ratio of Debt Service to Current Fund Budget Appropriations	<u>8.67%</u>	<u>1.43%</u>	<u>10.25%</u>	<u>9.67%</u>	<u>10.19%</u>

BOROUGH OF LODI
Direct and Overlapping Debt
(Unaudited)

DIRECT DEBT

	December 31, 2010	December 31, 2009	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006
Municipal Debt (Net)	\$ 22,457,127	\$ 22,762,428	\$ 22,784,241	\$ 14,544,820	\$ 13,388,826	\$ 15,650,400
Local School Debt	1,105,000	1,455,000	1,455,000	1,785,000	2,105,000	2,410,000
	<u>\$ 23,562,127</u>	<u>\$ 24,217,428</u>	<u>\$ 24,239,241</u>	<u>\$ 16,329,820</u>	<u>\$ 15,493,826</u>	<u>\$ 18,060,400</u>

OVERLAPPING DEBT

	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005
(1) County Debt:						
Municipal Equalized Valuations	\$ 2,384,862,393	\$ 2,501,240,098	\$ 2,445,640,300	\$ 2,342,082,157	\$ 2,069,742,996	\$ 1,786,614,921
Total County Equalized Valuations	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626	\$ 136,528,998,442
	1.30%	1.33%	1.34%	1.35%	1.34%	1.31%
X's Outstanding County Debt	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268	825,597,736	808,502,305
	<u>\$ 16,227,555</u>	<u>\$ 15,142,122</u>	<u>\$ 14,774,486</u>	<u>\$ 14,684,723</u>	<u>\$ 11,063,010</u>	<u>\$ 10,591,380</u>

(2) Passaic Valley Sewerage Authority Debt

Municipal Sewer Flow Charges	\$ 1,552,420	\$ 1,525,632	\$ 1,465,106	\$ 1,434,906	\$ 1,367,245	\$ 1,109,343
Total Flow Charges	\$ 129,963,014	\$ 127,525,062	\$ 125,403,855	\$ 121,388,216	\$ 118,930,095	\$ 99,930,995
	1.19%	1.20%	1.17%	1.18%	1.15%	1.11%
X's Outstanding Debt	355,234,494	305,533,465	293,890,682	305,405,498	316,172,356	285,797,506
	<u>\$ 4,227,290</u>	<u>\$ 3,666,402</u>	<u>\$ 3,438,521</u>	<u>\$ 3,603,785</u>	<u>\$ 3,635,982</u>	<u>\$ 3,172,352</u>

DEBT LIMIT - MUNICIPAL DEBT

Equalized Valuation Basis	\$ 2,351,342,268	\$ 2,423,856,737	\$ 2,402,224,264	\$ 2,256,079,114	\$ 2,042,779,832	\$ 1,789,204,841
Permitted Debt Limitation (3 1/2%)	82,296,979	84,834,986	84,077,849	78,962,769	71,497,294	62,622,169
Net Debt	22,457,127	22,762,428	22,784,241	14,544,820	13,388,826	15,650,400
Remaining Borrowing Power	<u>\$ 59,839,852</u>	<u>\$ 62,072,558</u>	<u>\$ 61,293,608</u>	<u>\$ 64,417,949</u>	<u>\$ 58,108,468</u>	<u>\$ 46,971,769</u>

DEBT LIMIT - SCHOOL DEBT

Equalized Valuation Basis	\$ 2,351,342,268	\$ 2,423,856,737	\$ 2,402,224,264	\$ 2,256,079,114	\$ 2,042,779,832	\$ 1,789,204,841
Permitted Debt Limitation (4%)	94,053,691	96,954,269	96,088,971	90,243,165	81,711,193	71,568,194
Net Debt	1,105,000	1,455,000	1,455,000	1,785,000	2,105,000	2,410,000
Remaining Borrowing Power	<u>\$ 92,948,691</u>	<u>\$ 95,499,269</u>	<u>\$ 94,633,971</u>	<u>\$ 88,458,165</u>	<u>\$ 79,606,193</u>	<u>\$ 69,158,194</u>

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

	CY 2010	TY 2009	SFY 2009	SFY 2008	SFY 2007
Population	23,776	23,776	23,776	23,776	23,819
County Equalized Valuation	\$ 2,384,862,393	\$ 2,501,240,098	\$ 2,445,640,300	\$ 2,342,082,157	\$ 2,069,742,996
Gross Debt	\$ 24,947,093	\$ 26,145,249	\$ 24,849,241	\$ 18,478,130	\$ 18,378,826
Gross Debt Per Capita	\$ 1,049	\$ 1,100	\$ 1,045	\$ 777	\$ 772
Ratio of Gross Debt to County Equalized Valuations	1.05%	1.05%	1.02%	0.79%	0.89%
Net Debt	\$ 22,457,127	\$ 22,762,428	\$ 22,784,241	\$ 14,544,820	\$ 13,388,826
Ratio of Net Debt to County Equalized Valuations	0.94%	0.91%	0.93%	0.62%	0.65%
Net Debt per Capita	\$ 945	\$ 957	\$ 958	\$ 612	\$ 562

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

	<u>CY 2010</u>	<u>TY 2009</u>	<u>SFY 2009</u>	<u>SFY 2008</u>	<u>SFY 2007</u>
Total Tax Levy	\$ 57,473,612	\$ 27,708,519	\$ 55,266,054	\$ 54,494,788	\$ 52,015,213
Current Tax Collections	\$ 57,394,145	\$ 26,967,075	\$ 55,120,268	\$ 54,240,351	\$ 51,881,507
% of Tax Levy Collected	<u>99.86%</u>	<u>97.32%</u>	<u>99.74%</u>	<u>99.53%</u>	<u>99.74%</u>
Tax Title Liens	\$ 100,572	\$ 292,868	\$ 284,219	\$ 258,175	\$ 225,592
Delinquent Taxes	16,723	685,244	2,183	2,634	7,117
Total Delinquent	\$ 117,295	\$ 978,112	\$ 286,402	\$ 260,809	\$ 232,709
Tax Levy	\$ 57,473,612	\$ 27,708,519	\$ 55,266,054	\$ 54,494,788	\$ 52,015,213
% of Delinquencies to Tax Levy	<u>0.20%</u>	<u>3.53%</u>	<u>0.52%</u>	<u>0.48%</u>	<u>0.45%</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)

	CY 2010	TY 2009	SFY 2009	SFY 2008	SFY 2007	SFY 2006
Foreclosed Property:						
Assessed Valuation	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247

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

	December 31, 2010	December 31, 2009	June 30, 2009	June 30, 2008	June 30, 2007
Current Fund Balance Year End	\$ 3,497,161	\$ 1,966,726	\$ 1,354,518	\$ 1,210,656	\$ 851,968
Utilized in Budget of Succeeding Year	\$ 1,600,000	\$ 1,600,000	\$ 56,119	\$ 325,000	\$ 340,000
Percentage Utilized	45.75%	81.35%	4.14%	26.84%	39.91%

BOROUGH OF LODI
Comprehensive Annual Financial Report
Single Audit Section

Di Maria & Di Maria LLP
Accountants & Consultants

245 Union Street
Lodi, New Jersey 07644
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Facsimile 973.779.6891

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

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 December 31, 2010 and 2009, and have issued our report thereon dated June 30, 2011. 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, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

Di Maria & Di Maria LLP

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain other matters that we reported to management of the Borough of Lodi, New Jersey in a separate letter dated June 30, 2011.

This report is intended solely for the information and use of the Borough's management, and council members, others within the organization, the Division of Local Government Services, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

DI MARIA & DI MARIA LLP
Public Accountants and Consultants

Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463

June 30, 2011

BOROUGH OF LODI
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
Year Ended December 31, 2010

K-3

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period		Balance December 31, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2010	Deferred Revenue December 31, 2010	Due to Grantor December 31, 2010
			From	To									
Federal and State Grant Fund													
FEMA Firefighter's Grant - Federal		\$ 142,560	1/1/2010	12/31/2010	\$ -	\$ -	\$ -	(142,560)	\$ -	\$ -	(142,560)	\$ -	\$ -
FEMA Firefighter's Grant - Local		15,840	1/1/2010	12/31/2010	-	-	15,840	(14,993)	-	-	-	847	-
U.S. Immigration & Customs Enforcement Asset Sharing		176,490	1/1/2010	12/31/2010	-	-	176,490	(10,890)	-	-	-	165,600	-
Total Federal Financial Assistance					\$ -	\$ -	\$ 192,330	\$ (168,443)	\$ -	\$ -	(142,560)	\$ 166,447	\$ -

*Denotes Major Program

BOROUGH OF LODI
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended December 31, 2010

K-4

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period From	To	Balance December 31, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2010	Deferred Revenue December 31, 2010	Due to Grantor December 31, 2010
Federal and State Grant Fund													
State of New Jersey, Department of Health --													
CY 2010 Alcohol, Education, Rehabilitation and Enforcement Fund (Trust	046-760-4240	743	1/1/2010	12/31/2010	\$ -	\$ -	743	-	-	-	-	743	-
SFY 2005 Alcohol, Education, Rehabilitation and Enforcement Fund (Tru	046-760-4240		7/1/2004	6/30/2005	11,514	-	-	-	-	-	-	11,514	-
CY 2010 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		12,157	1/1/2010	12/31/2010	-	-	-	-	-	-	(12,157)	12,157	-
Local Share		3,040	1/1/2010	12/31/2010	-	-	3,040	-	-	-	-	3,040	-
SFY 2009 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		13,500	7/1/2008	6/30/2009	(12,933)	-	-	-	-	-	(12,933)	-	-
State Share		13,500	7/1/2008	6/30/2009	25,866	-	-	(3,451)	-	-	-	22,415	-
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	(11,740)	-	9,390	-	-	-	(2,350)	-	-
State Share		13,500	7/1/2007	6/30/2008	7,974	-	-	(7,974)	-	-	-	-	-
State of New Jersey, Department of Environmental Protection --													
CY 2010 Clean Communities Program:													
Salaries and Wages	042-765-6010	1,500	Non-Expiring		-	-	1,500	(1,500)	-	-	-	-	-
Other Expenses	042-765-6010	29,770	Non-Expiring		-	-	29,770	(27,770)	-	-	-	2,000	-
CY 2010 Recycling Tonnage Grant	042-752-6020	28,792	Non-Expiring		-	-	28,792	-	-	-	-	28,792	-
SFY 2009 Recycling Tonnage Grant	042-752-6020	4,214	Non-Expiring		4,214	-	-	(4,214)	-	-	-	-	-
State of New Jersey, Department of Community Affairs --													
CMPTRA													
LEA Rebates		52,371	1/1/2010	12/31/2010	-	-	52,371	(52,371)	-	-	-	-	-
Smart Future Grant		50,000	7/1/2009	12/31/2009	(45,000)	-	-	-	-	-	(45,000)	-	-
Smart Future Grant		50,000	7/1/2009	12/31/2009	50,000	-	-	-	-	-	-	50,000	-
State of New Jersey, Department of Treasury --													
Energy Receipts Tax	082-100-6020	1,437,683	1/1/2010	12/31/2010	-	-	1,437,683	(1,437,683)	-	-	-	-	-
Veterans & Senior Citizens	082-495-6020	279,379	1/1/2010	12/31/2010	-	-	279,379	(279,379)	-	-	-	-	-
State of New Jersey, Department of Law and Public Safety --													
CY 2010 Office of Justice - COPS Grant:													
Salaries and Wages - Federal		10,227	1/1/2010	12/31/2010	-	-	10,227	(10,227)	-	-	-	-	-
Other Expenses - Federal		3,125	1/1/2010	12/31/2010	-	-	3,125	(3,125)	-	-	-	-	-
Salaries and Wages - Local		30,681	1/1/2010	12/31/2010	-	-	30,681	(30,681)	-	-	-	-	-
Other Expenses - Local		9,375	1/1/2010	12/31/2010	-	-	9,375	(9,375)	-	-	-	-	-
CY 2010 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,463	1/1/2010	12/31/2010	-	-	2,463	-	-	-	-	2,463	-
Other Expenses		2,463	1/1/2010	12/31/2010	-	-	2,463	-	-	-	-	2,463	-
TY 2009 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,000	7/1/2009	12/31/2009	2,000	-	-	(2,000)	-	-	-	-	-
Other Expenses		1,984	7/1/2009	12/31/2009	1,223	-	-	(1,223)	-	-	-	-	-
SFY 2009 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,707	7/1/2008	6/30/2009	1,457	-	-	(1,457)	-	-	-	-	-
SFY 2008 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,800	7/1/2007	6/30/2008	2,800	-	-	(1,714)	-	-	-	1,086	-
SFY 2005 Drunk Driving Enforcement Fund:													
Salaries and Wages			7/1/2004	6/30/2005	8,392	-	-	-	-	-	-	8,392	-
CY2010 Click It or Ticket		4,000	1/1/2010	12/31/2010	-	-	4,000	(3,700)	(300)	-	-	-	-
CY2010 You Drink, You Drive, You Lose		5,000	1/1/2010	12/31/2010	-	-	-	(2,000)	-	-	(5,000)	3,000	-
CY 2010 Division of Criminal Justice Body Armor Fund		1,526	1/1/2010	12/31/2010	-	-	1,526	-	-	-	-	1,526	-
SFY 2009 Division of Criminal Justice Body Armor Fund		4,073	7/1/2009	12/31/2009	4,073	-	-	(4,073)	-	-	-	-	-
SFY 2008 Division of Criminal Justice Body Armor Fund		4,526	7/1/2007	6/30/2008	2,520	-	-	(802)	-	-	-	1,718	-
SFY 2008 B.C. Prosecutor Confiscated Funds		30,934	7/1/2007	6/30/2008	(23,422)	-	5,379	-	-	-	(18,043)	-	-
SFY 2008 B.C. Prosecutor Confiscated Funds		30,934	7/1/2007	6/30/2008	23,424	-	-	(5,378)	-	-	-	18,046	-
SFY 2005 Safe Streets to Schools Program			7/1/2004	6/30/2005	(35,406)	-	-	-	-	-	(35,406)	-	-
SFY 2005 Safe Streets to Schools Program			7/1/2004	6/30/2005	31,807	-	-	-	-	-	-	31,807	-
TY 2009 COPS Secure Our Schools Grant:													
Federal Share		23,579	7/1/2009	12/31/2009	(23,579)	-	23,579	-	-	-	-	-	-
Others --													
Edward Byrne Memorial Grant		23,848	7/1/2009	12/31/2009	11,126	-	-	(11,126)	-	-	-	-	-
					\$ 39,685	\$ -	\$ 2,464,595	\$ (2,433,707)	\$ (300)	\$ -	\$ (130,889)	\$ 201,162	\$ -

*Denotes Major Program

BOROUGH OF LODI
NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
Year Ended December 31, 2010

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 December 31, 2010

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, 2009 to December 31, 2009.

**BOROUGH OF LODI
NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
Year Ended December 31, 2010**

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 December 31, 2010.

Note 6 - Contingencies

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

BOROUGH OF LODI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2010

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 December 31, 2010**

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 December 31, 2010**

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 December 31, 2010

Section II -- Financial Statement Findings

CY 2010-01 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 December 31, 2010**

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 December 31, 2010

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 December 31, 2010

General

1. Miscellaneous non-tax billings were not made timely, nor were related accounts receivable records maintained.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010

Cash Cycle

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010

Revenues/Cash Receipts Cycles

Treasurer

None

Tax Collector

None

Municipal Clerk

None

Recreation Department

None

Fire Official

None

Construction Code Official

None

Registrar of Vital Statistics

None

Police Department

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010

Expenditures/Cash Disbursement Cycles

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010

Payroll Cycle

1. The payroll account was not maintained on an imprest basis.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010

Capital Assets

1. A fixed asset accounting system was not maintained in accordance with Technical Accounting Directive #85-2.*

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010

Recommendations

1. That the payroll account be reconciled monthly, and maintained on an imprest basis.*
2. That a fixed asset accounting system be maintained in accordance with Technical Accounting Directive #85-2.*
3. That controls procedures be implemented to ensure the timeliness of miscellaneous non-tax municipal billings, and the maintenance of related accounts receivable records.*

**BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010**

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 Di Maria
Registered Municipal Accountant
RMA No. CR00463**

June 30, 2011