

BOROUGH OF LODI
County of Bergen, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2007
(With Independent Auditors' Reports Thereon)

BOROUGH OF LODI
Comprehensive Annual Financial Report
Year Ended June 30, 2007
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BOROUGH OF LODI

N.J. Comprehensive Annual Financial Report
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Introductory Section

BOROUGH OF LODI
Municipal Officials
Year Ended June 30, 2007

Name	Title	Term Expires
<u>GENERAL ADMINISTRATION</u>		
Gary Paparozzi	Mayor	June 30, 2007
Karen Viscana	Deputy Mayor	June 30, 2007
Bernadette Mc Caskey	Councilwoman	June 30, 2007
Marc Schriecks	Councilman	June 30, 2007
Joseph Piparo	Councilman	June 30, 2007
Anthony Luna	Municipal Manager	
Debra A. Cannizzo	Municipal Clerk	
John J. Baldino, Esq.	Borough Attorney	
Kenneth G.B. Job	Borough Engineer	
Di Maria & Di Maria LLP	Borough Auditors	
Debra Paci	Treasurer	
George Fenn	Chief Financial Officer	
George Reggo	Tax Assessor	
Gary Stramandino	Tax Collector	
Scott G. Sproviero, Esq.	Magistrate	
Carol De Falco	Municipal Court Administrator	
Patricia Bigel	Deputy Court Administrator	
Vincent Caruso	Chief of Police	
Traci Nunno	Municipal Prosecutor	
Joseph Giammanco	Municipal Prosecutor	
Frank Luciano	Public Defender	
Marion Disorfano	Registrar of Vital Statistics	
Joel Lavin	Construction Code Official	
Nicholas Melfi, Jr.	Building Sub-Code Official	
Robert Shultz	Electrical Sub-Code Official	
Pat Tufaro	Plumbing Sub-Code Official	
Larry Conte	Property Maintenance Official	
Gerald Woods	Superintendent of Public Works	

BOROUGH OF LODI
Municipal Officials
Year Ended June 30, 2007

Name	Title	Term Expires
<u>PLANNING BOARD</u>		
Alexander J. Noreika	Chairperson	June 30, 2009
Marjorie Breitwieser	Member	June 30, 2008
Frank Rossi	Member	June 30, 2008
Fred C. Hirsh	Member	June 30, 2007
Govind Vakharia	Member	June 30, 2007
Francis Carrasco	Member	June 30, 2010
Frank Paparozzi	Member	Class I
Tony Luna	Member	Class II
Bernadette McCaskey	Member	Class III
Giuseppe C. Randazzo, Esq.	Planning Board Attorney	
Elaine De Nobile	Planning Board Secretary	
<u>ZONING BOARD</u>		
Dominic Di Maulo	Member	June 30, 2007
Gerald Inserra	Member	June 30, 2007
Bruce Gilson	Member	June 30, 2010
William Piparo	Member	June 30, 2009
Domenic Staine	Alternate #1	June 30, 2007
Robert Schriecks	Member	June 30, 2008
Frank Gaciovano	Alternate #2	June 30, 2007
Louis Avola	Member	June 30, 2008
Frank Pinto	Member	June 30, 2008
Roger Bernhammer, Esq.	Zoning Board Attorney	
Elaine De Nobile	Zoning Board Secretary	
Frank Mileto	Zoning Board Planner	

BOROUGH OF LODI

N.J. Comprehensive Annual Financial Report
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Financial Section

Di Maria & Di Maria LLP

Public Accountants and Consultants

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Lodi, New Jersey 07644
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Facsimile 973.779.6891
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Independent Auditors' Report

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

We have audited the accompanying financial statements of the various funds of the Borough of Lodi, State of New Jersey, as of and for the years ended June 30, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, because of the Borough of Lodi's policy to prepare its financial statements on the basis of accounting discussed in preceding paragraph, the financial statements above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various funds of the Borough of Lodi, State of New Jersey, as of June 30, 2007 and 2006 or the results of its operations or cash flows for the years then ended.

The Borough did not comply with Technical Accounting Directive #85-2 regarding accounting for fixed assets.

Independent Auditors' Report (Continued)

However, in our opinion, the financial statements present fairly, in all material respects, the financial position of the various funds of the Borough of Lodi, State of New Jersey at June 30, 2007 and 2006, and the results of its operations and the changes in fund balance of the individual funds for the years then ended, and the revenues, expenditures and fund balance for the years ended June 30, 2007 and 2006 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2007 on our consideration of the Borough of Lodi, State of New Jersey internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

DI MARIA & DI MARIA LLP
Public Accountants and Consultants

Frank R. Di Maria

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

December 31, 2007

BOROUGH OF LODI

A-1

COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - STATUTORY BASIS

ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2007

(With Comparative Totals for 2006)

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Fixed Asset Account Group	Totals (Memorandum Only)	
						June 30, 2007	June 30, 2006
<u>ASSETS AND OTHER DEBITS</u>							
Cash	\$ 1,552,937	\$ 77,661	\$ 993,297	\$ 2,527,322	\$ -	\$ 5,151,217	\$ 4,487,304
Deferred Compensation Assets	-	-	1,893,906	-	-	1,893,906	1,562,464
Interfunds Receivable	164	-	180	83,169	-	83,513	2,702
Intergovernmental Receivable	340,644	135,351	-	2,387,570	-	2,863,565	3,092,973
Accounts Receivable	250,956	-	-	-	-	250,956	299,297
Deferred Charges	690,658	-	-	16,273,826	-	16,964,484	15,948,694
Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Total Assets and Other Debits	<u>\$ 2,835,359</u>	<u>\$ 213,012</u>	<u>\$ 2,887,383</u>	<u>\$ 21,271,887</u>	<u>\$ 23,234,532</u>	<u>\$ 50,442,173</u>	<u>\$ 48,627,966</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>							
Appropriation Reserves	\$ 482,958	\$ -	\$ -	\$ -	\$ -	\$ 482,958	\$ 609,610
Interfunds Payable	83,349	-	164	-	-	83,513	2,702
Intergovernmental Payable	2,999	-	23	-	-	3,022	3,425
Other Liabilities and Reserves	1,162,965	213,012	2,887,196	706,799	-	4,969,972	4,581,670
Serial Bonds Payable	-	-	-	8,941,000	-	8,941,000	10,481,000
Loans Payable	-	-	-	796,426	-	796,426	858,901
Bond Anticipation Notes Payable	-	-	-	6,536,400	-	6,536,400	4,310,500
Improvement Authorizations	-	-	-	4,286,334	-	4,286,334	3,933,715
Reserve for General Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Reserve for Receivables and Other Assets	251,120	-	-	-	-	251,120	301,125
Fund Balances	851,968	-	-	4,928	-	856,896	310,786
Total Liabilities, Reserves and Fund Balance	<u>\$ 2,835,359</u>	<u>\$ 213,012</u>	<u>\$ 2,887,383</u>	<u>\$ 21,271,887</u>	<u>\$ 23,234,532</u>	<u>\$ 50,442,173</u>	<u>\$ 48,627,966</u>

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

BOROUGH OF LODI
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - STATUTORY BASIS
CURRENT FUND

	2007	2006
<u>REVENUES AND OTHER CREDITS TO INCOME</u>		
Revenues:		
Fund Balance Anticipated	\$ -	\$ -
Miscellaneous Revenues	5,948,250	6,578,458
Receipts from Delinquent Taxes	69,027	29,012
Amount to be Raised by Taxation	16,307,566	14,971,453
Total Revenues	22,324,843	21,578,923
Other Credits to Income	36,076,914	34,214,796
Total Revenues and Other Credits to Income	<u>\$ 58,401,757</u>	<u>\$ 55,793,719</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>		
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	\$ 8,225,462	\$ 7,590,271
Other Expenses	7,939,162	4,279,629
Deferred Charges and Statutory Expenditures	347,508	714,437
Operations Excluded From "CAPS":		
Salaries and Wages	-	220,000
Other Expenses	3,018,942	6,219,881
Capital Improvements	125,000	50,000
Municipal Debt Service	2,230,131	2,141,561
Deferred Charges	218,294	365,931
Judgments	250,000	298,891
Reserve for Uncollected Taxes	144,212	125,983
Total Budget Expenditures	22,498,711	22,006,584
Other Expenses and Charges to Income	35,972,012	33,890,328
Total Expenditures	<u>\$ 58,470,723</u>	<u>\$ 55,896,912</u>
Statutory Excess to Fund Balance	(68,966)	(103,193)
Transferred to Deferred Charge of Succeeding Year	610,658	138,294
Fund Balance, July 1	310,276	275,175
	851,968	310,276
Decreased by:		
Utilization as Anticipated Revenue	-	-
Fund Balance, June 30	<u>\$ 851,968</u>	<u>\$ 310,276</u>

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

BOROUGH OF LODI
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - STATUTORY BASIS
BUDGET AND ACTUAL -- CURRENT FUND
Year Ended June 30, 2007

	<u>Budget</u> <u>as Modified</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ -	\$ -	\$ -
Miscellaneous Revenues	6,050,332	5,948,250	(102,082)
Receipts from Delinquent Taxes	25,000	69,027	44,027
Amount to be Raised by Taxation	15,812,722	16,307,566	494,844
Total Revenues	<u>21,888,054</u>	<u>22,324,843</u>	<u>436,789</u>
Other Credits to Income	35,718,153	36,076,914	358,761
Total Revenues and Other Credits to Income	<u>\$ 57,606,207</u>	<u>\$ 58,401,757</u>	<u>\$ 795,550</u>

EXPENDITURES AND OTHER CHARGES TO INCOME

Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	\$ 8,225,462	\$ 8,225,462	\$ -
Other Expenses	7,939,162	7,939,162	-
Deferred Charges and Statutory Expenditures	347,508	347,508	-
Operations Excluded From "CAPS":			
Salaries and Wages	-	-	-
Other Expenses	3,018,942	3,018,942	-
Capital Improvements	125,000	125,000	-
Municipal Debt Service	2,230,132	2,230,131	1
Deferred Charges	218,294	218,294	-
Judgments	250,000	250,000	-
Reserve for Uncollected Taxes	144,212	144,212	-
Total Budget Expenditures	<u>22,498,712</u>	<u>22,498,711</u>	<u>1</u>
Other Expenses	35,718,153	35,972,012	253,859
Total Expenditures	<u>\$ 58,216,865</u>	<u>\$ 58,470,723</u>	<u>\$ 253,860</u>

Statutory Excess to Current Fund Balance	(68,966)
Transferred to Deferred Charge of Succeeding Year	610,658
Fund Balance, July 1	<u>310,276</u>
	851,968

Decreased by:

Utilization as Anticipated Revenue	-
Fund Balance, June 30	<u>\$ 851,968</u>

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

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 1 - Reporting Entity, Organization and Function

A. Introduction

The Borough of Lodi (the "Borough") is an municipal corporation of the State of New Jersey located within the County of Bergen, located approximately 9 miles west of the City of New York. The Borough's population according to the 2000 census is 23,971.

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

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

The municipal budget includes the following generally stated municipal services:

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

B. Basis of Accounting

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

C. Component Units

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

- Volunteer Fire Department
- Volunteer Ambulance Corp.
- Free Public Library

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 2 - Summary of Significant Accounting Policies

The financial statements contain all applicable funds and account groups in accordance with the "Requirements of Audit" and the "N.J. Comprehensive Annual Financial Report" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the municipality accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

A. Funds and Account Groups

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

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

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

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

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

General Fixed Asset Account Group - The General Fixed Asset Account Group accounts for Township owned real and personal property in accordance with Technical Accounting Directive #85-2.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

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 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 days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the municipalities' financial statements.

C. Cash and Investments

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

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

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

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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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 Borough's budget. Other amounts that are due the Borough 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 Borough'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 Borough'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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

P. Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the municipalities' 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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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

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 Borough will follow direction from the Division of Local Government Services concerning implementation dates, as they may not coincide with national requirements. The Borough has not yet determined the impact of adoption of this standard on the financial statements.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 3 - Cash and Cash Equivalents

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

A. Deposits

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

All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by the three categories described below:

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

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

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

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

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

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper. The Evergreen Treasury Money Market Fund is managed by First Union Bank. This fund invests in AAA rated high quality money market instruments and securities. The Goldman Sachs Treasury Instruments Portfolio Money Market Trust Fund is managed by the Bank of New York and also invests in high grade securities, and is rated AAA.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 4 - Investments

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

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

No investments were held as of June 30, 2007.

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.

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.

Term		Party
From	To	
07/03/97	07/03/27	Passaic Valley Water Commission
10/28/98	10/28/38	Crown Properties, LLC
10/17/94	03/07/04	Cablevision

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 7 - Fixed Assets

The following is a summary of general fixed asset additions, deletions and adjustments for the year ended June 30, 2007:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Land	\$ 11,179,200	\$ -	\$ -	\$ 11,179,200
Land Improvements	344,800	-	-	344,800
Buildings	6,185,450	-	-	6,185,450
Machinery and Equipment	5,503,607	-	-	5,503,607
Underground Equipment	21,475	-	-	21,475
	<u>\$ 23,234,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,234,532</u>

No depreciation on general fixed assets is recorded in the financial statements in accordance with Technical Accounting Directive #85-2.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 8 - Capital Debt

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

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

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

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 8 - Capital Debt (Continued)

A. Comparative Summary of Debt

	<u>June 30, 2007</u>	<u>June 30, 2006</u>	<u>June 30, 2005</u>
<u>Issued</u>			
School - Bonds and Notes	\$ 2,105,000	\$ 2,410,000	\$ 2,995,000
Water Utility - Bonds and Notes	-	-	-
General - Bonds and Notes	16,273,826	15,650,400	15,633,663
Total Issued	<u>\$ 18,378,826</u>	<u>\$ 18,060,400</u>	<u>\$ 18,628,663</u>
<u>Authorized but not Issued</u>			
General - Bonds and Notes	\$ -	\$ -	\$ -
	<u>\$ 18,378,826</u>	<u>\$ 18,060,400</u>	<u>\$ 18,628,663</u>
<u>Deductions:</u>			
School Deduction	2,105,000	2,410,000	2,995,000
Utility Deduction and Funds on Hand	2,885,000	3,950,000	5,254,903
Net Bonds and Notes Authorized and Authorized but not Issued	<u>\$ 13,388,826</u>	<u>\$ 11,700,400</u>	<u>\$ 10,378,760</u>
Equalized Valuation Basis	\$ 2,042,779,832	\$ 1,789,204,841	\$ 1,557,211,389
Net Debt Percentage	0.66%	0.65%	0.67%
3-1/2% of Equalized Valuation Basis	\$ 71,497,294	\$ 62,622,169	\$ 54,502,399
Remaining Borrowing Power	\$ 58,108,468	\$ 50,921,769	\$ 44,123,639

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 8 - Capital Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding --
General Capital Fund

Year	2001 Refunding Bonds		2003 Pension Refunding Bonds	
	Principal	Interest	Principal	Interest
SFY 2008	\$ 1,055,000	\$ 44,300	\$ 20,000	\$ 51,455
SFY 2009	580,000	11,600	620,000	50,725
SFY 2010	-	-	610,000	25,925
SFY 2011	-	-	-	-
SFY 2012	-	-	-	-
SFY 2013	-	-	-	-
SFY 2014	-	-	-	-
SFY 2015	-	-	-	-
SFY 2016	-	-	-	-
SFY 2017	-	-	-	-
SFY 2018	-	-	-	-
SFY 2019	-	-	-	-
SFY 2020	-	-	-	-
SFY 2021	-	-	-	-
SFY 2022	-	-	-	-
SFY 2023	-	-	-	-
SFY 2024	-	-	-	-
SFY 2025	-	-	-	-
SFY 2026	-	-	-	-
	<u>\$ 1,635,000</u>	<u>\$ 55,900</u>	<u>\$ 1,250,000</u>	<u>\$ 128,105</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 8 - Capital Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding --
General Capital Fund (Continued)

Year	04/15/99 General Obligation Bonds		06/15/05 General Obligation Bonds	
	Principal	Interest	Principal	Interest
SFY 2008	\$ 475,000	\$ 110,098	\$ 25,000	\$ 135,419
SFY 2009	500,000	89,436	25,000	134,606
SFY 2010	510,000	67,686	25,000	133,763
SFY 2011	515,000	45,502	425,000	132,888
SFY 2012	531,000	23,099	450,000	118,013
SFY 2013	-	-	475,000	101,813
SFY 2014	-	-	500,000	84,000
SFY 2015	-	-	525,000	64,000
SFY 2016	-	-	525,000	43,000
SFY 2017	-	-	550,000	22,000
SFY 2018	-	-	-	-
SFY 2019	-	-	-	-
SFY 2020	-	-	-	-
SFY 2021	-	-	-	-
SFY 2022	-	-	-	-
SFY 2023	-	-	-	-
SFY 2024	-	-	-	-
SFY 2025	-	-	-	-
SFY 2026	-	-	-	-
	<u>\$ 2,531,000</u>	<u>\$ 335,821</u>	<u>\$ 3,525,000</u>	<u>\$ 969,502</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 8 - Capital Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding --
General Capital Fund (Continued)

Year	04/8/97 Green Trust Loan Memorial & Kennedy Parks		06/28/98 Green Trust Loan Saddle River Park Acquisition	
	Principal	Interest	Principal	Interest
SFY 2008	\$ 29,557	\$ 4,587	\$ 12,122	\$ 2,743
SFY 2009	30,150	3,992	12,366	2,500
SFY 2010	30,757	3,387	12,615	2,251
SFY 2011	31,374	2,768	12,868	1,997
SFY 2012	32,005	2,138	13,127	1,739
SFY 2013	32,648	1,495	13,390	1,475
SFY 2014	33,305	838	13,660	1,206
SFY 2015	16,903	169	13,934	931
SFY 2016	-	-	14,213	651
SFY 2017	-	-	14,500	366
SFY 2018	-	-	7,359	74
SFY 2019	-	-	-	-
SFY 2020	-	-	-	-
SFY 2021	-	-	-	-
SFY 2022	-	-	-	-
SFY 2023	-	-	-	-
SFY 2024	-	-	-	-
SFY 2025	-	-	-	-
SFY 2026	-	-	-	-
	<u>\$ 236,699</u>	<u>\$ 19,374</u>	<u>\$ 140,154</u>	<u>\$ 15,933</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 8 - Capital Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding --
General Capital Fund (Continued)

Year	09/21/98 Green Trust Loan Saddle River Park Development		N.J.E.I.T. Fund Non-Interest Bearing	
	Principal	Interest	Principal	Interest
SFY 2008	\$ 5,455	\$ 1,234	\$ 5,690	\$ -
SFY 2009	5,564	1,124	5,522	-
SFY 2010	5,676	1,013	5,335	-
SFY 2011	5,790	899	8,786	-
SFY 2012	5,907	783	8,413	-
SFY 2013	6,024	664	8,040	-
SFY 2014	6,146	543	7,658	-
SFY 2015	6,269	419	-	-
SFY 2016	6,396	293	-	-
SFY 2017	6,524	164	-	-
SFY 2018	3,310	33	-	-
SFY 2019	-	-	-	-
SFY 2020	-	-	-	-
SFY 2021	-	-	-	-
SFY 2022	-	-	-	-
SFY 2023	-	-	-	-
SFY 2024	-	-	-	-
SFY 2025	-	-	-	-
SFY 2026	-	-	-	-
	<u>\$ 63,061</u>	<u>\$ 7,169</u>	<u>\$ 49,444</u>	<u>\$ -</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 8 - Capital Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding --
General Capital Fund (Continued)

Year	N.J.E.I.T. Fund Interest Bearing		6/5/06 727 Green Trust Loan - Memorial Park Improvements	
	Principal	Interest	Principal	Interest
SFY 2008	\$ 5,000	\$ 2,625	\$ 11,026	\$ 4,987
SFY 2009	5,000	2,400	11,247	4,765
SFY 2010	5,000	2,150	11,473	4,539
SFY 2011	10,000	1,775	11,704	4,309
SFY 2012	10,000	1,275	11,939	4,073
SFY 2013	10,000	775	12,179	3,833
SFY 2014	10,000	263	12,424	3,589
SFY 2015	-	-	12,674	3,339
SFY 2016	-	-	12,928	3,084
SFY 2017	-	-	13,188	2,824
SFY 2018	-	-	13,454	2,559
SFY 2019	-	-	13,724	2,289
SFY 2020	-	-	14,000	2,013
SFY 2021	-	-	14,281	1,732
SFY 2022	-	-	14,568	1,445
SFY 2023	-	-	14,861	1,152
SFY 2024	-	-	15,160	853
SFY 2025	-	-	15,464	548
SFY 2026	-	-	15,775	237
	<u>\$ 55,000</u>	<u>\$ 11,263</u>	<u>\$ 252,069</u>	<u>\$ 52,170</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 8 - Capital Debt (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding --
General Capital Fund (Continued)

Year	Total	
	Principal	Interest
SFY 2008	\$ 1,643,850	\$ 357,448
SFY 2009	1,794,849	301,148
SFY 2010	1,215,856	240,714
SFY 2011	1,020,522	190,138
SFY 2012	1,062,391	151,120
SFY 2013	557,281	110,055
SFY 2014	583,193	90,439
SFY 2015	574,780	68,858
SFY 2016	558,537	47,028
SFY 2017	584,212	25,354
SFY 2018	24,123	2,666
SFY 2019	13,724	2,289
SFY 2020	14,000	2,013
SFY 2021	14,281	1,732
SFY 2022	14,568	1,445
SFY 2023	14,861	1,152
SFY 2024	15,160	853
SFY 2025	15,464	548
SFY 2026	15,775	237
	<u>\$ 9,737,427</u>	<u>\$ 1,595,237</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

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

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the State of New Jersey provides the administration of payments to former employees of the Borough. The Borough is billed quarterly for benefits paid to former employees.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 10 - Interfunds

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

	2007		2006	
	Interfunds Receivable	Interfunds Payable	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 164	\$ 83,349	\$ 1,828	\$ 874
Federal and State Grant Fund	-	-	-	-
Trust Fund	180	164	-	1,828
General Capital Fund	83,169	-	874	-
	<u>\$ 83,513</u>	<u>\$ 83,513</u>	<u>\$ 2,702</u>	<u>\$ 2,702</u>

Note 11 - Deferred Charges to be Raised in Succeeding Budgets

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

	Balance June 30, 2007	SFY 2008 Budget Appropriation
Current Fund:		-
Overexpenditures	\$ -	\$ -
Expenditures Without Appropriations	-	-
Deficit in Operations	-	-
Emergency Authorizations (40A:4-55)	610,658	610,658
Special Emergency Authorizations (40A:4-53)	80,000	80,000
	<u>\$ 690,658</u>	<u>\$ 690,658</u>

The appropriations in the succeeding years' budgets as adopted are not less than that required by statutes.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

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 Firemen's Retirement System (PFRS). 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. Plan Descriptions, Contribution Information and Funding Policies

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, 2003 and June 30, 2002, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2003	2002
State of New Jersey	1	1
County Agencies	65	66
Municipalities	576	578
School Districts	560	561
Other Public Agencies	459	466
Total	<u>1,661</u>	<u>1,672</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 June 30, 2007

Note 12 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

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

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 12 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Public Employees' Retirement System (PERS) (Continued)

Significant Legislation -

Chapter 108, P.L. 2003, effective July 1, 2003, provided that the State Treasurer will reduce local employer PERS normal and accrued liability contributions to be a percentage of the amount certified annually by the PERS as follows: 20% for payments due in State fiscal year 2005; not more than 40% in fiscal year 2006; not more than 60% in fiscal year 2007; and not more than 80% in fiscal year 2008. According to the Budget Appropriations Act of 2004, the State as well will pay pension obligations through a five-year phase-in. In fiscal year 2004, the State paid 20% of the normal and accrued liability pension costs by using the benefit enhancement fund.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire an unfunded accrued liability resulting from early retirement benefits, effective July 12, 2002.

Chapter 23, P.L. 2002 provided early retirement incentive benefits to State employees who meet specified age and service requirements and who retire within a specified time period that generally extended from February 1, 2002 to July 1, 2002. The incentive benefits include an additional three years of service credit to employees who are at least 50 years of age with at least 25 years of service credit; State paid health care benefits to employees who are at least 60 years of age with at least 20, but less than 25, years of service credit; and an additional monthly benefit of \$500 per month for 24 months following the date of retirement to employees who are at least 60 years of age with at least 10, but not more than 20, years of service credit. For those eligible for veterans' retirement benefit, the incentive is an additional pension of 3/55 of the compensation upon which the retirement benefit is based to employees who are at least 55 years of age with 25 or more years of service credit.

Chapter 11, P.L. 2002, effective March 26, 2002, allowed the State to use net assets in post-retirement medical (PRM) fund to cover required pay-as-you-go medical premiums. This legislation also suspended in fiscal years 2002 and 2003 the additional PRM contribution to increase the fund balance by 1/2 of 1% of active member salaries for the valuation period.

Chapter 259, P.L. 2001 amends the PERS statutes and creates special retirement benefits for members employed as workers compensation judges. PERS members entitled to the new benefits are the Chief Judge, the administrative supervisory judges, the supervisory judges, and the judges of compensation of the Division of Workers' Compensation of the Department of Labor. Those in eligible titles would receive retirement benefits comparable to those provided to members of the Judicial Retirement System. The effective date of this legislation was December 6, 2001.

Chapter 366, P.L. 2001 provides enhanced pension benefits to selected individuals with County Prosecutor Offices and in the Division of Criminal Justice.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 12 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Public Employees' Retirement System (PERS) (Continued)

Membership - Membership in the System consisted of the following at June 30, 2003 and 2002, the dates of the most recent actuarial valuations:

2003	Pension Benefits	Post-Retirement Medical Benefits
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	116,545	18,805
Active Members:		
Vested	152,259	9,221
Non-Vested	142,888	78,358
Total Active Members	295,147	87,579
Total	411,692	106,384

2002	Pension Benefits	Post-Retirement Medical Benefits
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	109,546	14,779
Active Members:		
Vested	155,861	11,118
Non-Vested	135,108	77,438
Total Active Members	290,969	88,556
Total	400,515	103,335

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

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 multipleemployer 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, 2003 and June 30, 2002, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	<u>2003</u>	<u>2002</u>
State of New Jersey	1	1
Municipalities	583	587
Total	<u>584</u>	<u>588</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 June 30, 2007

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 percent 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 staterelated employer contributions.

Chapter 4, P.L. 2001 provided increased benefits to certain members who retired prior to December 29, 1989 with at least 25 years of creditable service. The maximum amount of the increase was 5% of the retiree's final compensation. For those with 30 or more years of service, the total pension benefit would increase from 65% to 70% of final compensation.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 12 - Retirement Plans (Continued)

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

Significant Legislation:

Chapter 108 (P.L. 2003), effective July 1, 2003, provided that local employer PFRS normal and accrued liability contributions will be 20% of the amount certified by the PFRS for payments due in State fiscal year 2004 and thereafter a percentage of the amount certified by the System as the State Treasurer will determine, but not more than 40% in fiscal year 2005, not more than 60% in fiscal year 2006, and not more than 80% in fiscal year 2007. According to the Budget Appropriations Act of 2004, the State as well will pay pension obligations through a five-year phase-in.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire an unfunded accrued liability resulting from early retirement benefits, effective July 12, 2002.

Membership:

Membership in the System consisted of the following at June 30:

	<u>2003</u>	<u>2002</u>
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	26,746	25,567
Active members:		
Vested	26,365	26,073
Non-vested	17,613	17,518
Total active members	43,978	43,591
Total	<u>70,724</u>	<u>69,158</u>

C. 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 and PFRS financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions, Trenton, New Jersey.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 13 - Deferred Compensation Plan

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 plans 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 Township'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, whose 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.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 13 - Deferred Compensation Plan (Continued)

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.

	June 30, 2007	June 30, 2006
Assets, Beginning of Year (Market Value)	\$ 688,287	\$ 824,896
Deferrals of Compensation	78,514	44,251
Earnings and Adjustments to Market Value	47,484	38,584
Payments to Eligible Employees	(21,849)	(219,444)
Charges and Credits	-	-
Assets, Ending of Year (Market Value)	<u>\$ 792,436</u>	<u>\$ 688,287</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

	June 30, 2007	June 30, 2006
Assets, Beginning of Year (Market Value)	\$ 760,587	\$ 648,914
Deferrals of Compensation	107,478	89,695
Earnings and Adjustments to Market Value	82,448	41,823
Payments to Eligible Employees	(17,599)	(19,350)
Charges and Credits	(480)	(495)
Assets, Ending of Year (Market Value)	<u>\$ 932,434</u>	<u>\$ 760,587</u>

C. Lincoln National Life Insurance Co.

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

	June 30, 2007	June 30, 2006
Assets, Beginning of Year (Market Value)	\$ 113,590	\$ 86,369
Deferrals of Compensation	38,500	26,000
Earnings and Adjustments to Market Value	18,921	4,747
Payments to Eligible Employees	-	(1,726)
Charges and Credits	(1,975)	(1,800)
Assets, Ending of Year (Market Value)	<u>\$ 169,036</u>	<u>\$ 113,590</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 14 - Other Post Retirement Benefits

A. Compensated Absences

General Description

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 Office of the Borough Manager One Memorial Drive Lodi, NJ 07644 (973) 365-4005 . In accordance with accounting practices prescribed by the Division of Local Government Services, this amount is not recorded as either an expenditure or a liability. The Borough approximates this liability at June 30, to be as follows:

	June 30, 2007
PBA Employees for Accumulated Sick and Vacation	\$ 1,664,266
White Collar Employees for Accumulated Sick and Vacation	115,224
Department Head and Supervisor Employees for Accumulated Sick and Vacation	151,771
General Administration Employees for Accumulated Sick and Vacation	22,845
Less: Amounts Raised in Succeeding Budgets	-
Estimated Unfunded Obligation	<u>\$ 1,954,106</u>

Note 15 - Contingencies

A. Litigation

The Borough 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 Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed, the municipality may be required to reimburse the grantor agency. As of June 30,2007, significant amounts of grant expenditures have not been audited. The Borough believes that any future disallowed expenditures will not have a material effect on its financial position.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 16 - Subsequent Events and Other Material Disclosures

A. Subsequent Year Capital Projects

The Borough's SFY 2008 Capital Budget currently includes the following:

Purpose	Total	CIF and Other Funded Sources	Bonds & Notes Authorized
SFY 2008 Roadway, Curb and Sidewalk Improvement Pro	\$ 500,000	\$ 25,000	\$ 475,000
SFY 2008 Roadway, Curb and Sidewalk Improvement Pro	500,000	419,050	80,950
SFY 2008 Roadway, Curb and Sidewalk Improvement Pro	350,000	130,000	220,000
Improvements to Municipal Facilities	100,000	5,000	95,000
Improvements to Sanitary Sewer System	200,000	10,000	190,000
Computer System Upgrades	150,000	7,500	142,500
Downtown Redevelopment - Phase I (Supplemental)	250,000	12,500	237,500
Downtown Redevelopment - Phase III (Supplemental)	100,000	5,000	95,000
	<u>\$ 2,150,000</u>	<u>\$ 614,050</u>	<u>\$ 1,535,950</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 16 - Subsequent Events and Other Material Disclosures (Continued)

B. Water Utility Lease

On July 3, 1997 the Borough entered into a lease agreement with the Passaic Valley Water Commission (PVWC) to operate the municipally owned water utility. Under the terms of the agreement, the Borough retains ownership to the utility infrastructure, i.e. water lines, stations, etc., and PVWC provides water and related services to residents. Payment for water consumption is made by the residents directly to PVWC. One year prior to the 10th and 20th anniversary, the Borough may notify PVWC of its intent to terminate. The Borough must terminate the lease prior to the 30th anniversary to retain ownership of the infrastructure. Payments due the Borough under the terms of the agreement notwithstanding potential contractual adjustments and the related appropriation was/is as follows:

Due Date	Amount	Action
SFY 1997	3,200,000	Anticipated Revenue in SFY 1997 Current Budget
SFY 1998	2,500,000	Anticipated Revenue in SFY 1998 Current Budget
SFY 1999	750,000	Anticipated Revenue in SFY 1999 Current Budget
03/15/01	45,000	Anticipated Revenue in SFY 2001 Current Budget
03/15/02	46,350	Anticipated Revenue in SFY 2002 Current Budget
03/15/03	47,741	Anticipated Revenue in SFY 2003 Current Budget
03/15/04	49,173	Anticipated Revenue in SFY 2004 Current Budget
03/15/05	50,648	Anticipated Revenue in SFY 2005 Current Budget
03/15/06	52,167	Anticipated Revenue in SFY 2006 Current Budget
03/15/07	53,732	Anticipated Revenue in SFY 2007 Current Budget
03/15/08	55,344	Anticipated Revenue in SFY 2008 Current Budget
03/15/09	57,004	
03/15/10	58,714	
03/15/11	60,476	
03/15/12	62,290	
03/15/13	64,159	
03/15/14	66,084	
03/15/15	68,066	
03/15/16	70,108	
03/15/17	72,211	
03/15/18	74,378	
03/15/19	76,609	
03/15/20	78,907	
03/15/21	81,274	
03/15/22	83,712	
03/15/23	86,224	
03/15/24	88,811	
03/15/25	91,475	
03/15/26	94,219	
03/15/27	97,046	
	<u>\$ 8,281,922</u>	

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2007

Note 16 - Subsequent Events and Other Material Disclosures (Continued)

C. Downtown Redevelopment Project

On June 26, 1998 the Mayor and Council adopted Ordinance #198-12; adopting and/or approving a redevelopment plan for the downtown area within the Borough of Lodi, as set forth in a plan prepared by outside planning and real estate consultants. The plan identifies and designates approximately 45 (forty five) acres of commercial, industrial and residential property within the Borough's downtown area as the redevelopment zone. Ordinance #198-12 further designates the Mayor and Council to act as the redevelopment agent pursuant to N.J.S.A. 40A:12A-4c.

A redevelopment agreement was signed on October 28, 1998 between the Borough and Crown Properties, LLC for the development of retail, commercial, recreational and/or residential uses pursuant to the provisions of the redevelopment plan.

Phase I ("Soft Costs") - Phase I of the Downtown Redevelopment consists of Ordinance #201-11 finally adopted on March 19, 2001 to provide an initial \$500,000 for "soft costs".

Phase II ("Nunno Property") - Phase II of the Downtown Redevelopment consists of the Borough, pursuant to the Developer's Agreement, opting to exclude certain parcels of land at the southern most point of the redevelopment area, and allow the owner to develop said properties to the extent that the redeveloper would have under the redevelopment agreement. Any costs to the municipality relative to Phase II, i.e. engineering, architecture, etc. are to be paid by the owner.

BOROUGH OF LODI
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS
CURRENT FUND

	2007	2006	2005	2004	2003
ASSETS AND OTHER DEBITS					
Cash:					
Operating Account	\$ 1,552,437	\$ 784,796	\$ 752,496	\$ 1,396,621	\$ 1,641,298
Local Law Enforcement Account	-	-	-	3,681	3,681
Change Fund	500	300	300	300	100
	<u>\$ 1,552,937</u>	<u>\$ 785,096</u>	<u>\$ 752,796</u>	<u>\$ 1,400,602</u>	<u>\$ 1,645,079</u>
Interfunds Receivable:					
Due From Dog License Trust Fund	\$ 164	\$ 19	\$ 1,335	\$ 6	\$ 269
Due From Developer's Escrow Trust Fund	-	-	-	9,871	2,198
Due Other Trust Fund	-	1,809	66,422	-	22,039
	<u>\$ 164</u>	<u>\$ 1,828</u>	<u>\$ 67,757</u>	<u>\$ 9,877</u>	<u>\$ 24,506</u>
Intergovernmental Receivable:					
Due From State of N.J. (P.L. 1976, c.73)	\$ 340,644	\$ 358,019	\$ 345,144	\$ 362,931	\$ 392,956
Other Receivables:					
Delinquent Property Taxes	\$ 7,117	\$ 71,621	\$ 80,242	\$ 109,626	\$ 154,512
Tax Title Liens Receivable	225,592	209,429	194,346	168,441	377,637
Property Acquired for Taxes at Assessed Valuation	18,247	18,247	18,247	18,247	18,247
P.V.W.C. Water Utility Lease Payment	-	-	50,648	49,173	47,741
Mortgage Receivable	-	-	-	885,569	1,035,569
	<u>\$ 250,956</u>	<u>\$ 299,297</u>	<u>\$ 343,483</u>	<u>\$ 1,231,056</u>	<u>\$ 1,633,706</u>
Deferred Charges:					
Emergency Authorizations	\$ 610,658	\$ 138,294	\$ 620,109	\$ 677,808	\$ 550,179
Special Emergency Authorizations (N.J.S. 40A:4-55.1)	80,000	160,000	240,000	427,719	615,438
	<u>\$ 690,658</u>	<u>\$ 298,294</u>	<u>\$ 860,109</u>	<u>\$ 1,105,527</u>	<u>\$ 1,165,617</u>
Total Assets and Other Debits	<u>\$ 2,835,359</u>	<u>\$ 1,742,534</u>	<u>\$ 2,369,289</u>	<u>\$ 4,109,993</u>	<u>\$ 4,861,864</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 482,958	\$ 609,610	\$ 1,109,231	\$ 464,862	\$ 459,960
Interfunds Payable:					
Due to General Capital Fund	\$ 83,169	\$ 874	\$ 15,557	\$ 196,396	\$ 41,434
Due to Other Trust Fund	180	-	-	-	-
	<u>\$ 83,349</u>	<u>\$ 874</u>	<u>\$ 15,557</u>	<u>\$ 196,396</u>	<u>\$ 41,434</u>
Intergovernmental Payable:					
State of New Jersey	\$ 2,999	\$ 3,410	\$ 4,586	\$ 3,672	\$ 1,916
Other Liabilities and Reserves:					
Reserve for Encumbrances	\$ 219,299	\$ 237,499	\$ 163,283	\$ 134,599	\$ 301,273
Reserve for Flood Emergency Expenditures	-	-	-	-	-
Reserve for Domestic Violence Training	3,075	3,075	3,075	3,075	3,075
Reserve for BCUA Municipal Recycling Program	6,709	-	-	-	-
Reserve for Revaluation	-	-	-	22,363	184,309
Deferred Revenues	-	-	-	456,850	136,560
Due to Payroll Account	-	-	-	-	-
Tax Title Lien Redemptions Due to Outside Lien Holders	6,292	-	-	-	-
Taxes Collected in Advance	144,951	149,384	198,619	136,414	131,739
Tax Sale Premiums	-	-	-	-	-
Tax Overpayments	143,947	95,893	126,903	90,269	87,251
Emergency Note Payable	610,000	-	-	677,000	550,000
Special Emergency Note Payable	-	-	-	107,719	215,438
Accounts Payable	28,692	31,388	61,620	61,620	517,443
	<u>\$ 1,162,965</u>	<u>\$ 517,239</u>	<u>\$ 553,500</u>	<u>\$ 1,689,909</u>	<u>\$ 2,127,088</u>
Reserve for Receivables and Other Assets	\$ 251,120	\$ 301,125	\$ 411,240	\$ 1,240,933	\$ 1,658,212
Fund Balance	\$ 851,968	\$ 310,276	\$ 275,175	\$ 514,221	\$ 573,254
Total Liabilities, Reserves and Fund Balance	<u>\$ 2,835,359</u>	<u>\$ 1,742,534</u>	<u>\$ 2,369,289</u>	<u>\$ 4,109,993</u>	<u>\$ 4,861,864</u>

BOROUGH OF LODI
STATEMENT OF BUDGET REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2007

	Budget As Modified	Realized	Excess/ (Deficit)
Fund Balance Anticipated	\$ -	\$ -	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 18,000	\$ 22,441	\$ 4,441
Other Licenses	65,000	59,935	(5,065)
Fees and Permits	70,000	66,516	(3,484)
Municipal Court Fines and Costs	365,000	453,653	88,653
Interest and Costs on Taxes	98,000	105,252	7,252
Interest on Investments and Deposits	200,000	283,569	83,569
Sewer Charges	490,000	354,540	(135,460)
Legislative Initiative Municipal Block Grant	97,818	97,818	-
Consolidated Municipal Property Tax Relief	1,470,942	1,470,942	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	983,641	983,641	-
Supplemental Energy Receipts Tax	40,082	40,082	-
Municipal Homeland Security Assistance	90,000	90,000	-
Uniform Construction Code Fees	390,000	462,927	72,927
Recycling Tonnage Grant	3,555	3,555	-
Drunk Driving Enforcement Fund	5,503	5,503	-
Clean Communities Program	20,465	20,465	-
Alcohol Education Rehabilitation Program	1,120	1,120	-
Municipal Alliance on Alcoholism and Drug Abuse	13,500	13,500	-
Body Armor Fund	3,942	3,942	-
Child Passenger Safety Education Grant	5,000	5,000	-
Click it or Ticket Grant	4,000	4,000	-
You Drink, You Drive, You Lose	5,000	5,000	-
Bergen County Prosecutor's Office - Confiscated Funds	78,101	78,101	-
Uniform Fire Safety Act	50,000	43,319	(6,681)
Local Uniform Fire Safety Fees	80,000	95,221	15,221
Cable TV Franchise Fee	64,000	65,341	1,341
P.V.W.C. Water Utility Lease Payment	53,732	53,732	-
Host Community Fees	5,000	11,920	6,920
Joint Insurance Fund Reimbursements	35,000	51,320	-
Self-Insurance Fund Reimbursements	250,000	106,817	(143,183)
Reserve for Payment of Bond - CD Reimbursement	179,431	51,719	(127,712)
Reserve for Payment of Bonds - DOT Reimbursement	199,500	173,636	(25,864)
Redevelopment Reimbursement	150,000	150,000	-
Cellular Tower Lease	30,000	60,000	30,000
Summer Concert Donations	30,000	20,000	(10,000)
State of N.J. - D.M.V. Security	25,000	8,723	(16,277)
Westmont LLC	100,000	100,000	-
Crown Properties	30,000	30,000	-
Sewer Charges - Rate Increase	250,000	250,000	-
Sanitary Sewer Tie-In Agreement (Township of South Hackensack)	-	5,000	5,000
Sanitary Sewer Tie-In Agreement (Township of Saddle Brook)	-	40,000	40,000
Total Miscellaneous Revenues	\$ 6,050,332	\$ 5,948,250	\$ (118,402)
Receipts From Delinquent Taxes	\$ 25,000	\$ 69,027	\$ 44,027

BOROUGH OF LODI
STATEMENT OF BUDGET REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2007

Amount to be Raised by Taxation	\$ 15,812,722	\$ 16,307,566	\$ 494,844
Total Budget Revenues	\$ 21,888,054	\$ 22,324,843	\$ 420,469
Other Credits to Income:			
Local District School Tax	\$ 31,679,127	\$ 31,679,127	\$ -
County Tax	3,791,450	3,791,450	-
Added County Tax	25,112	25,112	-
County Open Space Tax	221,130	221,130	-
Added County Open Space Tax	1,334	1,334	-
Non-Budget Revenues	-	199,435	199,435
Unexpended Balance of Budget Appropriations	-	-	-
Unexpended Balance of Appropriation Reserves and Encumbrances	-	155,032	155,032
Interfund Loans Returned	-	1,828	1,828
Statutory Excess From Dog License Fund	-	2,466	2,466
Prior Year Outstanding Checks Cancelled	-	-	-
Cancellations and Adjustments	-	-	-
P.V.W.C. Receivable	-	-	-
Total Other Credits to Income	\$ 35,718,153	\$ 36,076,914	\$ 358,761
Total Revenues and Credits to Income	\$ 57,606,207	\$ 58,401,757	\$ 779,230

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS

CURRENT FUND

Year Ended June 30, 2007

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS:						
General Administration:						
Salaries and Wages	\$ 200,000	\$ 194,139	\$ 184,476	\$ 9,663	\$ -	\$ -
Other Expenses	175,000	163,000	156,452	6,548	-	-
Mayor and Council:						
Salaries and Wages	32,500	32,500	32,500	-	-	-
Other Expenses	7,500	7,500	6,541	959	-	-
Municipal Clerk:						
Salaries and Wages	140,000	140,000	139,139	861	-	-
Other Expenses	35,000	35,000	30,941	4,059	-	-
Financial Administration:						
Salaries and Wages	200,000	200,000	199,569	431	-	-
Other Expenses	40,000	45,000	41,293	3,707	-	-
Computerized Data Processing:						
Other Expenses	15,000	20,000	17,343	2,657	-	-
Audit Services:						
Other Expenses	50,000	50,000	45,000	5,000	-	-
Revenue Administration:						
Salaries and Wages	107,000	112,000	111,972	28	-	-
Other Expenses	20,000	20,000	19,297	703	-	-
Tax Assessment Administration:						
Salaries and Wages	75,000	75,000	74,982	18	-	-
Other Expenses	40,000	40,000	36,181	3,819	-	-
Legal Services:						
Salaries and Wages	108,500	108,500	104,459	4,041	-	-
Other Expenses	225,000	200,000	159,243	40,757	-	-
Engineering Services:						
Other Expenses	40,000	42,000	37,093	4,907	-	-
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	1,500	1,500	1,500	-	-	-
Other Expenses	5,000	5,000	2,709	2,291	-	-
Zoning Board of Adjustment:						
Salaries and Wages	1,500	1,550	1,550	-	-	-
Other Expenses	5,000	5,000	5,000	-	-	-
INSURANCE:						
Liability Insurance	445,635	470,635	467,640	2,995	-	-
Worker Compensation Insurance	390,964	390,964	390,964	-	-	-
Employee Group Insurance	2,600,000	2,760,607	2,760,607	-	-	-
Unemployment Compensation	20,000	20,000	19,206	794	-	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2007

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS WITHIN "CAPS" (Continued)						
PUBLIC SAFETY FUNCTIONS:						
Police:						
Salaries and Wages	\$ 4,500,000	\$ 4,946,023	\$ 4,915,380	\$ 30,643	\$ -	\$ -
Other Expenses	165,000	165,000	155,751	9,249	-	-
911/Dispatch:						
Salaries and Wages	290,000	285,000	284,988	12	-	-
Other Expenses	45,956	45,956	43,811	2,145	-	-
Office of Emergency Management:						
Salaries and Wages	6,500	6,600	6,600	-	-	-
Other Expenses	9,000	9,000	7,929	1,071	-	-
Aid to Volunteer Fire Companies:						
Other Expenses	130,000	130,000	124,736	5,264	-	-
Aid to Volunteer Ambulance Companies:						
Salaries and Wages	82,000	82,000	74,924	7,076	-	-
Other Expenses	45,000	33,750	33,750	-	-	-
Fire Department:						
Salaries and Wages	62,000	85,800	85,477	323	-	-
Other Expenses	50,000	47,000	45,641	1,359	-	-
Municipal Prosecutor's Office:						
Salaries and Wages	15,000	15,000	15,000	-	-	-
PUBLIC WORKS FUNCTIONS:						
Streets and Road Maintenance:						
Salaries and Wages	1,200,000	1,079,800	1,069,327	10,473	-	-
Other Expenses	335,000	315,000	247,536	67,464	-	-
Sanitary Sewer System Repairs:						
Other Expenses	50,000	50,000	13,781	36,219	-	-
Solid Waste Collection:						
Other Expenses	635,000	635,000	578,999	56,001	-	-
Vehicle Maintenance:						
Other Expenses	100,000	120,000	117,164	2,836	-	-
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Public Health Services:						
Salaries and Wages	57,000	60,600	60,565	35	-	-
Other Expenses	100,000	100,000	81,264	18,736	-	-
PARK AND RECREATION FUNCTIONS:						
Recreation Services and Programs:						
Salaries and Wages	236,000	243,000	242,663	337	-	-
Other Expenses	125,000	125,750	122,386	3,364	-	-
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	90,000	70,000	64,698	5,302	-	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2007

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
MUNICIPAL COURT:						
Municipal Court Administration:						
Salaries and Wages	\$ 200,000	\$ 201,300	\$ 200,999	\$ 301	\$ -	\$ -
Other Expenses	7,000	7,500	7,173	327	-	-
Public Defender:						
Salaries and Wages	5,150	5,150	4,935	215	-	-
UNIFORM CONSTRUCTION CODE:						
Code Enforcement and Administration:						
Salaries and Wages	260,000	260,000	257,822	2,178	-	-
Other Expenses	20,000	15,000	10,339	4,661	-	-
Relocation:						
Other Expenses	9,000	-	-	-	-	-
UTILITY EXPENSES AND BULK PURCHASES:						
Electricity	400,000	420,000	380,943	39,057	-	-
Street Lighting	180,000	198,000	182,514	15,486	-	-
Telephone	100,000	100,000	94,108	5,892	-	-
Water	12,000	12,000	6,484	5,516	-	-
Gasoline	100,000	117,000	116,302	698	-	-
LANDFILL/SOLID WASTE DISPOSAL COSTS:						
Dump Fees	800,000	834,000	802,297	31,703	-	-
Recycling Disposal Fees	60,000	49,000	45,009	3,991	-	-
Roll-Off Containers	60,000	60,000	44,084	15,916	-	-
OTHER COMMON OPERATING FUNCTIONS:						
Accumulated Leave Compensation:						
Salaries and Wages	90,000	90,000	90,000	-	-	-
LAND USE ADMINISTRATION						
Planning Board:						
Other Expenses	2,500	1,500	192	1,308	-	-
Zoning Board of Adjustment:						
Other Expenses	2,500	4,000	2,975	1,025	-	-
Total Operations Within "CAPS"	\$ 15,616,705	\$ 16,164,624	\$ 15,684,203	\$ 480,421	\$ -	\$ -
Detail:						
Salaries and Wages	\$ 7,869,650	\$ 8,225,462	\$ 8,158,827	\$ 66,635	\$ -	\$ -
Other Expenses	\$ 7,747,055	\$ 7,939,162	\$ 7,525,376	\$ 413,786	\$ -	\$ -
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</u>						
DEFERRED CHARGES:						
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STATUTORY EXPENDITURES:						
Social Security System (O.A.S.I.)	325,000	330,000	329,970	30	-	-
Local Firemen's Pension Fund	15,000	15,000	14,500	500	-	-
Deferred Compensation Contribution	5,000	2,508	2,500	8	-	-
	\$ 345,000	\$ 347,508	\$ 346,970	\$ 538	\$ -	\$ -
Total General Appropriations Within "CAPS"	\$ 15,961,705	\$ 16,512,132	\$ 16,031,173	\$ 480,959	\$ -	\$ -

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS

CURRENT FUND

Year Ended June 30, 2007

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER APPROPRIATIONS</u>						
EDUCATIONAL FUNCTIONS:						
Maintenance of Free Public Library	\$ 675,000	\$ 675,000	\$ 675,000	\$ -	\$ -	-
UTILITY EXPENSES AND BULK PURCHASES:						
Sewer Processing and Disposal	1,350,000	1,401,028	1,401,028	-	-	-
STATUTORY EXPENDITURES:						
Public Employees' Retirement System	123,078	132,089	132,089	-	-	-
Police and Firemen's Retirement System	627,264	627,264	627,264	-	-	-
Volunteer Length of Service Award Program	40,000	40,000	38,000	2,000	-	-
	<u>\$ 2,815,342</u>	<u>\$ 2,875,381</u>	<u>\$ 2,873,381</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>-</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
Bergen County Prosecutor's Office - Confisc	\$ 78,101	\$ 78,101	\$ 78,101	\$ -	\$ -	-
Recycling Tonnage Grant	3,555	3,555	3,555	-	-	-
Alcohol Education Rehabilitation Fund	1,120	1,120	1,120	-	-	-
Drunk Driving Enforcement Fund	5,503	5,503	5,503	-	-	-
Clean Communities Program	20,465	20,465	20,465	-	-	-
Body Armor Replacement Program	3,942	3,942	3,942	-	-	-
You Drink, You Drive, You Lose	5,000	5,000	5,000	-	-	-
Child Passenger Safety Ed Grant	4,000	4,000	4,000	-	-	-
Child Passenger Safety Ed Grant	1,000	1,000	1,000	-	-	-
Click it or Ticket Grant	4,000	4,000	4,000	-	-	-
Municipal Alliance on Alcoholism and Drug /	13,500	13,500	13,500	-	-	-
Municipal Alliance on Alcoholism and Drug /	3,375	3,375	3,375	-	-	-
	<u>\$ 143,561</u>	<u>\$ 143,561</u>	<u>\$ 143,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total Operations Excluded From "CAPS"	\$ 2,958,903	\$ 3,018,942	\$ 3,016,942	\$ 2,000	\$ -	-
Detail:						
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other Expenses	\$ 2,958,903	\$ 3,018,942	\$ 3,016,942	\$ 2,000	\$ -	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$ -	-
Down Payment on Improvements	-	-	-	-	-	-
	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2007

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Bond Principal	\$ 1,540,000	\$ 1,540,000	\$ 1,540,000	\$ -	\$ -	\$ -
Bond Interest	404,320	404,320	404,320	-	-	-
Note Principal	44,000	44,000	44,000	-	-	-
Note Interest	162,937	162,937	162,936	-	1	-
Green Trust Loan Principal	28,974	28,974	28,974	-	-	-
Green Trust Loan Interest	5,169	5,169	5,169	-	-	-
Green Trust Loan Principal	11,883	11,883	11,883	-	-	-
Green Trust Loan Interest	2,982	2,982	2,982	-	-	-
Green Trust Loan Principal	5,347	5,347	5,347	-	-	-
Green Trust Loan Interest	1,342	1,342	1,342	-	-	-
Green Trust Loan Principal	6,747	6,747	6,747	-	-	-
Green Trust Loan Interest	2,575	2,575	2,575	-	-	-
N.J.E.I.T. Loan Principal	5,839	5,839	5,839	-	-	-
N.J.E.I.T. Loan Interest	-	-	-	-	-	-
N.J.E.I.T. Loan Principal	5,000	5,000	5,000	-	-	-
N.J.E.I.T. Loan Interest	2,825	3,017	3,017	-	-	-
	\$ 2,229,940	\$ 2,230,132	\$ 2,230,131	\$ -	\$ 1	\$ -

DEFERRED CHARGES

Emergency Authorizations	\$ 138,294	\$ 138,294	\$ 138,294	\$ -	\$ -	\$ -
Special Emergency Authorizations - 5 Years	80,000	80,000	80,000	-	-	-
Special Emergency Authorizations - 3 Years	-	-	-	-	-	-
	\$ 218,294	\$ 218,294	\$ 218,294	\$ -	\$ -	\$ -

JUDGMENTS

Judgments (N.J.S. 40A:4-45.3c)	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
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STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2007

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
Total General Appropriations - Excluded From "CAPS"	\$ 5,782,137	\$ 5,842,368	\$ 5,840,367	\$ 2,000	\$ 1	\$ -
Sub-Total General Appropriations	\$ 21,743,842	\$ 22,354,500	\$ 21,871,540	\$ 482,959	\$ 1	\$ -
Reserve for Uncollected Taxes	\$ 144,212	\$ 144,212	\$ 144,212	\$ -	\$ -	\$ -
Total General Appropriations	\$ 21,888,054	\$ 22,498,712	\$ 22,015,752	\$ 482,959	\$ 1	\$ -
Budget as Adopted	\$ 21,880,112	\$ 21,880,112				
Added by N.J.S. 40A:4-87	7,942	7,942				
Emergency Appropriations	-	610,658				
	\$ 21,888,054	\$ 22,498,712				
Other Charges to Income:						
Local District School Tax		\$ 31,679,127	\$ 31,679,127			
County Tax		3,791,450	3,791,450			
Added County Tax		25,112	25,112			
County Open Space Tax		221,130	221,130			
Added County Open Space Tax		1,334	1,334			
Interfund Advances Originating		-	164			
Refund of Prior Year Revenue		-	253,695			
		\$ 35,718,153	\$ 35,972,012			

BOROUGH OF LODI
STATEMENT OF ASSETS AND RESERVES - STATUTORY BASIS
FEDERAL AND STATE GRANT FUND

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>					
Cash	\$ 77,661	\$ 61,159	\$ 175,153	\$ 158,531	\$ 147,542
Intergovernmental Receivable:					
Grants Receivable	\$ 135,351	\$ 522,161	\$ 233,234	\$ 172,343	\$ 3,095
Total Assets	<u>\$ 213,012</u>	<u>\$ 583,320</u>	<u>\$ 408,387</u>	<u>\$ 330,874</u>	<u>\$ 150,637</u>
<u>RESERVES</u>					
Other Liabilities and Reserves:					
Appropriated Reserves	\$ 179,647	\$ 552,677	\$ 373,157	\$ 298,365	\$ 139,446
Unappropriated Reserves	33,365	30,643	35,230	32,509	11,191
Total Reserves	<u>\$ 213,012</u>	<u>\$ 583,320</u>	<u>\$ 408,387</u>	<u>\$ 330,874</u>	<u>\$ 150,637</u>

BOROUGH OF LODI
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
FEDERAL AND STATE GRANT FUND
Year Ended June 30, 2007

Program	Balance June 30, 2006	Revenue Realized	Received	Adjustments	Balance June 30, 2007
Federal:					
SFY 2005 - Department of Justice - COPS Grant	\$ 83,610	\$ -	\$ -	\$ (83,610)	\$ -
SFY 2006 - Operations & Firefighter Safety Program	-	-	-	-	-
	<u>\$ 83,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (83,610)</u>	<u>\$ -</u>
State:					
SFY 2003 - Tree Planting Grant	\$ 1,920	\$ -	\$ -	\$ (1,920)	\$ -
SFY 2007 - Body Armor Replacement Program	-	3,942	3,942	-	-
SFY 2004 - Statewide Local Domestic Preparedness Equipment	195,000	-	195,000	-	-
SFY 2007 - Alcohol Education Rehabilitation Program	-	1,120	1,120	-	-
SFY 2005 - Child Passenger Safety Education Grant	6,134	5,000	6,010	-	5,124
SFY 2007 - Clean Communities Program	-	20,465	20,465	-	-
SFY 2007 - Click it or Ticket Program	-	4,000	4,000	-	-
SFY 2007 - Drunk Driving Enforcement Fund	-	5,503	5,503	-	-
SFY 2005 - Municipal Alliance on Alcoholism and Drug Abuse	18,046	13,500	13,455	-	18,091
SFY 2005 - Municipal Stormwater Regulation Program	7,054	-	3,527	-	3,527
SFY 2007 - Recycling Tonnage Grant	-	3,555	3,555	-	-
SFY 2005 - Safe Streets to Schools Program	50,000	-	10,604	-	39,396
SFY 2006 - Domestic Violence Training Program	-	-	-	-	-
SFY 2006 - Statewide Livable Communities Grant	45,000	-	45,000	-	-
SFY 2007 - You Drink, You Drive, You Lose	-	5,000	4,950	(50)	-
	<u>\$ 323,154</u>	<u>\$ 62,085</u>	<u>\$ 317,131</u>	<u>\$ (1,970)</u>	<u>\$ 66,138</u>
Other:					
B.C.U.A. Municipal Recycling Assistance Program	\$ -	\$ -	\$ -	\$ -	\$ -
Bergen County Prosecutor's Office - Confiscated Funds	115,397	78,101	124,285	-	69,213
	<u>\$ 115,397</u>	<u>\$ 78,101</u>	<u>\$ 124,285</u>	<u>\$ -</u>	<u>\$ 69,213</u>
	<u>\$ 522,161</u>	<u>\$ 140,186</u>	<u>\$ 441,416</u>	<u>\$ (85,580)</u>	<u>\$ 135,351</u>

BOROUGH OF LODI
STATEMENT OF APPROPRIATED RESERVES
FEDERAL AND STATE GRANT FUND
Year Ended June 30, 2007

Program	Balance June 30, 2006	Amount Budgeted	Paid or Charged	Adjustments	Balance June 30, 2007
Federal:					
SFY 2006 U.S. Department of Homeland Security:					
Assistance to Firefighters Grant Program-					
Operations & Firefighter Safety					
Federal	\$ 35	\$ -	\$ 35	\$ -	-
Local	55	-	55	-	-
SFY 2006 Office of Justice Programs:					
Federal Share - Salaries and Wages	2,197	-	2,197	-	-
Local Share - Salaries and Wages	18,104	-	18,104	-	-
Federal Share - Other Expenses	1,413	-	1,413	-	-
Local Share - Other Expenses	7,961	-	7,961	-	-
	<u>\$ 29,765</u>	<u>\$ -</u>	<u>\$ 29,765</u>	<u>\$ -</u>	<u>-</u>
State:					
SFY 2001 Special Legislative Grant	\$ 20	\$ -	\$ -	\$ -	20
SFY 2002 Special Legislative Grant	45,918	-	45,918	-	-
SFY 2002 Special Legislative Grant	32,639	-	32,639	-	-
SFY 2005 Drunk Driving Enforcement Fund:					
Salaries and Wages	8,692	2,753	-	-	11,445
Other Expenses	13,084	2,750	1,161	-	14,673
SFY 2007 Clean Communities Program	-	20,465	20,465	-	-
SFY 2005 Recycling Tonnage Grant	4,901	3,555	8,456	-	-
SFY 2005 State Police HMTUSA	32	-	-	-	32
SFY 2005 Alcohol Education Rehabilitation Program	13,124	1,120	2,462	-	11,782
SFY 2005 Division of Criminal Justice Body Armor Fun	6,534	3,942	-	-	10,476
SFY 2005 Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	13,988	13,500	3,759	-	23,729
Local Share	6,750	3,375	3,375	-	6,750
SFY 2005 B.C. Prosecutor Confiscated Funds	115,397	78,101	135,278	-	58,220
SFY 2005 Municipal Stormwater Regulation Program	13,211	-	7,750	-	5,461
SFY 2005 Statewide Local Domestic Preparedness Eq	195,000	-	194,545	-	455
SFY 2005 Safe Streets to Schools Program	49,094	-	15,787	-	33,307
SFY 2005 Child Passenger Safety Education Grant:					
Salaries and Wages	1,035	4,000	3,200	-	1,835
Other Expenses	1,087	1,000	625	-	1,462
SFY 2005 State & Local All Hazards Emergency Plann	2,406	-	2,406	-	-
SFY 2007 Click it or Ticket Program:					
Salaries and Wages	-	4,000	4,000	-	-
SFY 2007 You Drink, You Drive, You Lose	-	5,000	4,950	(50)	-
	<u>\$ 522,912</u>	<u>\$ 143,561</u>	<u>\$ 486,776</u>	<u>\$ (50)</u>	<u>\$ 179,647</u>
	<u>\$ 552,677</u>	<u>\$ 143,561</u>	<u>\$ 516,541</u>	<u>\$ (50)</u>	<u>\$ 179,647</u>

BOROUGH OF LODI
STATEMENT OF UNAPPROPRIATED RESERVES
FEDERAL AND STATE GRANT FUND
Year Ended June 30, 2007

Program	Balance June 30, 2006	Amount Budgeted	Amount Received	Adjustments	Balance June 30, 2007
Drunk Driving Enforcement Fund	\$ 5,503	\$ 5,503	\$ 226	\$ -	\$ 226
Clean Communities Program	20,465	20,465	5,597	-	5,597
Alcohol Education Rehabilitation Program	1,120	1,120	4,446	-	4,446
Recycling Tonnage Grant	3,555	3,555	23,096	-	23,096
Body Armor Fund	-	3,941	3,941	-	-
	<u>\$ 30,643</u>	<u>\$ 34,584</u>	<u>\$ 37,306</u>	<u>\$ -</u>	<u>\$ 33,365</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	Total	2006	2005
ASSETS											
Cash	\$ 24,534	\$ 6,650	\$ 464,512	\$ 423,361	\$ 55,659	\$ 5,728	\$ 12,853	\$ -	\$ 993,297	\$ 1,318,031	\$ 1,267,081
Deferred Compensation Assets:											
Nationwide Retirement Solutions, Inc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 792,436	\$ 792,436	\$ 688,288	\$ 824,896
ING	-	-	-	-	-	-	-	932,434	932,434	760,587	648,914
Lincoln National Life Insurance Co.	-	-	-	-	-	-	-	169,036	169,036	113,589	86,369
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,893,906	\$ 1,893,906	\$ 1,562,464	\$ 1,560,179
Interfund Receivable:											
Current Fund	\$ -	\$ -	\$ 13	\$ 167	\$ -	\$ -	\$ -	\$ -	\$ 180	\$ -	\$ -
Total Assets	\$ 24,534	\$ 6,650	\$ 464,525	\$ 423,528	\$ 55,659	\$ 5,728	\$ 12,853	\$ 1,893,906	\$ 2,887,383	\$ 2,880,495	\$ 2,827,260
LIABILITIES AND RESERVES											
Interfund Payable:											
Current Fund	\$ -	\$ 164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164	\$ 1,828	\$ 67,757
Intergovernmental Payable:											
State of New Jersey	\$ -	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ 15	\$ 41
Other Liabilities and Reserves:											
Net Payroll and Withholdings Payable	\$ 24,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,534	\$ 11,097	\$ 15,597
Reserve for Dog Expenditures	-	6,463	-	-	-	-	-	-	6,463	6,495	6,711
Reserve for Developer's Escrow Deposits	-	-	464,525	-	-	-	-	-	464,525	466,127	295,749
Reserve for Employee Benefit Expenditures	-	-	-	-	55,659	-	-	-	55,659	256,853	517,011
Reserve for Recycling Expenditures	-	-	-	8,144	-	-	-	-	8,144	8,144	8,144
Reserve for Uniform Fire Safety Expenditures	-	-	-	6,034	-	-	-	-	6,034	6,693	13,113
Reserve for Fire Department Penalty Expenditures	-	-	-	16,156	-	-	-	-	16,156	240	240
Reserve for Parking Offenses Adjudication Act Expenditures	-	-	-	38,370	-	-	-	-	38,370	34,172	37,003
Reserve for Tax Sale Premiums	-	-	-	225,100	-	-	-	-	225,100	338,700	243,700
Reserve for Outside Police Employment Expenditures	-	-	-	68,340	-	-	-	-	68,340	143,178	51,696
Reserve for Cable TV Franchise Fees	-	-	-	13,491	-	-	-	-	13,491	24,328	-
Reserve for April '07 Nor'easter Expenditures	-	-	-	17,893	-	-	-	-	17,893	-	-
Reserve for Disaster Victims Expenditures	-	-	-	30,000	-	-	-	-	30,000	-	-
Reserve for Downtown Redevelopment Expenditures	-	-	-	-	-	5,728	-	-	5,728	3,668	2,735
Reserve for Route 46 Redevelopment Expenditures	-	-	-	-	-	-	12,853	-	12,853	16,493	7,584
Reserve for Deferred Compensation Plan	-	-	-	-	-	-	-	1,893,906	1,893,906	1,562,464	1,560,179
Total Other Liabilities and Reserves	\$ 24,534	\$ 6,463	\$ 464,525	\$ 423,528	\$ 55,659	\$ 5,728	\$ 12,853	\$ 1,893,906	\$ 2,887,196	\$ 2,878,652	\$ 2,759,462
Total Liabilities and Reserves	\$ 24,534	\$ 6,650	\$ 464,525	\$ 423,528	\$ 55,659	\$ 5,728	\$ 12,853	\$ 1,893,906	\$ 2,887,383	\$ 2,880,495	\$ 2,827,260

BOROUGH OF LODI
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS
GENERAL CAPITAL FUND

	2007	2006	2005	2004	2003
ASSETS					
Cash:					
Checking Account	\$ 2,527,322	\$ 1,951,524	\$ 1,898,300	\$ 1,438,882	\$ 626,903
Green Trust Account	-	257,500	269,007	269,007	269,007
Gregg Street Drainage Improvement Account	-	-	-	29	51,459
Refunding Bond Escrow Account	-	-	-	-	-
	<u>\$ 2,527,322</u>	<u>\$ 2,209,024</u>	<u>\$ 2,167,307</u>	<u>\$ 1,707,918</u>	<u>\$ 947,369</u>
Interfund Receivable:					
Current Fund	\$ 83,169	\$ 874	\$ 15,557	\$ 196,396	\$ 41,434
Intergovernmental Receivable:					
State of New Jersey - Department of Transportation	\$ 345,924	\$ 466,500	\$ 395,277	\$ 175,689	\$ 207,081
State of New Jersey - Economic Improvement Authority	-	43,168	43,168	43,168	-
State of New Jersey - Department of Environmental Protect	600,000	600,000	257,500	-	-
State of New Jersey - Department of Community Affairs	13,500	33,500	53,500	-	-
Bergen County Open Space	200,000	200,000	-	-	-
Bergen County Community Development	1,228,146	1,158,552	1,042,997	856,488	672,298
	<u>\$ 2,387,570</u>	<u>\$ 2,501,720</u>	<u>\$ 1,792,442</u>	<u>\$ 1,075,345</u>	<u>\$ 879,379</u>
Deferred Charges:					
Funded	\$ 9,737,426	\$ 11,339,900	\$ 12,603,663	\$ 10,301,812	\$ 11,678,357
Unfunded	6,536,400	4,310,500	3,030,000	4,563,138	3,963,256
	<u>\$ 16,273,826</u>	<u>\$ 15,650,400</u>	<u>\$ 15,633,663</u>	<u>\$ 14,864,950</u>	<u>\$ 15,641,613</u>
Total Assets	<u>\$ 21,271,887</u>	<u>\$ 20,362,018</u>	<u>\$ 19,608,969</u>	<u>\$ 17,844,609</u>	<u>\$ 17,509,795</u>
LIABILITIES AND RESERVES					
Other Liabilities and Reserves:					
Capital Improvement Fund	\$ 5,950	\$ -	\$ 849	\$ 13,849	\$ 34,890
Accrued Interest	3,027	3,027	3,027	-	-
Reserve for Purchase of Ambulance	-	-	75,000	-	-
Reserve for Refunding Bonds	-	-	-	-	-
Reserve for Refunding Bonds Cost of Issuance	-	-	-	-	-
Reserve for N.J. Department of Transportation Grants Rece	311,675	336,500	395,277	175,689	207,081
Reserve for Community Development Block Grants Receiv	386,147	437,865	637,997	856,488	672,298
Reserve for Gregg Street Drainage Ditch Improvements	-	-	-	-	26,459
Reserve for Payment of Bonds	-	-	264,903	18,417	-
Reserve for Payment of Bond Anticipation Notes	-	-	-	240,785	102,336
	<u>\$ 706,799</u>	<u>\$ 777,392</u>	<u>\$ 1,377,053</u>	<u>\$ 1,305,228</u>	<u>\$ 1,043,064</u>
Improvement Authorizations:					
Funded	\$ 1,299,342	\$ 2,094,066	\$ 2,123,504	\$ 125,531	\$ 64,557
Unfunded	2,986,992	1,839,649	1,176,739	1,548,895	1,137,496
	<u>\$ 4,286,334</u>	<u>\$ 3,933,715</u>	<u>\$ 3,300,243</u>	<u>\$ 1,674,426</u>	<u>\$ 1,202,053</u>
Serial Bonds Payable	\$ 8,941,000	\$ 10,481,000	\$ 11,946,000	\$ 9,726,000	\$ 11,011,000
Loans Payable	\$ 796,426	\$ 858,901	\$ 657,663	\$ 575,812	\$ 667,357
Bond Anticipation Notes Payable	\$ 6,536,400	\$ 4,310,500	\$ 2,327,500	\$ 4,563,138	\$ 3,574,000
Fund Balance	\$ 4,928	\$ 510	\$ 510	\$ 5	\$ 12,321
Total Liabilities and Reserves	<u>\$ 21,271,887</u>	<u>\$ 20,362,018</u>	<u>\$ 19,608,969</u>	<u>\$ 17,844,609</u>	<u>\$ 17,509,795</u>

BOROUGH OF LODI
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
GENERAL CAPITAL FUND
Year Ended June 30, 2007

Improvement Description	Date	Amount	Balance June 30, 2006		Authorized in SFY 2007				Balance June 30, 2007			
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded	Other	Paid or Charged	Canceled	Funded	Unfunded	
#194-05/195-10 Construction and Installation of Various Capital Improvements and Repairs to Municipal Buildings	09/19/95	\$ 140,000	\$ 1,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,239	\$ -
#198-03 Reconstruction of Prospect Street - Phase II of III	03/16/98	180,000	2,037	-	-	-	-	-	-	-	2,037	-
#198-17 Various Road & Street Improvements and Replacement & Repairs to Municipal Complex	01/19/99	425,000	-	-	-	-	-	-	-	-	-	-
#200-05 SFY 2000 Shade Tree Replacement Program	12/20/99	100,000	6,681	-	-	-	-	-	6,681	-	-	-
#200-11/202-12 Avenue A Sewer Improvements and Various Other Locations	04/17/00	25,000	3,917	-	-	-	-	-	-	-	3,917	-
#200-12 Improvement of a Portion of Hunter Street	04/17/00	170,000	-	-	-	-	-	-	-	-	-	-
#201-04 Improvements to Municipal Complex H.V.A.C. System	11/20/00	200,000	-	-	-	-	-	-	-	-	-	-
#201-10 Improvement of Hunter Street - Phase II of II	02/20/01	220,000	33,443	-	-	-	-	-	-	-	33,443	-
#201-16 Storm Water Drainage Improvements to Massey, Prospect and Union Streets	06/18/01	150,000	24,891	-	-	-	-	-	21,418	-	3,473	-
#202-13/303-08 Improvement to Meta Lane Pump Station	02/10/03	150,000	-	-	-	-	-	-	-	-	-	-
#202-20 Improvement of a Portion of Kipp Avenue	06/17/02	200,000	4,211	-	-	-	-	-	-	-	4,211	-
#202-21 2001 Shade Tree Program	06/17/02	90,000	46,328	-	-	-	-	-	11,715	-	34,613	-
#202-24 Acquisition of Computer Equipment	06/17/02	40,000	2,154	-	-	-	-	-	804	-	1,350	-
#202-25 2002 Road Improvement Program	06/17/02	450,000	-	-	-	-	-	-	-	-	-	-
#202-26 2002 Shade Tree Program	06/17/02	95,000	-	-	-	-	-	-	-	-	-	-
#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	31,535	-	-	-	-	-	230	-	31,305	-
#404-03 SFY 2004 Shade Tree Program	08/26/03	100,000	1,145	-	-	-	-	-	1,145	-	-	-
#404-04 SFY 2004 Roadway Improvement Program	08/26/03	450,000	91,105	-	-	-	-	-	45,431	-	45,674	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	08/26/03	150,000	-	78,180	-	-	-	-	302	-	-	77,878
#404-06 Downtown Redevelopment - Phase I (Supplemental)	08/26/03	250,000	-	220	-	-	-	-	220	-	-	-
#404-12 Removal of Underground Storage Tanks and Remediation	10/20/03	50,000	-	-	-	-	-	-	-	-	-	-
#505-04 SFY 2005 Shade Tree Program	09/20/04	100,000	91,456	-	-	-	-	-	-	-	91,456	-
#505-05 SFY 2005 Road, Curb and Sidewalk Improvement Program (Local)	09/20/04	415,000	397,925	-	-	-	-	-	190,195	-	207,730	-
#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	377,393	2	-	-	-	-	289,539	-	87,856	-
#505-11 Improvement of Memorial Park	02/28/05	1,050,000	-	3,028	-	-	-	-	3,028	-	-	-
#505-19 Downtown Redevelopment - Phase III	04/25/05	600,000	-	170,985	-	-	-	-	151,443	-	-	19,542
#505-20 Downtown Redevelopment - Phase IV		1,000,000	-	-	-	-	-	-	-	-	-	-
#505-24 Improvement of Memorial Park (Supplemental)	06/24/05	100,000	172	95,000	-	-	-	-	6,802	-	-	88,370
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	08/15/05	500,000	24,556	475,000	-	-	-	-	151	-	24,405	475,000
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	08/15/05	350,000	289,556	60,000	-	-	-	-	98,008	-	191,548	60,000
#606-04 SFY 2006 Shade Tree Program	08/15/05	42,500	56	2,000	-	-	-	-	151	-	-	1,905
#606-05 Acquisition of Ambulance	08/15/05	160,000	98,556	61,000	-	-	-	-	159,556	-	-	-
#606-10 Improvement of Charles Street - Section II	09/19/05	215,000	108,059	80,000	-	-	-	-	188,059	-	-	-
#606-11 Removal of Underground Storage Tanks	09/19/05	100,000	-	77,007	-	-	-	-	151	-	-	76,856
#606-14 Improvements to Municipal Facilities	12/19/05	100,000	-	37,227	-	-	-	-	37,227	-	-	-
#606-15 Improvements to Kennedy Park	02/27/06	1,500,000	397,584	700,000	-	-	-	-	636,849	-	-	460,735
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	10/10/06	350,000	-	-	1,550	24,400	324,050	-	679	-	324,921	24,400
#707-03 Improvement of Garibaldi Avenue	10/10/06	150,000	-	-	-	13,000	137,000	-	11,224	-	125,776	13,000
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	10/10/06	500,000	-	-	25,000	475,000	-	-	679	-	24,321	475,000
#707-05 Improvements to Municipal Facilities	10/10/06	100,000	-	-	5,000	95,000	-	-	94,836	-	-	5,164
#707-06 Downtown Redevelopment - Phase I (Supplemental)	10/10/06	250,000	-	-	12,500	237,500	-	-	125,679	-	-	124,321
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	11/20/06	1,500,000	-	-	75,000	1,425,000	-	-	415,179	-	-	1,084,821
			\$ 2,094,066	\$ 1,839,649	\$ 119,050	\$ 2,269,900	\$ 461,050	\$ 2,497,381	\$ -	\$ -	\$ 1,299,342	\$ 2,986,992

BOROUGH OF LODI
STATEMENT OF SERIAL BONDS PAYABLE
GENERAL CAPITAL FUND
Year Ended June 30, 2007

Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance June 30, 2006	Issued	Paid by Budget Appropriation	Balance June 30, 2007
06/15/01 Refunding Bonds	4.00%	5,630,000	\$ 2,680,000	\$ -	\$ 1,045,000	\$ 1,635,000
03/15/03 Pension Refunding Bonds	Various	1,270,000	1,270,000	-	20,000	1,250,000
04/15/99 General Improvement Bonds	4.35%	5,431,000	2,981,000	-	450,000	2,531,000
06/15/05 General Improvement Bonds	3.697759%	3,550,000	3,550,000	-	25,000	3,525,000
			<u>\$ 10,481,000</u>	<u>\$ -</u>	<u>\$ 1,540,000</u>	<u>\$ 8,941,000</u>

BOROUGH OF LODI
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
GENERAL CAPITAL FUND
Year Ended June 30, 2007

Improvement Description	Original	Original	Date of Issue	Date of Maturity	Interest Rate	Balance			Balance June 30, 2007
	Amount Issued	Date of Issue				June 30, 2006	Increased	Decreased	
<u>#04-2R</u>									
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	475,000	06/28/02	04/26/06	04/26/07	3.780%	441,000	-	441,000	-
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	475,000	06/28/02	04/26/07	03/26/08	3.790%	-	424,000	-	424,000
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	04/26/06	04/26/07	3.780%	87,000	-	87,000	-
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	04/26/07	03/26/08	3.790%	-	83,000	-	83,000
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	237,500	07/22/02	04/26/06	04/26/07	3.780%	219,500	-	219,500	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	237,500	07/22/02	04/26/07	03/26/08	3.790%	-	210,500	-	210,500
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	06/25/04	04/26/06	04/26/07	3.780%	142,500	-	142,500	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	06/25/04	04/26/07	03/26/08	3.790%	-	137,500	-	137,500
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	04/26/06	04/26/07	3.780%	237,500	-	237,500	-
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	04/26/07	03/26/08	3.790%	-	228,500	-	228,500
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	04/26/06	04/26/07	3.780%	570,000	-	570,000	-
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	04/26/07	03/26/08	3.790%	-	570,000	-	570,000
#505-20 Downtown Redevelopment - Phase IV	600,000	06/03/05	04/26/06	04/26/07	3.780%	600,000	-	600,000	-
#505-20 Downtown Redevelopment - Phase IV	600,000	06/03/05	04/26/07	03/26/08	3.790%	-	600,000	-	600,000
#505-20 Downtown Redevelopment - Phase IV	350,000	06/03/05	04/26/06	04/26/07	3.780%	350,000	-	350,000	-
#505-20 Downtown Redevelopment - Phase IV	350,000	06/03/05	04/26/07	03/26/08	3.790%	-	350,000	-	350,000
#505-24 Improvements to Memorial Park (Supplemental Funding)	95,000	04/26/06	04/26/06	04/26/07	3.780%	95,000	-	95,000	-
#505-24 Improvements to Memorial Park (Supplemental Funding)	95,000	04/26/06	04/28/07	03/26/08	3.790%	-	95,000	-	95,000
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	04/26/06	04/26/06	04/26/07	3.780%	475,000	-	475,000	-
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	04/26/06	04/26/07	03/26/08	3.790%	-	475,000	-	475,000
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	04/26/06	04/26/06	04/26/07	3.780%	60,000	-	60,000	-
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	04/26/06	04/26/07	03/26/08	3.790%	-	60,000	-	60,000
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	04/26/06	04/26/07	3.780%	2,000	-	2,000	-
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	04/26/07	03/26/08	3.790%	-	2,000	-	2,000
#606-05 Acquisition of Ambulance	61,000	04/26/06	04/26/06	04/26/07	3.780%	61,000	-	61,000	-
#606-05 Acquisition of Ambulance	61,000	04/26/06	04/26/07	03/26/08	3.790%	-	61,000	-	61,000
#606-10 Improvement of Charles Street - Section II	80,000	04/26/06	04/26/06	04/26/07	3.780%	80,000	-	80,000	-
#606-10 Improvement of Charles Street - Section II	80,000	04/26/06	04/26/07	03/26/08	3.790%	-	80,000	-	80,000
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	04/26/06	04/26/07	3.780%	95,000	-	95,000	-
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	04/26/07	03/26/08	3.790%	-	95,000	-	95,000
#606-14 Improvements to Municipal Facilities	95,000	04/26/06	04/26/06	04/26/07	3.780%	95,000	-	95,000	-
#606-14 Improvements to Municipal Facilities	95,000	04/26/06	04/26/07	03/26/08	3.790%	-	95,000	-	95,000
#606-15 Improvements to Kennedy Park	700,000	04/26/06	04/26/06	04/26/07	3.780%	700,000	-	700,000	-
#606-15 Improvements to Kennedy Park	700,000	04/26/06	04/26/07	03/26/08	3.790%	-	700,000	-	700,000
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	01/19/07	01/19/07	01/18/08	4.000%	-	24,400	-	24,400
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	01/19/07	01/18/08	4.000%	-	13,000	-	13,000
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/19/07	01/19/07	01/18/08	4.000%	-	475,000	-	475,000
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	01/19/07	01/18/08	4.000%	-	95,000	-	95,000
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	01/19/07	01/18/08	4.000%	-	237,500	-	237,500
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	1,425,000	01/19/07	01/19/07	01/18/08	4.000%	-	1,425,000	-	1,425,000
						<u>\$ 4,310,500</u>	<u>\$ 6,536,400</u>	<u>\$ 4,310,500</u>	<u>\$ 6,536,400</u>

BOROUGH OF LODI
STATEMENT OF LOANS PAYABLE
GENERAL CAPITAL FUND
Year Ended June 30, 2007

Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance June 30, 2006	Issued	Paid by Budget Appropriation	Balance June 30, 2007
Environmental Infrastructure Trust	2.00%	\$ 126,252	\$ 115,283	\$ -	\$ 10,839	\$ 104,444
04/8/98 Green Trust Loan (Memorial and Kennedy Parks)	2.00%	490,000	265,674	-	28,974	236,700
02/28/98 Green Trust Loan (Saddle River Park Acquisition)	2.00%	234,007	152,036	-	11,884	140,152
09/21/98 Green Trust Loan (Saddle River Park Development)	2.00%	103,000	68,408	-	5,347	63,061
6/5/06 Green Trust Loan (Memorial Park In	2.00%	257,500	257,500	-	5,431	252,069
			<u>\$ 858,901</u>	<u>\$ -</u>	<u>\$ 62,475</u>	<u>\$ 796,426</u>

BOROUGH OF LODI
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
GENERAL CAPITAL FUND
Year Ended June 30, 2007

E-6

Improvement Description	Balance June 30, 2006	Authorized	Notes Paid by Budget Appropriation	Deferred Charges Paid by Budget Appropriation	Adjustments	Balance June 30, 2007	Analysis of June 30, 2007 Balance			
							Financed by BANS	Deficit Cash Balance	Unexpended Balance of BANS	Improvement Authorizations Unfunded
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	441,000	-	17,000	-	-	424,000	424,000	-	-	-
#202-23 Route 46 Redevelopment - Phase I	87,000	-	4,000	-	-	83,000	83,000	-	-	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	219,500	-	9,000	-	-	210,500	210,500	-	-	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	-	5,000	-	-	137,500	137,500	-	-	-
#404-06 Downtown Redevelopment - Phase I (Supplemental #2)	237,500	-	9,000	-	-	228,500	228,500	-	-	-
#505-11 Improvement of Memorial Park	-	-	-	-	-	-	-	-	-	-
#505-19 Downtown Redevelopment - Phase III	570,000	-	-	-	-	570,000	570,000	-	-	-
#505-20 Downtown Redevelopment - Phase IV	950,000	-	-	-	-	950,000	950,000	-	-	-
#505-24 Improvement of Memorial Park (Supplemental)	95,000	-	-	-	-	95,000	95,000	-	-	-
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	-	-	-	-	475,000	475,000	-	-	-
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	-	-	-	-	60,000	60,000	-	-	-
#606-04 SFY 2006 Shade Tree Program	2,000	-	-	-	-	2,000	2,000	-	-	-
#606-05 Acquisition of Ambulance	61,000	-	-	-	-	61,000	61,000	-	-	-
#606-10 Improvement of Charles Street - Section II	80,000	-	-	-	-	80,000	80,000	-	-	-
#606-11 Removal of Underground Storage Tanks	95,000	-	-	-	-	95,000	95,000	-	-	-
#606-14 Improvements to Municipal Facilities	95,000	-	-	-	-	95,000	95,000	-	-	-
#606-15 Improvements to Kennedy Park	700,000	-	-	-	-	700,000	700,000	-	-	-
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	-	24,400	-	-	-	24,400	24,400	-	-	-
#707-03 Improvement of Garibaldi Avenue	-	13,000	-	-	-	13,000	13,000	-	-	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	-	475,000	-	-	-	475,000	475,000	-	-	-
#707-05 Improvements to Municipal Facilities	-	95,000	-	-	-	95,000	95,000	-	-	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	-	237,500	-	-	-	237,500	237,500	-	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	-	1,425,000	-	-	-	1,425,000	1,425,000	-	-	-
	\$ 4,310,500	\$ 2,269,900	\$ 44,000	\$ -	\$ -	\$ 6,536,400	\$ 6,536,400	\$ -	\$ -	\$ -

BOROUGH OF LODI
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
GENERAL CAPITAL FUND
Year Ended June 30, 2007

E-7

Improvement Description	Balance June 30, 2006	Authorized	BANs Issued	Cancelled	Decreased	Balance June 30, 2007
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	\$ -	\$ 24,400	\$ 24,400	\$ -	\$ -	-
#707-03 Improvement of Garibaldi Avenue	-	13,000	13,000	-	-	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	-	475,000	475,000	-	-	-
#707-05 Improvements to Municipal Facilities	-	95,000	95,000	-	-	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	-	237,500	237,500	-	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	-	1,425,000	1,425,000	-	-	-
	\$ -	\$ 2,269,900	\$ 2,269,900	\$ -	\$ -	-

BOROUGH OF LODI
STATEMENT OF ASSETS, LIABILITIES AND RESERVES - STATUTORY BASIS
GENERAL FIXED ASSET ACCOUNT GROUP

	2007	2006	2005	2004	2003
<u>ASSETS</u>					
Land	\$ 11,179,200	\$ 11,179,200	\$ 11,179,200	\$ 11,179,200	\$ 11,179,200
Land Improvements	344,800	344,800	344,800	344,800	344,800
Buildings	6,185,450	6,185,450	6,185,450	6,185,450	6,185,450
Machinery and Equipment	5,503,607	5,503,607	5,503,607	5,503,607	5,503,607
Underground Equipment	21,475	21,475	21,475	21,475	21,475
	<u>\$ 23,234,532</u>				
<u>RESERVES</u>					
Reserve for General Fixed Assets	<u>\$ 23,234,532</u>				

BOROUGH OF LODI

N.J. Comprehensive Annual Financial Report
Year Ended June 30, 2007

Statistical Section

BOROUGH OF LODI
Comparison of Current Fund Budgets as Adopted
(Unaudited)

	SFY 2007	SFY 2006	SFY 2005	SFY 2004	SFY 2003
<u>CURRENT FUND</u>					
<u>REVENUES</u>					
Fund Balance	\$ -	\$ -	\$ 362,931	\$ 392,956	\$ 1,323,158
Miscellaneous Revenues	6,050,332	7,034,375	6,319,189	5,511,822	5,566,240
Receipts From Delinquent Taxes	25,000	55,000	112,000	220,000	250,000
Amount to be Raised by Taxation	15,812,722	14,779,221	13,395,449	12,556,205	9,934,962
Total Revenues	<u>\$ 21,888,054</u>	<u>\$ 21,868,596</u>	<u>\$ 20,189,569</u>	<u>\$ 18,680,983</u>	<u>\$ 17,074,360</u>
<u>APPROPRIATIONS</u>					
Within "CAPS":					
Operations:					
Salaries and Wages	\$ 7,869,650	\$ 8,044,400	\$ 7,432,500	\$ 6,001,500	\$ 5,764,600
Other Expenses	7,747,055	4,187,000	4,023,276	3,756,190	6,146,632
Deferred Charges and Statutory Expenditures	345,000	697,437	569,077	489,245	358,500
Excluded From "CAPS":					
Operations:					
Salaries and Wages	-	220,000	-	598,500	532,000
Other Expenses	2,958,903	5,759,781	5,199,662	4,920,732	1,656,637
Capital Improvements	125,000	50,000	50,000	50,000	50,000
Municipal Debt Service	2,229,940	2,119,173	2,141,380	2,007,420	1,954,689
Deferred Charges	218,294	365,931	621,471	647,205	222,316
Judgments	250,000	298,891	63,891	-	-
Reserve for Uncollected Taxes	144,212	125,983	88,312	210,191	388,986
Total Appropriations	<u>\$ 21,888,054</u>	<u>\$ 21,868,596</u>	<u>\$ 20,189,569</u>	<u>\$ 18,680,983</u>	<u>\$ 17,074,360</u>

BOROUGH OF LODI
Largest Taxpayers by Assessment
(Unaudited)

Taxpayer	CY 2007 Assessed Valuation	As a Percent of Total CY 2007 Net Valuations \$ 1,948,349,700
1. Cedar Wright Gardens (8 Properties)	\$ 36,652,800	1.88%
2. Vornado Realty Trust (2 Properties)	22,097,100	1.13%
3. Parker Properties c/o The Home Depot (3 Properties)	17,266,600	0.89%
4. Rothman, Leonard & Mildred (2 Properties)	13,154,700	0.68%
5. Vornado Lodi Delaware LLC (3 Properties)	12,415,400	0.64%
6. Lodi Market, LLC	11,345,700	0.58%
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%
	\$ 146,977,100	

BOROUGH OF LODI
Comparison of Property Tax Levies and Collections
(Unaudited)

	SFY 2007	SFY 2006	SFY 2005	SFY 2004	SFY 2003
Total Tax Levy	\$ 52,015,213	\$ 48,665,837	\$ 45,409,146	\$ 41,238,496	\$ 37,324,949
Current Tax Collections	\$ 51,881,507	\$ 48,531,380	\$ 45,292,674	\$ 41,152,362	\$ 37,231,838
Percent of Tax Levy Collected	99.74%	99.72%	99.74%	99.79%	99.75%

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

Table 4

Description	2007		2006		2005		2004**		2003	
	# of Parcels	Value								
Net Valuations Taxable:										
Vacant Land	83	\$ 12,173,700	102	\$ 12,064,400	87	\$ 10,692,700	89	\$ 11,283,700	113	\$ 9,063,600
Residential	4426	1,410,476,800	4399	1,391,425,900	4393	1,386,121,300	4376	1,384,591,000	4392	638,610,700
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	309	253,309,900	313	261,751,100	312	265,527,500	317	266,838,200	292	146,902,000
Industrial	115	134,837,300	108	127,848,000	101	127,407,000	101	127,822,000	104	80,052,860
Apartments	91	137,552,000	91	138,552,000	91	139,198,200	91	139,198,200	85	74,071,200
Sub-Total	5024	1,948,349,700	5013	1,931,641,400	4984	1,928,946,700	4974	1,929,733,100	4986	948,700,360
Personal Property		1,840,005		2,004,136		2,314,053		2,642,103		1,865,971
Net Valuations Taxable		1,950,189,705		1,933,645,536		1,931,260,753		1,932,375,203		950,566,331
County Equalization Adjustment		391,892,452		136,097,460		(144,645,832)		(369,551,181)		595,911,102
County Equalized Valuation		<u>\$ 2,342,082,157</u>		<u>\$ 2,069,742,996</u>		<u>\$ 1,786,614,921</u>		<u>\$ 1,562,824,022</u>		<u>\$ 1,546,477,433</u>
County Equalization Ratio		<u>83.79%</u>		<u>93.42%</u>		<u>108.90%</u>		<u>124.70%</u>		<u>69.67%</u>
Average Residential Assessment		<u>\$ 318.680</u>		<u>\$ 316.305</u>		<u>\$ 315.530</u>		<u>\$ 316.406</u>		<u>\$ 145.403</u>
Total County Equalized Valuations		<u>\$172,863,500,734</u>		<u>\$153,984,695,626</u>		<u>\$136,528,998,442</u>		<u>\$121,601,699,827</u>		<u>\$108,087,109,373</u>
Municipal Percentage										
County Equalized Valuations		<u>1.35%</u>		<u>1.34%</u>		<u>1.31%</u>		<u>1.29%</u>		<u>1.43%</u>

**Revaluation Year

BOROUGH OF LODI
Tax Requirement and Rate Data
(Unaudited)

	2007	2006	2005	2004**	2003
Net Valuations Taxable	\$ 1,950,189,705	\$ 1,933,645,536	\$ 1,928,946,700	\$ 1,932,375,203	\$ 950,566,331
<u>TAX REQUIREMENTS</u>					
County	\$ 4,010,583	\$ 3,651,048	\$ 3,370,245	\$ 3,116,350	\$ 2,859,449
County Open Space	234,208	206,974	178,661	156,282	68,831
Local School	32,197,863	30,833,980	29,241,551	27,146,448	24,874,685
Municipal	16,842,440	15,179,732	13,536,585	12,676,438	11,259,962
Total	\$ 53,285,094	\$ 49,871,734	\$ 46,327,042	\$ 43,095,518	\$ 39,062,927
<u>TAX RATES</u>					
County	0.206	0.189	0.175	0.161	0.301
County Open Space	0.010	0.010	0.010	0.010	0.005
Local School	1.651	1.595	1.516	1.405	2.617
Municipal	0.873	0.786	0.702	0.664	1.187
Total	2.74	2.58	2.40	2.24	4.11

**Revaluation Year

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

	SFY 2007	SFY 2006	SFY 2005	SFY 2004	SFY 2003
Serial Bonds:					
Principal	\$ 1,540,000	\$ 1,465,000	\$ 1,330,000	\$ 1,285,000	\$ 1,165,000
Interest	404,320	464,507	385,076	444,505	447,624
Notes:					
Principal	44,000	30,000	207,638	128,000	143,900
Interest	162,937	90,000	113,051	66,000	112,722
Loans:					
Principal	63,790	56,264	87,483	70,545	70,688
Interest	15,085	13,403	18,133	13,370	14,757
Sub-Total Debt Service	\$ 2,230,132	\$ 2,119,174	\$ 2,141,381	\$ 2,007,420	\$ 1,954,691
Less Revenue Off-Sets	-	-	(171,600)	(136,560)	(94,344)
Net Debt Service	\$ 2,230,132	\$ 2,119,174	\$ 1,969,781	\$ 1,870,860	\$ 1,860,347
Total Current Fund Budget Appropriations	\$ 21,888,054	\$ 21,868,596	\$ 20,189,569	\$ 18,680,983	\$ 17,074,360
Ratio of Debt Service to Current Fund Budget Appropriations	<u>10.19%</u>	<u>9.69%</u>	<u>9.76%</u>	<u>10.01%</u>	<u>10.90%</u>

BOROUGH OF LODI
Direct and Overlapping Debt Data
(Unaudited)

DIRECT DEBT

	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004	June 30, 2003
Municipal Debt (Net)	\$ 13,388,826	\$ 15,650,400	\$ 15,633,663	\$ 15,133,284	\$ 11,678,357
Local School Debt	2,105,000	2,410,000	2,995,000	2,995,000	3,275,000
	<u>\$ 15,493,826</u>	<u>\$ 18,060,400</u>	<u>\$ 18,628,663</u>	<u>\$ 18,128,284</u>	<u>\$ 14,953,357</u>

OVERLAPPING DEBT

	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003	December 31, 2002
(1) County Debt:					
Municipal Equalized Valuations	\$ 2,069,742,996	\$ 1,786,614,921	\$ 1,562,824,022	\$ 1,376,618,579	\$ 1,356,694,252
Total County Equalized Valuations	\$ 153,984,695,626	\$ 136,528,998,442	\$ 121,601,699,827	\$ 108,087,109,373	\$ 104,982,142,417
	1.34%	1.31%	1.29%	1.27%	1.29%
X's Outstanding County Debt	825,597,736	808,502,305	651,460,590	531,241,383	471,513,195
	<u>\$ 11,063,010</u>	<u>\$ 10,591,380</u>	<u>\$ 8,403,842</u>	<u>\$ 6,746,766</u>	<u>\$ 6,082,520</u>

(2) Passaic Valley Sewerage Authority Debt

Municipal Sewer Flow Charges	\$ 1,367,245	\$ 1,109,343	\$ 968,084	\$ 872,808	\$ 803,901
Total Flow Charges	\$ 118,930,095	\$ 99,930,995	\$ 94,136,079	\$ 90,646,200	\$ 89,150,000
	1.15%	1.11%	1.03%	0.96%	0.90%
X's Outstanding Debt	316,172,356	285,797,506	294,049,501	302,062,733	216,146,478
	<u>\$ 3,635,982</u>	<u>\$ 3,172,352</u>	<u>\$ 3,028,710</u>	<u>\$ 2,899,802</u>	<u>\$ 1,945,318</u>

DEBT LIMIT - MUNICIPAL DEBT

Equalized Valuation Basis	\$ 2,042,779,832	\$ 1,789,204,841	\$ 1,557,211,389	\$ 1,380,189,898	\$ 1,243,560,662
Permitted Debt Limitation (3 1/2%)	71,497,294	62,622,169	54,502,399	48,306,646	43,524,623
Net Debt	13,388,826	15,650,400	15,633,663	15,133,284	11,678,357
Remaining Borrowing Power	<u>\$ 58,108,468</u>	<u>\$ 46,971,769</u>	<u>\$ 38,868,736</u>	<u>\$ 33,173,362</u>	<u>\$ 31,846,266</u>

DEBT LIMIT - SCHOOL DEBT

Equalized Valuation Basis	\$ 2,042,779,832	\$ 1,789,204,841	\$ 1,557,211,389	\$ 1,380,189,898	\$ 1,243,560,662
Permitted Debt Limitation (4%)	81,711,193	71,568,194	62,288,456	55,207,596	49,742,426
Net Debt	2,105,000	2,410,000	2,995,000	2,995,000	3,275,000
Remaining Borrowing Power	<u>\$ 79,606,193</u>	<u>\$ 69,158,194</u>	<u>\$ 59,293,456</u>	<u>\$ 52,212,596</u>	<u>\$ 46,467,426</u>

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

	SFY 2006	SFY 2005	SFY 2004	SFY 2003	SFY 2002
Population	24,310	24,303	24,304	24,177	24,135
County Equalized Valuation	\$ 1,786,614,921	\$ 1,562,824,022	\$ 1,546,477,433	\$ 1,356,694,252	\$ 1,242,598,710
Gross Debt	\$ 18,060,400	\$ 18,628,663	\$ 18,128,284	\$ 18,916,613	\$ 18,775,779
Gross Debt Per Capita	\$ 743	\$ 767	\$ 746	\$ 782	\$ 778
Ratio of Gross Debt to County Equalized Valuations	1.01%	1.19%	1.17%	1.39%	1.51%
Net Debt	\$ 11,700,400	\$ 10,378,760	\$ 8,954,082	\$ 14,269,277	\$ 15,749,779
Ratio of Net Debt to County Equalized Valuations	0.65%	0.66%	0.58%	1.05%	1.27%
Net Debt per Capita	\$ 481	\$ 427	\$ 368	\$ 590	\$ 653

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

	SFY 2007	SFY 2006	SFY 2005	SFY 2004	SFY 2003
Total Tax Levy	\$ 52,015,213	\$ 48,665,837	\$ 45,409,146	\$ 41,238,496	\$ 37,324,949
Current Tax Collections	\$ 51,881,507	\$ 48,531,380	\$ 45,292,674	\$ 41,152,362	\$ 37,231,838
% of Tax Levy Collected	<u>99.74%</u>	<u>99.72%</u>	<u>99.74%</u>	<u>99.79%</u>	<u>99.75%</u>
Tax Title Liens	\$ 225,592	\$ 209,429	\$ 144,346	\$ 168,441	\$ 377,637
Delinquent Taxes	7,117	71,621	80,242	109,626	154,512
Total Delinquent	\$ 232,709	\$ 281,050	\$ 224,588	\$ 278,067	\$ 532,149
Tax Levy	\$ 52,015,213	\$ 48,665,837	\$ 45,409,146	\$ 41,238,496	\$ 37,324,949
% of Delinquencies to Tax Levy	<u>0.45%</u>	<u>0.58%</u>	<u>0.49%</u>	<u>0.67%</u>	<u>1.43%</u>
Foreclosed Property: Assessed Valuation	\$ 18,248	\$ 18,248	\$ 18,248	\$ 18,248	\$ 18,248

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

	<u>SFY 2007</u>	<u>SFY 2006</u>	<u>SFY 2005</u>	<u>SFY 2004</u>	<u>SFY 2003</u>	<u>SFY 2002</u>
Foreclosed Property:						
Assessed Valuation	\$ 18,248	\$ 18,248	\$ 18,248	\$ 18,248	\$ 18,248	\$ 18,248

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

	SFY 2007	SFY 2006	SFY 2005	SFY 2004	SFY 2003
Current Fund Balance Year End	\$ 851,968	\$ 310,276	\$ 275,175	\$ 514,221	\$ 573,254
Utilized in Budget of Succeeding Year	\$ -	\$ -	\$ -	\$ 392,956	\$ 1,000,000
Percentage Utilized	0.00%	0.00%	0.00%	76.42%	174.44%

BOROUGH OF LODI

N.J. Comprehensive Annual Financial Report
Year Ended June 30, 2007

Single Audit Section

Di Maria & Di Maria LLP

Public Accountants and Consultants

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Lodi, New Jersey 07644
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Facsimile 973.779.6891
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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited the financial statements of the Borough of Lodi in the County of Bergen, State of New Jersey, as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated December 31, 2007. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Lodi prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Compliance

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is described in the accompanying schedule of findings and questioned costs as item 07-01.

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We consider item 07-01 to be a material weakness as described above.

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

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

December 31, 2007

BOROUGH OF LODI
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
Year Ended June 30, 2007

K-3

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period		Balance June 30, 2006	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2007	Deferred Revenue June 30, 2007	Due to Grantor June 30, 2007
			From	To									
Federal and State Grant Fund													
SFY 2006 U.S. Department of Homeland Security:													
Assistance to Firefighters Grant Program-													
Operations & Firefighter Safety													
Federal	97.044	\$ 158,808	7/1/2005	6/30/2006	\$ 35	\$ -	\$ -	(35)	\$ -	\$ -	\$ -	\$ -	\$ -
Local	97.044	17,645	7/1/2005	6/30/2006	55	-	-	(55)	-	-	-	-	-
SFY 2006 Office of Justice Programs:													
Federal Share - Salaries and Wages	16.710	\$ 50,750	7/1/2005	6/30/2006	\$ 2,197	\$ -	\$ -	(2,197)	\$ -	\$ -	\$ -	\$ -	\$ -
Local Share - Salaries and Wages	16.710	108,750	7/1/2005	6/30/2006	18,104	-	-	(18,104)	-	-	-	-	-
Federal Share - Other Expenses	16.710	19,250	7/1/2005	6/30/2006	1,413	-	-	(1,413)	-	-	-	-	-
Local Share - Other Expenses	16.710	41,250	7/1/2005	6/30/2006	7,961	-	-	(7,961)	-	-	-	-	-
Total Federal Financial Assistance					\$ 29,765	\$ -	\$ -	(29,765)	\$ -	\$ -	\$ -	\$ -	\$ -

*Denotes Major Program

BOROUGH OF LODI
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2007

K-4

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2006	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2007	Deferred Revenue June 30, 2007	Due to Grantor June 30, 2007
			From	To									
Federal and State Grant Fund													
State of New Jersey, Department of Health --													
SFY 2005 Alcohol, Education, Rehabilitation and Enforcement Fun	046-760-4240		7/1/2004	6/30/2005	\$ 13,124	\$ -	\$ 1,120	\$ (2,462)	\$ -	\$ -	\$ -	\$ 11,782	\$ -
SFY 2007 Alcohol, Education, Rehabilitation and Enforcement Fun	046-760-4240	1,120	7/1/2006	6/30/2007	-	-	1,120	(1,120)	-	-	-	-	-
SFY 2005 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		13,500	7/1/2004	6/30/2005	13,988	-	13,500	(3,759)	-	-	-	23,729	-
Local Share		3,375	7/1/2004	6/30/2005	6,750	-	3,375	(3,375)	-	-	-	6,750	-
SFY 2007 Municipal Alliance on Alcoholism & Drug Abuse		13,500	7/1/2006	6/30/2007	-	-	13,500	(13,500)	-	-	-	-	-
State of New Jersey, Department of Environmental Protection --													
SFY 2007 Clean Communities Program	042-765-6010	20,465	Non-Expiring		-	-	20,465	(20,465)	-	-	-	-	-
SFY 2005 Recycling Tonnage Grant	042-752-6020	3,555	Non-Expiring		4,901	-	3,555	(8,456)	-	-	-	-	-
SFY 2007 Recycling Tonnage Grant	042-752-6020	3,555	Non-Expiring		-	-	3,555	(3,555)	-	-	-	-	-
State of New Jersey, Department of Community Affairs --													
SFY 2001 Special Legislative Grant	022-495-6020		7/1/2000	6/30/2001	20	-	-	-	-	-	-	20	-
SFY 2002 Special Legislative Grant	022-495-6020		7/1/2001	6/30/2002	45,918	-	-	(45,918)	-	-	-	-	-
SFY 2002 Special Legislative Grant	022-495-6020		7/1/2001	6/30/2002	32,639	-	-	(32,639)	-	-	-	-	-
SFY 2007 Special Legislative Grant	022-495-6020	97,818	7/1/2006	6/30/2007	-	-	97,818	(97,818)	-	-	-	-	-
Consolidated Municipal Property Tax Relief Aid	082-495-6020	1,470,942	7/1/2006	6/30/2007	-	-	1,470,942	(1,470,942)	-	-	-	-	-
Homeland Security Grant	022-100-6020	90,000	7/1/2006	6/30/2007	-	-	90,000	(90,000)	-	-	-	-	-
State of New Jersey, Department of Treasury --													
Energy Receipts Tax	082-100-6020	983,641	7/1/2006	6/30/2007	-	-	983,641	(983,641)	-	-	-	-	-
Supplemental Energy Receipts Tax	082-100-6020	40,082	7/1/2006	6/30/2007	-	-	40,082	(40,082)	-	-	-	-	-
Veterans & Senior Citizens	082-495-6020	332,750	7/1/2006	6/30/2007	-	-	332,750	(332,750)	-	-	-	-	-
State of New Jersey, Department of Law and Public Safety --													
SFY 2005 Drunk Driving Enforcement Fund:													
Salaries and Wages			7/1/2004	6/30/2005	8,692	-	2,753	-	-	-	-	11,445	-
Other Expenses			7/1/2004	6/30/2005	13,084	-	2,750	(1,161)	-	-	-	14,673	-
SFY 2005 Division of Criminal Justice Body Armor Fund			7/1/2004	6/30/2005	6,534	-	3,942	-	-	-	-	10,476	-
SFY 2005 B.C. Prosecutor Confiscated Funds			7/1/2004	6/30/2005	115,397	-	78,101	(135,278)	-	-	-	58,220	-
SFY 2007 B.C. Prosecutor Confiscated Funds		78,101	7/1/2006	6/30/2007	-	-	78,101	(78,101)	-	-	-	-	-
SFY 2005 State Police HMTUSA			7/1/2004	6/30/2005	32	-	-	-	-	-	-	32	-
SFY 2005 Statewide Local Domestic Preparedness			7/1/2004	6/30/2005	195,000	-	-	(194,545)	-	-	-	455	-
SFY 2005 Safe Streets to Schools Program			7/1/2004	6/30/2005	49,094	-	-	(15,787)	-	-	-	33,307	-
SFY 2005 Child Passenger Safety Education Grant:													
Salaries and Wages			7/1/2004	6/30/2005	1,035	-	4,000	(3,200)	-	-	-	1,835	-
Other Expenses			7/1/2004	6/30/2005	1,087	-	1,000	(625)	-	-	-	1,462	-
SFY 2007 Child Passenger Safety Education Grant		5,000	7/1/2006	6/30/2007	-	-	5,000	(5,000)	-	-	-	-	-
SFY 2005 State & Local All Hazards Emergency Planning			7/1/2004	6/30/2005	2,406	-	-	(2,406)	-	-	-	-	-
SFY 2007 Click it or Ticket Program:													
Salaries and Wages	066-100-6010	4,000	7/1/2006	6/30/2007	-	-	4,000	(4,000)	-	-	-	-	-
SFY 2007 You Drink, You Drive, You Lose		5,000	7/1/2006	6/30/2007	-	-	5,000	(4,950)	(50)	-	-	-	-
SFY 2007 Body Armor Replacement Program	066-718-6120	3,942	Non-Expiring		-	-	3,942	(3,942)	-	-	-	-	-
Others --													
SFY 2005 Municipal Stormwater Regulation Program			7/1/2004	6/30/2005	13,211	-	-	(7,750)	-	-	-	5,461	-
					\$ 522,912	\$ -	\$ 3,264,012	\$ (3,607,227)	\$ (50)	\$ -	\$ -	\$ 179,647	\$ -

*Denotes Major Program

BOROUGH OF LODI
NOTES TO SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2007

Note 1 - General

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

Note 2 - Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. These bases of accounting are 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.

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.

BOROUGH OF LODI
NOTES TO SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2007

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 expenditures from July 1, 2006 to June 30, 2007.

Note 4 - Relationship to Federal and State Financial Reports

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

Note 5 - Federal and State Loans Outstanding

The municipality did not have any federal and state loans outstanding at of June 30, 2007.

Note 6 - Contingencies

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

BOROUGH OF LODI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

Section I -- Summary of Auditors' Results

Financial Statements

A) Type of auditors' report issued: Unqualified

B) Internal control over financial reporting:

1. Material weakness(es) identified? X yes no

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

C) Noncompliance material to financial statements noted? yes X no

BOROUGH OF LODI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

Section II -- Financial Statement Findings

Finding 07-01:

Criteria or Specific Requirement:

D.L.G.S. Technical Accounting Directive #85-2.

Condition:

The Borough did not implement a fixed asset accounting system in accordance with Technical Accounting Directive #85-2.

Cause:

The Chief Financial Officer did not ensure compliance with this specific requirement.

Recommendation:

That the Borough implement a fixed asset accounting system in accordance with Technical Accounting Directive #85-2.

BOROUGH OF LODI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007

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

Current Year

Federal Awards:

There were no findings or questioned costs identified.

State Awards:

There were no findings or questioned costs identified.

Prior Year

Federal Awards:

There were no prior year findings or questioned costs.

State Awards:

There were no prior year findings or questioned costs.

BOROUGH OF LODI

N.J. Comprehensive Annual Financial Report
Year Ended June 30, 2007

General Comments and Recommendations Section

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2007

Contracts and Agreements required to be advertised for N.J.S. 40A:11-4 (as amended)

Public advertisement for bids is required for any purchase exceeding \$21,000. Local officials should avail themselves of respective laws for further direction and clarification in their application to the local purchasing system. The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5 covering the Borough Auditor, Engineer and Attorney and certain Other Professional Services. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the result of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. Our audit of expenditures did not reveal the following instances of individual payments, contracts or agreements in excess of the statutory limit "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

The following vendors were identified in association with bid threshold violations:

CPS Mechanical
D&L Paving
Interstate Waste Service
Quantar Repeater
Timmerman Equipment

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2007

Cash

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2007

Revenue/Cash Receipts Cycles

Treasurer

None

Tax Collector

1. Adequate workpapers, lead schedules, etc. were not maintained to prove current and delinquent tax levies, collections, cancellations, credits, etc. to control accounts maintained by the Chief Financial Officer.

Municipal Clerk

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

Recreation Department

None

Fire Official

None

Construction Code Official

1. There were instances of building permit fees being waived not in accordance with and in absence of adopted ordinances.

Registrar of Vital Statistics

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

Police Department

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2007

Expenditure/Cash Disbursements Cycle

1. An annual report was not filed with the governing body by each volunteer fire company accounting for funds received in accordance with N.J.S.A. 40A:14-34.
2. The Chief Financial Officer did not receive an audit of the volunteer ambulance corp. to which contributions were made in accordance with N.J.S. 40:5-2.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2007

Payroll Cycle

1. The payroll account was not maintained on an imprest basis.
2. The Borough did not adopt an ordinance enabling the municipality to utilize a payroll servicer in accordance with N.J.A.C. 5:30-17.3.
3. The Borough has not executed a contract with the payroll servicer in accordance with N.J.A.C. 5:30-17.4 and 6.
4. The Borough has not designated an approval officer responsible for authorizing and supervising the activities of the servicer in accordance with N.J.A.C. 5:30-17.4.
5. The Borough has not ensured that the payroll servicer has its own internal controls to ensure calculations are performed correctly and that they appropriately guard against theft and other adverse conditions in accordance with N.J.A.C. 5:30-17.5.*
6. The Borough has not ensured that there is an acceptable distance from the service location to the approval officer to ensure that physical delivery of documents can occur to assure the delivery of paychecks for regularly scheduled paydays and timely delivery all other payroll materials in accordance with N.J.A.C. 5:30-17.5.
7. That the Chief Financial Officer properly include clothing allowances paid to receiving employees under a non-accountable plan in their respective W-2s in accordance with U.S. Treasury Regulations.
8. Outside Employment of Police Officers was not administered in accordance with Local Finance Notice #CFO-00-14.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2007

Other Matters

1. There were interfund balances on the various balance sheets of the Borough at year end.
2. Fixed asset accounting records were not updated for current year activity.
3. Miscellaneous non-tax billings were not made timely, nor were related accounts receivable records maintained.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2007

Recommendations

1. That the payroll account be reconciled monthly, and maintained on an imprest basis.*
2. That the Borough adopt an ordinance enabling the municipality to utilize a payroll servicer in accordance with N.J.A.C. 5:30-17.3.*
3. That a contract be executed with the Borough's payroll servicer in accordance with N.J.A.C. 5:30-17.4 and 6.*
4. That the Borough designate an approval officer responsible for authorizing and supervising the activities of the servicer in accordance with N.J.A.C. 5:30-17.4.*
5. That the Borough ensure that the payroll servicer has its own internal controls to ensure that calculations are performed correctly and that they appropriately guard against theft and other adverse conditions in accordance with N.J.A.C. 5:30-17.5.*
6. That the Borough ensure there is an acceptable distance from the service location to the approval officer to ensure that physical delivery of documents can occur to assure the delivery of paychecks for regularly scheduled paydays and timely delivery all other payroll materials in accordance with N.J.A.C. 5:30-17.5.*
7. That the Chief Financial Officer properly include clothing allowances paid to receiving employees under a non-accountable plan in their respective W-2s in accordance with U.S. Treasury Regulations.*
8. That a personnel ordinance be developed and adopted by the governing body.*
9. That the Tax Collector prove current and delinquent tax levies, collections, cancellations, credits, etc. to control accounts maintained by the Chief Financial Officer.*
10. That the Municipal Clerk's account be reconciled on a monthly basis and maintained on an imprest basis.*
11. That the Registrar of Vital Statistic's account be reconciled on a monthly basis and maintained on an imprest basis.*
12. That the Municipal Manager ensure that an annual report be filed by each volunteer fire company accounting for funds received with governing body in accordance with N.J.S.A. 40A:14-34.*
13. That the Municipal Manager ensure that an annual audit of the volunteer ambulance corp. be filed with governing body in accordance with N.J.S. 40:5-2.*
14. That interfund balances be cleared prior to year end.*
15. That fixed asset accounting records be updated on a regular basis.*
16. That controls procedures be implemented to ensure the timeliness of miscellaneous non-tax municipal billings, and the maintenance of related accounts receivable records.*
17. That Outside Employment of Police Officers be administered in accordance with Local Finance Notice #CFO-00-14.
18. That the Local Public Contracts Law be strictly adhered to.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2007

Status of Prior Year's Recommendations

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

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

DI MARIA & DI MARIA LLP
Public Accountants and Consultants

Frank R. Di Maria

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

December 31, 2007