

BOROUGH OF LODI
County of Bergen, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2008
(With Independent Auditors' Reports Thereon)

BOROUGH OF LODI
Comprehensive Annual Financial Report
Year Ended June 30, 2008
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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, 2008

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

BOROUGH OF LODI
Municipal Officials
Year Ended June 30, 2008

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

BOROUGH OF LODI

N.J. Comprehensive Annual Financial Report
Year Ended June 30, 2008

Financial Section

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891
www.dimariaanddimaria.com

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, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express 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, 2008 and 2007 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, 2008 and 2007, 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, 2008 and 2007 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2008 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, 2008

BOROUGH OF LODI

A-1

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

ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2008

(With Comparative Totals for 2007)

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Fixed Asset Account Group	Totals (Memorandum Only)	
						June 30, 2008	June 30, 2007
<u>ASSETS AND OTHER DEBITS</u>							
Cash	\$ 1,920,630	\$ 103,360	\$ 914,744	\$ 3,013,185	\$ -	\$ 5,951,919	\$ 5,151,217
Deferred Compensation Assets	-	-	1,976,223	-	-	1,976,223	1,893,906
Interfunds Receivable	2,654	-	66	3,392	-	6,112	83,513
Intergovernmental Receivable	320,711	90,794	-	1,868,284	-	2,279,789	2,863,565
Accounts Receivable	279,116	-	-	-	-	279,116	250,956
Deferred Charges	881,000	-	-	16,286,928	-	17,167,928	16,964,484
Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Total Assets and Other Debits	<u>\$ 3,404,111</u>	<u>\$ 194,154</u>	<u>\$ 2,891,033</u>	<u>\$ 21,171,789</u>	<u>\$ 23,234,532</u>	<u>\$ 50,895,619</u>	<u>\$ 50,442,173</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>							
Appropriation Reserves	\$ 585,849	\$ -	\$ -	\$ -	\$ -	\$ 585,849	\$ 482,958
Interfunds Payable	3,458	-	2,654	-	-	6,112	83,513
Intergovernmental Payable	2,722	-	34	-	-	2,756	3,022
Other Liabilities and Reserves	1,319,656	194,154	2,888,345	932,998	-	5,335,153	4,969,972
Serial Bonds Payable	-	-	-	7,366,000	-	7,366,000	8,941,000
Loans Payable	-	-	-	1,133,780	-	1,133,780	796,426
Bond Anticipation Notes Payable	-	-	-	8,193,350	-	8,193,350	6,536,400
Improvement Authorizations	-	-	-	3,540,733	-	3,540,733	4,286,334
Reserve for General Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Reserve for Receivables and Other Assets	281,770	-	-	-	-	281,770	251,120
Fund Balances	1,210,656	-	-	4,928	-	1,215,584	856,896
Total Liabilities, Reserves and Fund Balance	<u>\$ 3,404,111</u>	<u>\$ 194,154</u>	<u>\$ 2,891,033</u>	<u>\$ 21,171,789</u>	<u>\$ 23,234,532</u>	<u>\$ 50,895,619</u>	<u>\$ 50,442,173</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

	2008	2007
<u>REVENUES AND OTHER CREDITS TO INCOME</u>		
Revenues:		
Fund Balance Anticipated	\$ 340,000	\$ -
Miscellaneous Revenues	6,997,138	5,948,250
Receipts from Delinquent Taxes	4,523	69,027
Amount to be Raised by Taxation	17,232,463	16,307,566
Total Revenues	24,574,124	22,324,843
Other Credits to Income	37,644,356	36,076,914
Total Revenues and Other Credits to Income	<u>\$ 62,218,480</u>	<u>\$ 58,401,757</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>		
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	\$ 8,599,051	\$ 8,225,462
Other Expenses	8,754,198	7,939,162
Deferred Charges and Statutory Expenditures	419,040	347,508
Operations Excluded From "CAPS":		
Salaries and Wages	-	-
Other Expenses	4,170,500	3,018,942
Capital Improvements	100,000	125,000
Municipal Debt Service	2,353,735	2,230,131
Deferred Charges	633,419	218,294
Judgments	25,000	250,000
Reserve for Uncollected Taxes	157,837	144,212
Total Budget Expenditures	25,212,780	22,498,711
Other Expenses and Charges to Income	37,188,012	35,972,012
Total Expenditures	<u>\$ 62,400,792</u>	<u>\$ 58,470,723</u>
Statutory Excess to Fund Balance	(182,312)	(68,966)
Transferred to Deferred Charge of Succeeding Year	881,000	610,658
Fund Balance, July 1	851,968	310,276
	1,550,656	851,968
Decreased by:		
Utilization as Anticipated Revenue	340,000	-
Fund Balance, June 30	<u>\$ 1,210,656</u>	<u>\$ 851,968</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, 2008

	<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	\$ 340,000	\$ 340,000	\$ -
Miscellaneous Revenues	7,046,264	6,997,138	(49,126)
Receipts from Delinquent Taxes	25,000	4,523	(20,477)
Amount to be Raised by Taxation	16,920,517	17,232,463	311,946
Total Revenues	<u>24,331,781</u>	<u>24,574,124</u>	<u>242,343</u>
Other Credits to Income	37,165,724	37,644,356	478,632
Total Revenues and Other Credits to Income	<u>\$ 61,497,505</u>	<u>\$ 62,218,480</u>	<u>\$ 720,975</u>

EXPENDITURES AND OTHER CHARGES TO INCOME

Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	\$ 8,599,051	\$ 8,599,051	\$ -
Other Expenses	8,754,198	8,754,198	-
Deferred Charges and Statutory Expenditures	419,040	419,040	-
Operations Excluded From "CAPS":			
Salaries and Wages	-	-	-
Other Expenses	4,170,500	4,170,500	-
Capital Improvements	100,000	100,000	-
Municipal Debt Service	2,353,735	2,353,735	-
Deferred Charges	633,419	633,419	-
Judgments	25,000	25,000	-
Reserve for Uncollected Taxes	157,837	157,837	-
Total Budget Expenditures	<u>25,212,780</u>	<u>25,212,780</u>	<u>-</u>
Other Expenses	37,165,724	37,188,012	22,288
Total Expenditures	<u>\$ 62,378,504</u>	<u>\$ 62,400,792</u>	<u>\$ 22,288</u>

Statutory Excess to Current Fund Balance	(182,312)
Transferred to Deferred Charge of Succeeding Year	881,000
Fund Balance, July 1	<u>851,968</u>
	1,550,656

Decreased by:

Utilization as Anticipated Revenue	<u>340,000</u>
Fund Balance, June 30	<u><u>\$ 1,210,656</u></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, 2008

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, 2008

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, 2008

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 municipality's financial statements.

C. Cash and Investments

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

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

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

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, 2008

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, 2008

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, 2008

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, 2008

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, 2008

Note 3 - Cash and Cash Equivalents

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

A. Deposits

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

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

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

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

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

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

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

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper. 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, 2008

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, 2008.

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, 2008

Note 7 - Fixed Assets

The following is a summary of general fixed asset additions, deletions and adjustments for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
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, 2008

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, 2008

Note 8 - Capital Debt (Continued)

A. Comparative Summary of Debt

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
<u>Issued</u>			
School - Bonds and Notes	\$ 1,785,000	\$ 2,105,000	\$ 2,410,000
Water Utility - Bonds and Notes	-	-	-
General - Bonds and Notes	16,693,130	16,273,826	15,650,400
Total Issued	<u>\$ 18,478,130</u>	<u>\$ 18,378,826</u>	<u>\$ 18,060,400</u>
<u>Authorized but not Issued</u>			
General - Bonds and Notes	\$ -	\$ -	\$ -
	<u>\$ 18,478,130</u>	<u>\$ 18,378,826</u>	<u>\$ 18,060,400</u>
<u>Deductions:</u>			
School Deduction	1,785,000	2,105,000	2,410,000
Utility Deduction and Funds on Hand	2,148,310	2,885,000	3,950,000
Net Bonds and Notes Authorized and Authorized but not Issued	<u>\$ 14,544,820</u>	<u>\$ 13,388,826</u>	<u>\$ 11,700,400</u>
Equalized Valuation Basis	\$ 2,256,079,114	\$ 2,042,779,832	\$ 1,789,204,841
Net Debt Percentage	0.64%	0.66%	0.65%
3-1/2% of Equalized Valuation Basis	\$ 78,962,769	\$ 71,497,294	\$ 62,622,169
Remaining Borrowing Power	\$ 64,417,949	\$ 58,108,468	\$ 50,921,769

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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 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	-	-	-	-
SFY 2027	-	-	-	-
SFY 2028	-	-	-	-
	<u>\$ 580,000</u>	<u>\$ 11,600</u>	<u>\$ 1,230,000</u>	<u>\$ 76,650</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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 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	-	-	-	-
SFY 2027	-	-	-	-
SFY 2028	-	-	-	-
	<u>\$ 2,056,000</u>	<u>\$ 225,723</u>	<u>\$ 3,500,000</u>	<u>\$ 834,083</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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 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	-	-	-	-
SFY 2027	-	-	-	-
SFY 2028	-	-	-	-
	<u>\$ 207,142</u>	<u>\$ 14,787</u>	<u>\$ 128,032</u>	<u>\$ 13,190</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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 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	-	-	-	-
SFY 2027	-	-	-	-
SFY 2028	-	-	-	-
	<u>\$ 57,606</u>	<u>\$ 5,935</u>	<u>\$ 43,754</u>	<u>\$ -</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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 Green Trust Loan - Memorial Park Improvements	
	Principal	Interest	Principal	Interest
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
SFY 2027	-	-	-	-
SFY 2028	-	-	-	-
	<u>\$ 50,000</u>	<u>\$ 8,638</u>	<u>\$ 241,043</u>	<u>\$ 47,183</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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	10/15/07 Green Trust		Total	
	Principal	Interest	Principal	Interest
SFY 2009	8,478	3,958	1,803,327	305,106
SFY 2010	8,649	3,787	1,224,505	244,501
SFY 2011	8,823	3,614	1,029,345	193,752
SFY 2012	9,001	3,436	1,071,392	154,556
SFY 2013	9,181	3,255	566,462	113,310
SFY 2014	9,366	3,071	592,559	93,510
SFY 2015	9,554	2,882	584,334	71,740
SFY 2016	9,746	2,690	568,283	49,718
SFY 2017	9,942	2,494	594,154	27,848
SFY 2018	10,142	2,295	34,265	4,961
SFY 2019	10,346	2,091	24,070	4,380
SFY 2020	10,554	1,883	24,554	3,896
SFY 2021	10,766	1,671	25,047	3,403
SFY 2022	10,982	1,454	25,550	2,899
SFY 2023	11,203	1,234	26,064	2,386
SFY 2024	11,428	1,009	26,588	1,862
SFY 2025	11,658	778	27,122	1,326
SFY 2026	11,892	545	27,667	782
SFY 2027	12,132	305	12,132	305
SFY 2028	6,157	62	6,157	62
	<u>\$ 200,000</u>	<u>\$ 42,514</u>	<u>\$ 8,293,577</u>	<u>\$ 1,280,303</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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, 2008

Note 10 - Interfunds

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

	2008		2007	
	Interfunds Receivable	Interfunds Payable	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 2,654	\$ 3,458	\$ 164	\$ 83,349
Federal and State Grant Fund	-	-	-	-
Trust Funds	66	2,654	180	164
General Capital Fund	3,392	-	83,169	-
	<u>\$ 6,112</u>	<u>\$ 6,112</u>	<u>\$ 83,513</u>	<u>\$ 83,513</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, 2008	SFY 2009 Budget Appropriation
Current Fund:		-
Overexpenditures	\$ -	\$ -
Expenditures Without Appropriations	-	-
Deficit in Operations	-	-
Emergency Authorizations (40A:4-55)	881,000	881,000
Special Emergency Authorizations (40A:4-53)	-	-
	<u>\$ 881,000</u>	<u>\$ 881,000</u>

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, 2008

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 multipleemployer 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, 2006 date of the most recent actuarial valuation, participating employers consisted of the following:

	<u>Participating Employers</u>
State of New Jersey	1
County Agencies	66
Municipalities	576
School Districts	588
Other Public Agencies	<u>446</u>
Total	<u><u>1,677</u></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.

The system adopted Governmental Accounting Standards Board (GASB) Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans" (OPEB) as of July 1, 2006. Prior to the adoption, the Post-Retirement Medical Fund (PRM) of PERS was reported as a trust fund and was combined with the PERS pension trust fund plan. As a result of the implementation of GASB Statement No. 43, PRM of PERS is combined with the State Health Benefits Program Fund (SHBP) and the Prescription Drug Program Fund (PDP) and reported as Health Benefit Program Funds. Specifically, SHBP-State, PDP-State, and PRM of PERS are combined and reported as a trust fund classified as a single employer plan. Certain amounts included in the PERS PRM are legally required to be transferred to the SHBP and are recorded as additions and deductions in PERS PRM and SHBP. All interfund transactions have been eliminated in the financial statements of the SHBP.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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, 2008

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.

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. Similarly, Chapter 127, 128, and 129, P.L. 2003 provided early retirement incentive benefits to local employees.

Chapter 353, P.L. 2001 provided an increase in the special veterans' retirement allowance and the ordinary and accidental disability retirement allowances. The special veterans retirement allowance increased from 50% to 54.5% of the members' compensation during the highest-paid year of service. The minimum ordinary disability retirement allowance increased from 40% to 43.6% of final average compensation, and the accidental disability retirement allowance increased from 66.66% to 72.7% of the actual annual compensation at the time of the accident. Existing retirees and beneficiaries are eligible for the increases, which was effective October 2001.

Chapter 133, P.L. 2001 increased the retirement benefits under service, deferred, and early retirement by changing the formula from 1/60 to 1/55 of final compensation for each year of service. This legislation also increased the retirement benefit for veteran members with 35 or more years of service and reduced the age qualification from 60 to 55. Existing retirees and beneficiaries received a comparable percentage increase in their retirement allowances. This benefit enhancement was effective with the November 1, 2001 benefit payments.

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.

Chapter 103, P.L. 2007, certain parts effective July 1, 2007, provides for the following: changes contribution rates of PERS to 5.5% of annual compensation; imposes an annual maximum wage contribution base and a new retirement age to new employees; implements changes to State Health Benefits Program (SHBP) and establishes an employee contribution of 1.5% of the employee's base salary.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

Chapter 92, P.L. 2007 implements certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform. First, one recommendation closes the Workers' Compensation Judges Part of the PERS to new members, effective July 1, 2007. A second recommendation eliminates the 4% fixed rate of interest for loans from the defined benefit plans and provides that the rate of interest will be set by the State Treasurer at a commercially reasonable rate as required by the Internal Revenue Code and permits that an administrative processing fee may be charged for such loans. As such, effective January 1, 2008, the new pension loan interest rate will be 4.69% per year, and an \$8.00 processing fee per loan will be charged. A third recommendation removes language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the system when excess assets are available.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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, 2006, the date of the most recent actuarial valuation:

Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	126,592
Active Members:	
Vested	140,306
Non-Vested	177,434
Total Active Members	317,740
Total	444,332

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, 2006 and 2005, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2006	2005
State of New Jersey	1	1
Municipalities	587	584
Total	588	585

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, 2008

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 state-related 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, 2008

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.

Chapter 92, P.L. 2007 implements certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform. One recommendation eliminates the 4% fixed rate of interest for loans from the defined benefit plans and provides that the rate of interest will be set by the State Treasurer at a commercially reasonable rate as required by the Internal Revenue Code and permits that an administrative processing fee may be charged for such loans. As such, effective January 1, 2008, the new pension loan interest rate will be 4.69% per year, and an \$8.00 processing fee per loan will be charged. Another recommendation removes language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the system when excess assets are available.

Membership:

Membership in the System consisted of the following at June 30, 2006 and 2005, the dates of the most recent actuarial valuations:

	<u>2006</u>	<u>2005</u>
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	30,487	29,321
Active members:		
Vested	28,236	27,894
Non-vested	16,589	16,317
Total active members	44,825	44,211
Total	<u>75,312</u>	<u>73,532</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, 2008

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, who manages the plan on behalf of the Borough. Investment selection by the participants may change from time to time, as the Borough manages none of the investment selections. By making the selection, participants accept and assume all risks that adhere in the plan and its administration.

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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, 2008	June 30, 2007
Assets, Beginning of Year (Market Value)	\$ 792,436	\$ 688,287
Deferrals of Compensation	43,570	78,514
Earnings and Adjustments to Market Value	8,509	47,484
Payments to Eligible Employees	(7,456)	(21,849)
Charges and Credits	(1,975)	-
Assets, Ending of Year (Market Value)	<u>\$ 835,084</u>	<u>\$ 792,436</u>

B. ING Life Insurance and Annuity Company

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

	June 30, 2008	June 30, 2007
Assets, Beginning of Year (Market Value)	\$ 932,434	\$ 760,587
Deferrals of Compensation	92,074	107,478
Earnings and Adjustments to Market Value	(26,108)	82,448
Payments to Eligible Employees	(35,536)	(17,599)
Charges and Credits	(510)	(480)
Assets, Ending of Year (Market Value)	<u>\$ 962,354</u>	<u>\$ 932,434</u>

C. Lincoln National Life Insurance Co.

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

	June 30, 2008	June 30, 2007
Assets, Beginning of Year (Market Value)	\$ 169,036	\$ 113,590
Deferrals of Compensation	30,500	38,500
Earnings and Adjustments to Market Value	(12,160)	18,921
Payments to Eligible Employees	(6,059)	-
Charges and Credits	(2,532)	(1,975)
Assets, Ending of Year (Market Value)	<u>\$ 178,785</u>	<u>\$ 169,036</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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, 2008
PBA Employees for Accumulated Sick and Vacation	\$ 2,523,248
White Collar Employees for Accumulated Sick and Vacation	172,149
Department Head and Supervisor Employees for Accumulated Sick and Vacation	245,976
General Administration Employees for Accumulated Sick and Vacation	-
Less: Amounts Raised in Succeeding Budgets	-
Estimated Unfunded Obligation	<u>\$ 2,941,373</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, 2008, 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, 2008

Note 16 - Subsequent Events and Other Material Disclosures

A. Subsequent Year Capital Projects

The Borough's SFY 2009 Capital Budget currently includes the following:

Purpose	Total	CIF and Other Funded Sources	Bonds & Notes Authorized
#909-11 Improvements to Sanitary Sewer System	\$ 500,000	\$ 25,000	\$ 475,000
#909-12 Downtown Redevelopment - Phase V	6,000,000	-	6,000,000
#909-13 Roof Improvements to Various Municipal Facilities	1,800,000	90,000	1,710,000
#909-16 Downtown Redevelopment - Phase I (Supplemental)	250,000	12,500	237,500
#909-19 Improvements to Various Municipal Facilities	100,000	5,000	95,000
#909-15 SFY 2009 Roadway, Curb and Sidewalk Improvements	250,000	12,500	237,500
#909-14 SFY 2009 Roadway, Curb and Sidewalk Improvements	450,000	361,288	88,712
#909-20 SFY 2009 Roadway, Curb and Sidewalk Improvements	250,000	150,000	100,000
	<u>\$ 9,600,000</u>	<u>\$ 656,288</u>	<u>\$ 8,943,712</u>

BOROUGH OF LODI
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2008

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:

<u>Due Date</u>	<u>Amount</u>	<u>Action</u>
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	Anticipated Revenue in SFY 2009 Current Budget
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, 2008

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

	2008	2007	2006	2005	2004
ASSETS AND OTHER DEBITS					
Cash:					
Operating Account	\$ 1,920,130	\$ 1,552,437	\$ 784,796	\$ 752,496	\$ 1,396,621
Local Law Enforcement Account	-	-	-	-	3,681
Change Fund	500	500	300	300	300
	<u>\$ 1,920,630</u>	<u>\$ 1,552,937</u>	<u>\$ 785,096</u>	<u>\$ 752,796</u>	<u>\$ 1,400,602</u>
Interfunds Receivable:					
Due From Dog License Trust Fund	\$ 32	\$ 164	\$ 19	\$ 1,335	\$ 6
Due From Developer's Escrow Trust Fund	-	-	-	-	9,871
Due From Other Trust Fund	2,622	-	1,809	66,422	-
	<u>\$ 2,654</u>	<u>\$ 164</u>	<u>\$ 1,828</u>	<u>\$ 67,757</u>	<u>\$ 9,877</u>
Intergovernmental Receivable:					
Due From State of N.J. (P.L. 1976, c.73)	\$ 320,711	\$ 340,644	\$ 358,019	\$ 345,144	\$ 362,931
Other Receivables:					
Delinquent Property Taxes	\$ 2,634	\$ 7,117	\$ 71,621	\$ 80,242	\$ 109,626
Tax Title Liens Receivable	258,175	225,592	209,429	194,346	168,441
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
Mortgage Receivable	-	-	-	-	885,569
Prepaid Local School Tax	60	-	-	-	-
	<u>\$ 279,116</u>	<u>\$ 250,956</u>	<u>\$ 299,297</u>	<u>\$ 343,483</u>	<u>\$ 1,231,056</u>
Deferred Charges:					
Emergency Authorizations	\$ 881,000	\$ 610,658	\$ 138,294	\$ 620,109	\$ 677,808
Special Emergency Authorizations (N.J.S. 40A:4-55.1)	-	80,000	160,000	240,000	427,719
	<u>\$ 881,000</u>	<u>\$ 690,658</u>	<u>\$ 298,294</u>	<u>\$ 860,109</u>	<u>\$ 1,105,527</u>
Total Assets and Other Debits	<u>\$ 3,404,111</u>	<u>\$ 2,835,359</u>	<u>\$ 1,742,534</u>	<u>\$ 2,369,289</u>	<u>\$ 4,109,993</u>
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	\$ 585,849	\$ 482,958	\$ 609,610	\$ 1,109,231	\$ 464,862
Interfunds Payable:					
Due to General Capital Fund	\$ 3,392	\$ 83,169	\$ 874	\$ 15,557	\$ 196,396
Due to Other Trust Fund	66	180	-	-	-
	<u>\$ 3,458</u>	<u>\$ 83,349</u>	<u>\$ 874</u>	<u>\$ 15,557</u>	<u>\$ 196,396</u>
Intergovernmental Payable:					
State of New Jersey	\$ 2,722	\$ 2,999	\$ 3,410	\$ 4,586	\$ 3,672
Other Liabilities and Reserves:					
Reserve for Encumbrances	\$ 242,588	\$ 219,299	\$ 237,499	\$ 163,283	\$ 134,599
Reserve for Flood Emergency Expenditures	-	-	-	-	-
Reserve for Domestic Violence Training	-	3,075	3,075	3,075	3,075
Reserve for BCUA Municipal Recycling Program	-	6,709	-	-	-
Reserve for Revaluation	-	-	-	-	22,363
Deferred Revenues	-	-	-	-	456,850
Due to Payroll Account	-	-	-	-	-
Tax Title Lien Redemptions Due to Outside Lien Holders	1,848	6,292	-	-	-
Taxes Collected in Advance	116,946	144,951	149,384	198,619	136,414
Tax Sale Premiums	-	-	-	-	-
Tax Overpayments	51,167	143,947	95,893	126,903	90,269
Emergency Note Payable	-	610,000	-	-	677,000
Special Emergency Note Payable	881,000	-	-	-	107,719
Accounts Payable	26,107	28,692	31,388	61,620	61,620
	<u>\$ 1,319,656</u>	<u>\$ 1,162,965</u>	<u>\$ 517,239</u>	<u>\$ 553,500</u>	<u>\$ 1,689,909</u>
Reserve for Receivables and Other Assets	\$ 281,770	\$ 251,120	\$ 301,125	\$ 411,240	\$ 1,240,933
Fund Balance	\$ 1,210,656	\$ 851,968	\$ 310,276	\$ 275,175	\$ 514,221
Total Liabilities, Reserves and Fund Balance	<u>\$ 3,404,111</u>	<u>\$ 2,835,359</u>	<u>\$ 1,742,534</u>	<u>\$ 2,369,289</u>	<u>\$ 4,109,993</u>

BOROUGH OF LODI
STATEMENT OF BUDGET REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2008

	Budget As Modified	Realized	Excess/ (Deficit)
Fund Balance Anticipated	\$ 340,000	\$ 340,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 22,000	\$ 21,742	\$ (258)
Other Licenses	59,000	66,593	7,593
Fees and Permits	85,000	107,034	22,034
Municipal Court Fines and Costs	453,000	444,719	(8,281)
Interest and Costs on Taxes	105,000	99,346	(5,654)
Interest on Investments and Deposits	260,000	240,069	(19,931)
Sewer Charges	1,320,000	1,434,556	114,556
Legislative Initiative Municipal Block Grant	97,818	97,818	-
Consolidated Municipal Property Tax Relief	1,414,637	1,414,637	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,039,946	1,039,946	-
Supplemental Energy Receipts Tax	40,082	40,082	-
Municipal Homeland Security Assistance	90,000	90,000	-
Municipal Property Tax Assistance	50,080	50,080	-
Extraordinary Aid (N.J.S.A. 52:27D-118.35)	200,000	200,000	-
Uniform Construction Code Fees	460,000	267,805	(192,195)
Recycling Tonnage Grant	4,446	4,446	-
Drunk Driving Enforcement Fund	5,597	5,597	-
Clean Communities Program	23,096	23,096	-
Alcohol Education Rehabilitation Program	226	226	-
Municipal Alliance on Alcoholism and Drug Abuse	13,500	13,500	-
Body Armor Fund	4,526	4,526	-
GDL Enforcement & Education	2,000	2,000	-
Click it or Ticket Grant	4,000	4,000	-
Office of Justice Programs - COPS Grant	53,000	53,000	-
JIF Reimbursement - Fire Department	50,000	50,000	-
Bergen County Prosecutor's Office - Confiscated Funds	30,934	30,934	-
FEMA Reimbursement	418,750	423,428	4,678
BCUA Municipal Recycling Assistance Program	6,709	6,709	-
Uniform Fire Safety Act	43,000	51,460	8,460
Local Uniform Fire Safety Fees	95,000	154,166	59,166
Cable TV Franchise Fee	65,000	78,700	13,700
P.V.W.C. Water Utility Lease Payment	55,344	55,377	33
Host Community Fees	11,000	11,973	973
Joint Insurance Fund Reimbursements	38,573	38,573	-
Redevelopment Reimbursement	300,000	266,000	(34,000)
Cellular Tower Lease	30,000	30,000	-
Summer Concert Donations	30,000	30,000	-
Health Benefit Reimbursement - Free Public Library	40,000	40,000	-
Sanitary Sewer Tie-In Agreement (Township of South Hackensack)	5,000	5,000	-
Sanitary Sewer Tie-In Agreement (Township of Saddle Brook)	20,000	-	(20,000)
Total Miscellaneous Revenues	<u>\$ 7,046,264</u>	<u>\$ 6,997,138</u>	<u>\$ (49,126)</u>
Receipts From Delinquent Taxes	<u>\$ 25,000</u>	<u>\$ 4,523</u>	<u>\$ (20,477)</u>
Amount to be Raised by Taxation	<u>\$ 16,920,517</u>	<u>\$ 17,232,463</u>	<u>\$ 311,946</u>
Total Budget Revenues	<u>\$ 24,331,781</u>	<u>\$ 24,574,124</u>	<u>\$ 242,343</u>

BOROUGH OF LODI
STATEMENT OF BUDGET REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2008

Other Credits to Income:			
Local District School Tax	\$ 32,701,525	\$ 32,701,525	\$ -
County Tax	4,190,351	4,190,351	-
Added County Tax	26,024	26,024	-
County Open Space Tax	247,824	247,824	-
Added County Open Space Tax	-	-	-
Non-Budget Revenues	-	254,040	254,040
Unexpended Balance of Budget Appropriations	-	21,849	21,849
Unexpended Balance of Appropriation Reserves and Encumbrances	-	199,473	199,473
Interfund Loans Returned	-	164	164
Statutory Excess From Dog License Fund	-	2,512	2,512
Prior Year Outstanding Checks Cancelled	-	-	-
Cancellations and Adjustments	-	594	594
P.V.W.C. Receivable	-	-	-
Total Other Credits to Income	<u>\$ 37,165,724</u>	<u>\$ 37,644,356</u>	<u>\$ 478,632</u>
Total Revenues and Credits to Income	<u>\$ 61,497,505</u>	<u>\$ 62,218,480</u>	<u>\$ 720,975</u>

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS

CURRENT FUND

Year Ended June 30, 2008

	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	\$ 195,000	\$ 198,700	\$ 198,659	\$ 41	\$ -	\$ -
Other Expenses	135,000	107,000	97,946	9,054	-	-
Mayor and Council:						
Salaries and Wages	32,500	32,500	32,500	-	-	-
Other Expenses	7,500	9,250	9,231	19	-	-
Municipal Clerk:						
Salaries and Wages	137,000	145,700	145,681	19	-	-
Other Expenses	35,000	36,500	36,314	186	-	-
Financial Administration:						
Salaries and Wages	210,000	210,000	209,262	738	-	-
Other Expenses	45,000	35,000	23,906	11,094	-	-
Computerized Data Processing:						
Other Expenses	25,000	25,000	23,806	1,194	-	-
Audit Services:						
Other Expenses	50,000	50,000	45,000	5,000	-	-
Revenue Administration:						
Salaries and Wages	119,000	120,625	120,619	6	-	-
Other Expenses	20,000	20,000	16,865	3,135	-	-
Tax Assessment Administration:						
Salaries and Wages	79,000	79,000	78,974	26	-	-
Other Expenses	80,000	95,000	92,843	2,157	-	-
Legal Services:						
Salaries and Wages	215,000	215,000	215,000	-	-	-
Other Expenses	65,000	60,000	51,024	8,976	-	-
Engineering Services:						
Other Expenses	100,000	70,000	53,338	16,662	-	-
LAND USE ADMINISTRATION:						
Planning Board:						
Salaries and Wages	1,500	1,562	1,562	-	-	-
Other Expenses	5,000	4,000	2,540	1,460	-	-
Zoning Board of Adjustment:						
Salaries and Wages	1,500	1,512	1,512	-	-	-
Other Expenses	5,000	5,000	4,520	480	-	-
INSURANCE:						
Liability Insurance	460,450	460,450	442,571	17,879	-	-
Worker Compensation Insurance	410,000	410,000	410,000	-	-	-
Employee Group Insurance	2,700,000	3,581,000	3,581,000	-	-	-
Unemployment Compensation	20,000	22,300	21,265	1,035	-	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2008

	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	\$ 5,007,000	\$ 4,987,000	\$ 4,844,512	142,488	\$ -	\$ -
Other Expenses	165,000	192,360	187,376	4,984	-	-
911/Dispatch:						
Salaries and Wages	260,000	263,251	256,593	6,658	-	-
Other Expenses	30,000	30,000	27,948	2,052	-	-
Office of Emergency Management:						
Salaries and Wages	7,600	8,626	8,325	301	-	-
Other Expenses	11,500	11,500	10,983	517	-	-
Aid to Volunteer Fire Companies:						
Other Expenses	130,000	130,000	128,084	1,916	-	-
Aid to Volunteer Ambulance Companies:						
Other Expenses	35,000	35,000	35,000	-	-	-
Fire Department:						
Salaries and Wages	101,000	107,200	107,155	45	-	-
Other Expenses	65,000	66,500	66,441	59	-	-
Municipal Prosecutor's Office:						
Salaries and Wages	15,000	15,000	15,000	-	-	-
PUBLIC WORKS FUNCTIONS:						
Streets and Road Maintenance:						
Salaries and Wages	1,126,000	1,086,000	1,072,521	13,479	-	-
Other Expenses	345,000	340,500	327,886	12,614	-	-
Sanitary Sewer System Repairs:						
Other Expenses	-	-	-	-	-	-
Solid Waste Collection:						
Other Expenses	630,000	650,500	650,400	100	-	-
Vehicle Maintenance:						
Other Expenses	100,000	122,000	112,419	9,581	-	-
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Public Health Services:						
Salaries and Wages	62,000	62,100	61,981	119	-	-
Other Expenses	100,000	100,000	85,202	14,798	-	-
PARK AND RECREATION FUNCTIONS:						
Recreation Services and Programs:						
Salaries and Wages	260,000	260,000	237,431	22,569	-	-
Other Expenses	130,000	130,000	120,600	9,400	-	-
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	90,000	70,000	67,909	2,091	-	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS

CURRENT FUND

Year Ended June 30, 2008

	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	\$ 220,000	\$ 220,000	\$ 217,563	\$ 2,437	\$ -	\$ -
Other Expenses	15,000	15,000	9,322	5,678	-	-
Public Defender:						
Salaries and Wages	7,500	7,500	7,500	-	-	-
UNIFORM CONSTRUCTION CODE:						
Code Enforcement and Administration:						
Salaries and Wages	271,000	277,775	277,759	16	-	-
Other Expenses	20,000	19,000	16,690	2,310	-	-
UTILITY EXPENSES AND BULK PURCHASES:						
Electricity	430,000	460,000	429,518	30,482	-	-
Street Lighting	200,000	205,000	187,411	17,589	-	-
Telephone	100,000	100,000	85,576	14,424	-	-
Water	12,000	12,000	11,260	740	-	-
Gasoline	130,000	130,800	130,792	8	-	-
LANDFILL/SOLID WASTE DISPOSAL COSTS:						
Dump Fees	835,000	830,475	719,470	111,005	-	-
Recycling Disposal Fees	60,000	59,000	48,819	10,181	-	-
Roll-Off Containers	60,000	54,063	51,840	2,223	-	-
OTHER COMMON OPERATING FUNCTIONS:						
Accumulated Leave Compensation:						
Salaries and Wages	300,000	300,000	293,866	6,134	-	-
Total Operations Within "CAPS"	\$ 16,484,050	\$ 17,353,249	\$ 16,827,090	\$ 526,159	\$ -	\$ -
Detail:						
Salaries and Wages	\$ 8,627,600	\$ 8,599,051	\$ 8,403,975	\$ 195,076	\$ -	\$ -
Other Expenses	\$ 7,856,450	\$ 8,754,198	\$ 8,423,115	\$ 331,083	\$ -	\$ -
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</u>						
DEFERRED CHARGES:						
Emergency Authorizations	\$ 57,240	\$ 57,240	\$ 57,240	\$ -	\$ -	\$ -
STATUTORY EXPENDITURES:						
Social Security System (O.A.S.I.)	335,000	346,800	346,314	486	-	-
Local Firemen's Pension Fund	15,000	15,000	14,000	1,000	-	-
Deferred Compensation Contribution	-	-	-	-	-	-
	\$ 407,240	\$ 419,040	\$ 417,554	\$ 1,486	\$ -	\$ -
Total General Appropriations Within "CAPS"	\$ 16,891,290	\$ 17,772,289	\$ 17,244,644	\$ 527,645	\$ -	\$ -

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS

CURRENT FUND

Year Ended June 30, 2008

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS EXCLUDED FROM "CAPS"						
OTHER APPROPRIATIONS						
EDUCATIONAL FUNCTIONS:						
Maintenance of Free Public Library	\$ 769,113	\$ 769,113	\$ 769,113	\$ -	\$ -	\$ -
UTILITY EXPENSES AND BULK PURCHASES:						
Sewer Processing and Disposal	1,500,000	1,500,000	1,500,000	-	-	-
STATUTORY EXPENDITURES:						
Public Employees' Retirement System	195,854	195,854	195,854	-	-	-
Police and Firemen's Retirement System	965,374	965,374	965,374	-	-	-
Volunteer Length of Service Award Program	40,000	40,000	33,500	6,500	-	-
	<u>\$ 3,470,341</u>	<u>\$ 3,470,341</u>	<u>\$ 3,463,841</u>	<u>\$ 6,500</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Bergen County Prosecutor's Office - Confisc	\$ 30,934	\$ 30,934	\$ 30,934	\$ -	\$ -	\$ -
Recycling Tonnage Grant	4,446	4,446	4,446	-	-	-
Alcohol Education Rehabilitation Fund	226	226	226	-	-	-
Drunk Driving Enforcement Fund	5,597	5,597	5,597	-	-	-
Clean Communities Program	23,096	23,096	23,096	-	-	-
Body Armor Replacement Program	4,526	4,526	4,526	-	-	-
BCUA Municipal Recycling Assistance Prog	6,709	6,709	6,709	-	-	-
Office of Justice Programs - Federal	53,000	53,000	53,000	-	-	-
Office of Justice Programs - Local	80,000	80,000	80,000	-	-	-
Click it or Ticket Grant	4,000	4,000	4,000	-	-	-
GDL Enforcement & Education Grant	2,000	2,000	2,000	-	-	-
Municipal Alliance on Alcoholism and Drug /	13,500	13,500	13,500	-	-	-
Municipal Alliance on Alcoholism and Drug /	3,375	3,375	3,375	-	-	-
JIF Reimbursement - Fire Department	50,000	50,000	49,722	278	-	-
FEMA Reimbursements	418,750	418,750	392,324	26,426	-	-
	<u>\$ 700,159</u>	<u>\$ 700,159</u>	<u>\$ 673,455</u>	<u>\$ 26,704</u>	<u>\$ -</u>	<u>\$ -</u>
Total Operations Excluded From "CAPS"	\$ 4,170,500	\$ 4,170,500	\$ 4,137,296	\$ 33,204	\$ -	\$ -
Detail:						
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	\$ 4,170,500	\$ 4,170,500	\$ 4,137,296	\$ 33,204	\$ -	\$ -
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -
Down Payment on Improvements	-	-	-	-	-	-
	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2008

	Appropriated		Expended		Unexpended		Overexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled		
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>							
Bond Principal	\$ 1,575,000	\$ 1,575,000	\$ 1,575,000	\$ -	\$ -	\$ -	-
Bond Interest	341,272	341,272	341,272	-	-	-	-
Note Principal	89,500	89,500	69,000	-	20,500	-	-
Note Interest	239,045	239,045	238,767	-	278	-	-
Emergency Note Interest	22,872	22,872	22,872	-	-	-	-
Green Trust Loan Principal	29,556	29,556	29,556	-	-	-	-
Green Trust Loan Interest	4,587	4,587	4,587	-	-	-	-
Green Trust Loan Principal	12,122	12,122	12,122	-	-	-	-
Green Trust Loan Interest	2,743	2,743	2,743	-	-	-	-
Green Trust Loan Principal	5,454	5,454	5,454	-	-	-	-
Green Trust Loan Interest	1,234	1,234	1,234	-	-	-	-
Green Trust Loan Principal	11,026	11,026	11,026	-	-	-	-
Green Trust Loan Interest	4,987	4,987	4,987	-	-	-	-
Green Trust Loan Interest	1,022	1,022	1,022	-	-	-	-
N.J.E.I.T. Loan Principal	5,690	5,690	5,690	-	-	-	-
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	2,625	2,625	1,554	-	1,071	-	-
	<u>\$ 2,353,735</u>	<u>\$ 2,353,735</u>	<u>\$ 2,331,886</u>	<u>\$ -</u>	<u>\$ 21,849</u>	<u>\$ -</u>	<u>-</u>
<u>DEFERRED CHARGES</u>							
Emergency Authorizations	\$ 553,419	\$ 553,419	\$ 553,419	\$ -	\$ -	\$ -	-
Special Emergency Authorizations - 5 Years	80,000	80,000	80,000	-	-	-	-
Special Emergency Authorizations - 3 Years	-	-	-	-	-	-	-
	<u>\$ 633,419</u>	<u>\$ 633,419</u>	<u>\$ 633,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<u>JUDGMENTS</u>							
Judgments (N.J.S. 40A:4-45.3c)	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ -	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
CURRENT FUND
Year Ended June 30, 2008

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
Total General Appropriations - Excluded From "CAPS"	\$ 7,282,654	\$ 7,282,654	\$ 7,202,601	\$ 58,204	\$ 21,849	\$ -
Sub-Total General Appropriations	\$ 24,173,944	\$ 25,054,943	\$ 24,447,245	\$ 585,849	\$ 21,849	\$ -
Reserve for Uncollected Taxes	\$ 157,837	\$ 157,837	\$ 157,837	\$ -	\$ -	\$ -
Total General Appropriations	\$ 24,331,781	\$ 25,212,780	\$ 24,605,082	\$ 585,849	\$ 21,849	\$ -
Budget as Adopted	\$ 24,319,072	\$ 24,319,071				
Added by N.J.S. 40A:4-87	12,709	12,709				
Emergency Appropriations	-	881,000				
	\$ 24,331,781	\$ 25,212,780				
Other Charges to Income:						
Local District School Tax		\$ 32,701,525	\$ 32,701,525			
County Tax		4,190,351	4,190,351			
Added County Tax		26,024	26,024			
County Open Space Tax		247,824	247,824			
Added County Open Space Tax		-	-			
Interfund Advances Originating		-	2,654			
Prepaid Local District School Tax		-	60			
Refund of Prior Year Revenue		-	19,574			
		\$ 37,165,724	\$ 37,188,012			

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

	2008	2007	2006	2005	2004
<u>ASSETS</u>					
Cash	\$ 103,360	\$ 77,661	\$ 61,159	\$ 175,153	\$ 158,531
Intergovernmental Receivable:					
Grants Receivable	\$ 90,794	\$ 135,351	\$ 522,161	\$ 233,234	\$ 172,343
Total Assets	<u>\$ 194,154</u>	<u>\$ 213,012</u>	<u>\$ 583,320</u>	<u>\$ 408,387</u>	<u>\$ 330,874</u>
<u>RESERVES</u>					
Other Liabilities and Reserves:					
Appropriated Reserves	\$ 159,594	\$ 179,647	\$ 552,677	\$ 373,157	\$ 298,365
Unappropriated Reserves	34,560	33,365	30,643	35,230	32,509
Total Reserves	<u>\$ 194,154</u>	<u>\$ 213,012</u>	<u>\$ 583,320</u>	<u>\$ 408,387</u>	<u>\$ 330,874</u>

BOROUGH OF LODI
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
FEDERAL AND STATE GRANT FUND
Year Ended June 30, 2008

Program	Balance June 30, 2007	Revenue Realized	Received	Adjustments	Balance June 30, 2008
Federal:					
SFY 2008 - Department of Justice - COPS Grant	\$ -	\$ 53,000	\$ 52,939	\$ (61)	\$ -
	<u>\$ -</u>	<u>\$ 53,000</u>	<u>\$ 52,939</u>	<u>\$ (61)</u>	<u>\$ -</u>
State:					
SFY 2008 - Body Armor Replacement Program	\$ -	\$ 4,526	\$ 4,526	\$ -	\$ -
SFY 2008 - Alcohol Education Rehabilitation Program	-	226	226	-	-
SFY 2005 - Child Passenger Safety Education Grant	5,124	-	1,425	-	3,699
SFY 2008 - Clean Communities Program	-	23,096	23,096	-	-
SFY 2008 - Click it or Ticket Program	-	4,000	2,600	-	1,400
SFY 2008 - Drunk Driving Enforcement Fund	-	5,597	5,597	-	-
SFY 2008 - Municipal Alliance on Alcoholism and Drug Abuse	-	13,500	-	-	13,500
SFY 2005 - Municipal Alliance on Alcoholism and Drug Abuse	18,091	-	12,236	-	5,855
SFY 2005 - Municipal Stormwater Regulation Program	3,527	-	3,527	-	-
SFY 2008 - Recycling Tonnage Grant	-	4,446	4,446	-	-
SFY 2005 - Safe Streets to Schools Program	39,396	-	3,990	-	35,406
SFY 2008 - GDL Enforcement & Education Grant	-	2,000	1,200	(800)	-
	<u>\$ 66,138</u>	<u>\$ 57,391</u>	<u>\$ 62,869</u>	<u>\$ (800)</u>	<u>\$ 59,860</u>
Other:					
B.C.U.A. Municipal Recycling Assistance Program	\$ -	\$ 6,709	\$ 6,709	\$ -	\$ -
Bergen County Prosecutor's Office - Confiscated Funds	69,213	30,934	22,648	(46,565)	30,934
	<u>\$ 69,213</u>	<u>\$ 37,643</u>	<u>\$ 29,357</u>	<u>\$ (46,565)</u>	<u>\$ 30,934</u>
	<u>\$ 135,351</u>	<u>\$ 148,034</u>	<u>\$ 145,165</u>	<u>\$ (47,426)</u>	<u>\$ 90,794</u>

BOROUGH OF LODI
STATEMENT OF APPROPRIATED RESERVES
FEDERAL AND STATE GRANT FUND
Year Ended June 30, 2008

Program	Balance June 30, 2007	Amount Budgeted	Paid or Charged	Adjustments	Balance June 30, 2008
Federal:					
SFY 2006 U.S. Department of Homeland Security:					
Assistance to Firefighters Grant Program-					
Operations & Firefighter Safety					
Federal	\$ -	\$ -	\$ -	-	-
Local	-	-	-	-	-
SFY 2008 Office of Justice Programs - COPS:					
Federal Share - Salaries and Wages	-	40,800	40,786	(14)	-
Local Share - Salaries and Wages	-	61,500	61,179	(321)	-
Federal Share - Other Expenses	-	12,200	12,153	(47)	-
Local Share - Other Expenses	-	18,500	18,227	(273)	-
	<u>\$ -</u>	<u>\$ 133,000</u>	<u>\$ 132,345</u>	<u>\$ (655)</u>	<u>\$ -</u>
State:					
SFY 2001 Special Legislative Grant	\$ 20	\$ -	\$ -	-	\$ 20
SFY 2008 Drunk Driving Enforcement Fund:					
Salaries and Wages	-	2,800	-	-	2,800
Other Expenses	-	2,797	-	-	2,797
SFY 2005 Drunk Driving Enforcement Fund:					
Salaries and Wages	11,445	-	-	-	11,445
Other Expenses	14,673	-	3,258	-	11,415
SFY 2008 Clean Communities Program:					
Salaries and Wages	-	1,150	1,150	-	-
Other Expenses	-	21,946	21,946	-	-
SFY 2008 Recycling Tonnage Grant	-	4,446	4,446	-	-
SFY 2005 State Police HMTUSA	32	-	-	-	32
SFY 2008 Alcohol Education Rehabilitation Program	-	226	-	-	226
SFY 2005 Alcohol Education Rehabilitation Program	11,782	-	-	-	11,782
SFY 2008 Division of Criminal Justice Body Armor Fun	-	4,526	-	-	4,526
SFY 2005 Division of Criminal Justice Body Armor Fun	10,476	-	6,535	-	3,941
SFY 2008 Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	-	13,500	-	-	13,500
Local Share	-	3,375	-	-	3,375
SFY 2005 Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	23,729	-	8,012	-	15,717
Local Share	6,750	-	6,750	-	-
SFY 2008 B.C. Prosecutor Confiscated Funds	-	30,934	-	-	30,934
SFY 2005 B.C. Prosecutor Confiscated Funds	58,220	-	11,632	(46,565)	23
SFY 2005 Municipal Stormwater Regulation Program	5,461	-	312	-	5,149
SFY 2005 Statewide Local Domestic Preparedness Eq	455	-	455	-	-
SFY 2005 Safe Streets to Schools Program	33,307	-	1,500	-	31,807
SFY 2005 Child Passenger Safety Education Grant:					
Salaries and Wages	1,835	-	800	-	1,035
Other Expenses	1,462	-	-	-	1,462
SFY 2008 Click It or Ticket Program	-	4,000	2,600	-	1,400
SFY 2008 GDL Enforcement & Education:					
Salaries and Wages	-	2,000	1,200	(800)	-
	<u>\$ 179,647</u>	<u>\$ 91,700</u>	<u>\$ 70,596</u>	<u>\$ (47,365)</u>	<u>\$ 153,386</u>
Other:					
BCUA Municipal Recycling Assistance Program:					
Salaries and Wages	\$ -	\$ 500	\$ 500	\$ -	\$ -
Other Expenses	-	6,208	-	-	6,208
	<u>\$ -</u>	<u>\$ 6,708</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 6,208</u>
	<u>\$ 179,647</u>	<u>\$ 231,408</u>	<u>\$ 203,441</u>	<u>\$ (48,020)</u>	<u>\$ 159,594</u>

BOROUGH OF LODI
STATEMENT OF UNAPPROPRIATED RESERVES
FEDERAL AND STATE GRANT FUND
Year Ended June 30, 2008

Program	Balance June 30, 2007	Amount Budgeted	Amount Received	Adjustments	Balance June 30, 2008
Drunk Driving Enforcement Fund	\$ 226	\$ 226	\$ 589	-	\$ 589
Clean Communities Program	5,597	5,597	5,414	-	5,414
Alcohol Education Rehabilitation Program	4,446	4,446	4,214	-	4,214
Recycling Tonnage Grant	23,096	23,096	24,343	-	24,343
Body Armor Fund	-	4,526	4,526	-	-
GDL Enforcement & Education	-	2,000	2,000	-	-
Click It or Ticket Program	-	4,000	4,000	-	-
BCUA Municipal Recycling Assistance Program	-	6,708	6,708	-	-
	<u>\$ 33,365</u>	<u>\$ 50,599</u>	<u>\$ 51,794</u>	<u>\$ -</u>	<u>\$ 34,560</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	2008 Total	2007	2006
ASSETS											
Cash	\$ 20,267	\$ 6,781	\$ 375,934	\$ 407,372	\$ 52,820	\$ 38,717	\$ 12,853	\$ -	\$ 914,744	\$ 993,297	\$ 1,318,031
Deferred Compensation Assets:											
Nationwide Retirement Solutions, Inc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 835,084	\$ 835,084	\$ 792,436	\$ 688,288
ING	-	-	-	-	-	-	-	962,354	962,354	932,434	760,587
Lincoln National Life Insurance Co.	-	-	-	-	-	-	-	178,785	178,785	169,036	113,589
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,976,223	\$ 1,976,223	\$ 1,893,906	\$ 1,562,464
Interfund Receivable:											
Current Fund	\$ -	\$ -	\$ 66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66	\$ 180	\$ -
Total Assets	\$ 20,267	\$ 6,781	\$ 376,000	\$ 407,372	\$ 52,820	\$ 38,717	\$ 12,853	\$ 1,976,223	\$ 2,891,033	\$ 2,887,383	\$ 2,880,495
LIABILITIES AND RESERVES											
Interfund Payable:											
Current Fund	\$ -	\$ 32	\$ -	\$ 2,622	\$ -	\$ -	\$ -	\$ -	\$ 2,654	\$ 164	\$ 1,828
Intergovernmental Payable:											
State of New Jersey	\$ -	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34	\$ 23	\$ 15
Other Liabilities and Reserves:											
Net Payroll and Withholdings Payable	\$ 20,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,267	\$ 24,534	\$ 11,097
Reserve for Dog Expenditures	-	6,715	-	-	-	-	-	-	6,715	6,463	6,495
Reserve for Developer's Escrow Deposits	-	-	376,000	-	-	-	-	-	376,000	464,525	466,127
Reserve for Employee Benefit Expenditures	-	-	-	-	52,820	-	-	-	52,820	55,659	256,853
Reserve for Recycling Expenditures	-	-	-	-	-	-	-	-	-	8,144	8,144
Reserve for Uniform Fire Safety Expenditures	-	-	-	2,036	-	-	-	-	2,036	6,034	6,693
Reserve for Fire Department/Code Enforcement Penalty I	-	-	-	20,255	-	-	-	-	20,255	16,156	240
Reserve for Parking Offenses Adjudication Act Expenditu	-	-	-	38,375	-	-	-	-	38,375	38,370	34,172
Reserve for Tax Sale Premiums	-	-	-	161,700	-	-	-	-	161,700	225,100	338,700
Reserve for Outside Police Employment Expenditures	-	-	-	50,226	-	-	-	-	50,226	68,340	143,178
Reserve for Cable TV Franchise Fees	-	-	-	8,178	-	-	-	-	8,178	13,491	24,328
Reserve for April '07 Nor'easter Expenditures	-	-	-	123,980	-	-	-	-	123,980	17,893	-
Reserve for Disaster Victims Expenditures	-	-	-	-	-	-	-	-	-	30,000	-
Reserve for Downtown Redevelopment Expenditures	-	-	-	-	-	38,717	-	-	38,717	5,728	3,668
Reserve for Route 46 Redevelopment Expenditures	-	-	-	-	-	-	12,853	-	12,853	12,853	16,493
Reserve for Deferred Compensation Plan	-	-	-	-	-	-	-	1,976,223	1,976,223	1,893,906	1,562,464
Total Other Liabilities and Reserves	\$ 20,267	\$ 6,715	\$ 376,000	\$ 404,750	\$ 52,820	\$ 38,717	\$ 12,853	\$ 1,976,223	\$ 2,888,345	\$ 2,887,196	\$ 2,878,652
Total Liabilities and Reserves	\$ 20,267	\$ 6,781	\$ 376,000	\$ 407,372	\$ 52,820	\$ 38,717	\$ 12,853	\$ 1,976,223	\$ 2,891,033	\$ 2,887,383	\$ 2,880,495

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

	2008	2007	2006	2005	2004
ASSETS					
Cash:					
Checking Account	\$ 3,013,185	\$ 2,527,322	\$ 1,951,524	\$ 1,898,300	\$ 1,438,882
Green Trust Account	-	-	257,500	269,007	269,007
Gregg Street Drainage Improvement Account	-	-	-	-	29
Refunding Bond Escrow Account	-	-	-	-	-
	<u>\$ 3,013,185</u>	<u>\$ 2,527,322</u>	<u>\$ 2,209,024</u>	<u>\$ 2,167,307</u>	<u>\$ 1,707,918</u>
Interfund Receivable:					
Current Fund	\$ 3,392	\$ 83,169	\$ 874	\$ 15,557	\$ 196,396
Intergovernmental Receivable:					
State of New Jersey - Department of Transportation	\$ 343,815	\$ 345,924	\$ 466,500	\$ 395,277	\$ 175,689
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	13,500	33,500	53,500	-
Bergen County Open Space	200,000	200,000	200,000	-	-
Bergen County Community Development	1,310,969	1,228,146	1,158,552	1,042,997	856,488
	<u>\$ 1,868,284</u>	<u>\$ 2,387,570</u>	<u>\$ 2,501,720</u>	<u>\$ 1,792,442</u>	<u>\$ 1,075,345</u>
Deferred Charges:					
Funded	\$ 8,093,578	\$ 9,737,426	\$ 11,339,900	\$ 12,603,663	\$ 10,301,812
Unfunded	8,193,350	6,536,400	4,310,500	3,030,000	4,563,138
	<u>\$ 16,286,928</u>	<u>\$ 16,273,826</u>	<u>\$ 15,650,400</u>	<u>\$ 15,633,663</u>	<u>\$ 14,864,950</u>
Total Assets	<u>\$ 21,171,789</u>	<u>\$ 21,271,887</u>	<u>\$ 20,362,018</u>	<u>\$ 19,608,969</u>	<u>\$ 17,844,609</u>
LIABILITIES AND RESERVES					
Other Liabilities and Reserves:					
Capital Improvement Fund	\$ 25,950	\$ 5,950	-	\$ 849	\$ 13,849
Accrued Interest	3,027	3,027	3,027	3,027	-
Reserve for Purchase of Ambulance	-	-	-	75,000	-
Reserve for Refunding Bonds	-	-	-	-	-
Reserve for Refunding Bonds Cost of Issuance	-	-	-	-	-
Reserve for N.J. Department of Transportation Grants Rece	179,565	311,675	336,500	395,277	175,689
Reserve for Community Development Block Grants Receiv	386,146	386,147	437,865	637,997	856,488
Reserve for Gregg Street Drainage Ditch Improvements	-	-	-	-	-
Reserve for Payment of Bonds	243,310	-	-	264,903	18,417
Reserve for Payment of Bond Anticipation Notes	95,000	-	-	-	240,785
	<u>\$ 932,998</u>	<u>\$ 706,799</u>	<u>\$ 777,392</u>	<u>\$ 1,377,053</u>	<u>\$ 1,305,228</u>
Improvement Authorizations:					
Funded	\$ 1,204,183	\$ 1,299,342	\$ 2,094,066	\$ 2,123,504	\$ 125,531
Unfunded	2,336,550	2,986,992	1,839,649	1,176,739	1,548,895
	<u>\$ 3,540,733</u>	<u>\$ 4,286,334</u>	<u>\$ 3,933,715</u>	<u>\$ 3,300,243</u>	<u>\$ 1,674,426</u>
Serial Bonds Payable	\$ 7,366,000	\$ 8,941,000	\$ 10,481,000	\$ 11,946,000	\$ 9,726,000
Loans Payable	\$ 1,133,780	\$ 796,426	\$ 858,901	\$ 657,663	\$ 575,812
Bond Anticipation Notes Payable	\$ 8,193,350	\$ 6,536,400	\$ 4,310,500	\$ 2,327,500	\$ 4,563,138
Fund Balance	\$ 4,928	\$ 4,928	\$ 510	\$ 510	\$ 5
Total Liabilities and Reserves	<u>\$ 21,171,789</u>	<u>\$ 21,271,887</u>	<u>\$ 20,362,018</u>	<u>\$ 19,608,969</u>	<u>\$ 17,844,609</u>

BOROUGH OF LODI
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
GENERAL CAPITAL FUND
Year Ended June 30, 2008

Improvement Description	Date	Amount	Balance		Authorized in SFY 2008					Balance	
			June 30, 2007		Capital Improvement Fund	Deferred Charges Unfunded	Other	Paid or Charged	Canceled	June 30, 2008	
			Funded	Unfunded						Funded	Unfunded
#194-05/195-10 Construction and Installation of Various Capital Improvements and Renovations 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	-	-	-
#200-11/202-12 Avenue A Sewer Improvements and Various Other	04/17/00	25,000	3,917	-	-	-	-	3,917	-	-	-
#201-10 Improvement of Hunter Street - Phase II of II	02/20/01	220,000	33,443	-	-	-	-	17,397	-	16,046	-
#201-16 Storm Water Drainage Improvements to Massey, Prospect and Union Streets	06/18/01	150,000	3,473	-	-	-	-	1,192	-	2,281	-
#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	34,613	-	-	-	-	28,004	-	6,609	-
#202-24 Acquisition of Computer Equipment	06/17/02	40,000	1,350	-	-	-	-	1,000	-	350	-
#303-16 Hamilton Avenue Mini Park Improvements	05/19/03	50,000	48,999	-	-	-	-	-	-	48,999	-
#303-17 Improvement of Kipp Avenue - Phase II	05/19/03	150,000	31,305	-	-	-	-	15,385	-	15,920	-
#404-04 SFY 2004 Roadway Improvement Program	08/26/03	450,000	45,674	-	-	-	-	23,556	-	22,118	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	08/26/03	150,000	-	77,878	-	-	-	33,081	-	-	44,797
#505-04 SFY 2005 Shade Tree Program	09/20/04	100,000	91,456	-	-	-	-	23,400	-	68,056	-
#505-05 SFY 2005 Road, Curb and Sidewalk Improvement Program (Local)	09/20/04	415,000	207,730	-	-	-	-	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	87,856	-	-	-	-	47,603	-	40,253	-
#505-19 Downtown Redevelopment - Phase III	04/25/05	600,000	-	19,542	-	-	-	9,094	-	-	10,448
#505-24 Improvement of Memorial Park (Supplemental)	06/24/05	100,000	-	88,370	-	-	-	26,792	-	-	61,578
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	08/15/05	500,000	24,405	475,000	-	-	-	256,011	-	-	243,394
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	08/15/05	350,000	191,548	60,000	-	-	-	147,538	-	44,010	60,000
#606-04 SFY 2006 Shade Tree Program	08/15/05	42,500	-	1,905	-	-	-	567	-	-	1,338
#606-11 Removal of Underground Storage Tanks	09/19/05	100,000	-	76,856	-	-	-	885	-	-	75,971
#606-15 Improvements to Kennedy Park	02/27/06	1,500,000	-	460,735	-	-	-	460,683	-	-	52
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	10/10/06	350,000	324,921	24,400	-	-	-	152	-	324,769	24,400
#707-03 Improvement of Garibaldi Avenue	10/10/06	150,000	125,776	13,000	-	-	-	137,607	-	-	1,169
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	10/10/06	500,000	24,321	475,000	-	-	-	16,084	-	8,237	475,000
#707-05 Improvements to Municipal Facilities	10/10/06	100,000	-	5,164	-	-	-	1,294	-	-	3,870
#707-06 Downtown Redevelopment - Phase I (Supplemental)	10/10/06	250,000	-	124,321	-	-	-	124,321	-	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	11/20/06	1,500,000	-	1,084,821	-	-	-	1,007,237	-	-	77,584
#808-03 Downtown Redevelopment - Phase I (Supplemental)	08/20/07	250,000	-	-	12,500	237,500	-	250,000	-	-	-
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	08/20/07	500,000	-	-	25,000	475,000	-	590	-	24,410	475,000
#808-05 Improvements to Municipal Facilities	09/17/07	100,000	-	-	5,000	95,000	-	4,690	-	310	95,000
#808-06 Computer System Upgrades	09/17/07	150,000	-	-	7,500	142,500	-	148,297	-	-	1,703
#808-07 Sanitary Sewer System Improvements	09/17/07	200,000	-	-	10,000	190,000	-	590	-	9,410	190,000
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	10/15/07	350,000	-	-	-	220,000	130,000	732	-	129,268	220,000
#808-09 Downtown Redevelopment - Phase III (Supplemental)	10/15/07	100,000	-	-	5,000	95,000	-	95,704	-	-	4,296
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	10/15/07	500,000	-	-	5,000	80,950	414,050	590	-	418,460	80,950
#808-24 Acquisition of New Street Sweeper	02/11/08	200,000	-	-	10,000	190,000	-	602	-	9,398	190,000
			\$ 1,299,342	\$ 2,986,992	\$ 80,000	\$ 1,725,950	\$ 544,050	\$ 3,095,601	\$ -	\$ 1,204,183	\$ 2,336,550

BOROUGH OF LODI
STATEMENT OF SERIAL BONDS PAYABLE
GENERAL CAPITAL FUND
Year Ended June 30, 2008

Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance June 30, 2007	Issued	Paid by Budget Appropriation	Balance June 30, 2008
06/15/01 Refunding Bonds	4.00%	5,630,000	\$ 1,635,000	\$ -	\$ 1,055,000	\$ 580,000
03/15/03 Pension Refunding Bonds	Various	1,270,000	1,250,000	-	20,000	1,230,000
04/15/99 General Improvement Bonds	4.35%	5,431,000	2,531,000	-	475,000	2,056,000
06/15/05 General Improvement Bonds	3.697759%	3,550,000	3,525,000	-	25,000	3,500,000
			<u>\$ 8,941,000</u>	<u>\$ -</u>	<u>\$ 1,575,000</u>	<u>\$ 7,366,000</u>

BOROUGH OF LODI
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
GENERAL CAPITAL FUND
Year Ended June 30, 2008

E-4

Improvement Description	Original Amount Issued	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance June 30, 2007	Increased	Decreased	Balance June 30, 2008
#08-2R									
#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	\$ -
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	475,000	06/28/02	03/26/08	03/26/09	1.820%	-	407,000	-	407,000
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	04/26/07	03/26/08	3.790%	83,000	-	83,000	-
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	03/26/08	03/26/09	1.820%	-	79,000	-	79,000
#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	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	237,500	07/22/02	03/26/08	03/26/09	1.820%	-	201,500	-	201,500
#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	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	06/25/04	03/26/08	03/26/09	1.820%	-	132,500	-	132,500
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	04/26/07	03/26/08	3.790%	228,500	-	228,500	-
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	03/26/08	03/26/09	1.820%	-	219,500	-	219,500
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	04/26/07	03/26/08	3.790%	570,000	-	570,000	-
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	03/26/08	03/26/09	1.820%	-	558,000	-	558,000
#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	600,000	06/03/05	03/26/08	03/26/09	1.820%	-	592,000	-	592,000
#505-20 Downtown Redevelopment - Phase IV	350,000	06/03/05	04/26/07	03/26/08	3.790%	350,000	-	350,000	-
#505-20 Downtown Redevelopment - Phase IV	350,000	06/03/05	03/26/08	03/26/09	1.820%	-	345,000	-	345,000
#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	-
#505-24 Improvements to Memorial Park (Supplemental Funding)	95,000	04/26/06	03/26/08	03/26/09	1.820%	-	95,000	-	95,000
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	04/26/06	04/26/07	03/26/08	3.790%	475,000	-	475,000	-
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	04/26/06	03/26/08	03/26/09	1.820%	-	475,000	-	475,000
#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	-
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	04/26/06	03/26/08	03/26/09	1.820%	-	60,000	-	60,000
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	04/26/07	03/26/08	3.790%	2,000	-	2,000	-
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	03/26/08	03/26/09	1.820%	-	2,000	-	2,000
#606-05 Acquisition of Ambulance	61,000	04/26/06	04/26/07	03/26/08	3.790%	61,000	-	61,000	-
#606-05 Acquisition of Ambulance	61,000	04/26/06	03/26/08	03/26/09	1.820%	-	61,000	-	61,000
#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	-
#606-10 Improvement of Charles Street - Section II	80,000	04/26/06	03/26/08	03/26/09	1.820%	-	80,000	-	80,000
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	04/26/07	03/26/08	3.790%	95,000	-	95,000	-
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	03/26/08	03/26/09	1.820%	-	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	-
#606-14 Improvements to Municipal Facilities	95,000	04/26/06	03/26/08	03/26/09	1.820%	-	95,000	-	95,000
#606-15 Improvements to Kennedy Park	700,000	04/26/06	04/26/07	03/26/08	3.790%	700,000	-	700,000	-
#606-15 Improvements to Kennedy Park	700,000	04/26/06	03/26/08	03/26/09	1.820%	-	700,000	-	700,000
#808-24 Acquisition of New Street Sweeper	190,000	03/26/08	03/26/08	03/26/09	1.820%	-	190,000	-	190,000
						4,266,500	4,387,500	4,266,500	4,387,500

BOROUGH OF LODI
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
GENERAL CAPITAL FUND
Year Ended June 30, 2008

E-4

Improvement Description	Original Amount Issued	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance June 30, 2007	Increased	Decreased	Balance June 30, 2008
<u>08-1R</u>									
#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	-
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	01/19/07	01/18/08	01/16/09	2.950%	-	24,400	-	24,400
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	01/19/07	01/18/08	4.000%	13,000	-	13,000	-
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	01/18/08	01/16/09	2.950%	-	13,000	-	13,000
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/19/07	01/19/07	01/18/08	4.000%	475,000	-	475,000	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/19/07	01/18/08	01/16/09	2.950%	-	475,000	-	475,000
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	01/19/07	01/18/08	4.000%	95,000	-	95,000	-
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	01/18/08	01/16/09	2.950%	-	95,000	-	95,000
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	01/19/07	01/18/08	4.000%	237,500	-	237,500	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	01/18/08	01/16/09	2.950%	-	237,500	-	237,500
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	1,425,000	01/19/07	01/19/07	01/18/08	4.000%	1,425,000	-	1,425,000	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	1,425,000	01/19/07	01/18/08	01/16/09	2.950%	-	1,425,000	-	1,425,000
#808-03 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/18/08	01/18/08	01/16/09	2.950%	-	237,500	-	237,500
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/18/08	01/18/08	01/16/09	2.950%	-	475,000	-	475,000
#808-05 Improvements to Municipal Facilities	95,000	01/18/08	01/18/08	01/16/09	2.950%	-	95,000	-	95,000
#808-06 Computer System Upgrades	142,500	01/18/08	01/18/08	01/16/09	2.950%	-	142,500	-	142,500
#808-07 Sanitary Sewer System Improvements	190,000	01/18/08	01/18/08	01/16/09	2.950%	-	190,000	-	190,000
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	220,000	01/18/08	01/18/08	01/16/09	2.950%	-	220,000	-	220,000
#808-09 Downtown Redevelopment - Phase III (Supplemental)	95,000	01/18/08	01/18/08	01/16/09	2.950%	-	95,000	-	95,000
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	80,950	01/18/08	01/18/08	01/16/09	2.950%	-	80,950	-	80,950
						2,269,900	3,805,850	2,269,900	3,805,850
						\$ 6,536,400	\$ 8,193,350	\$ 6,536,400	\$ 8,193,350

BOROUGH OF LODI
STATEMENT OF LOANS PAYABLE
GENERAL CAPITAL FUND
Year Ended June 30, 2008

Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance June 30, 2007	Issued	Paid by Budget Appropriation	Balance June 30, 2008
Environmental Infrastructure Trust	2.00%	\$ 126,252	\$ 104,444	\$ -	\$ 10,690	\$ 93,754
04/8/98 Green Trust Loan (Memorial and Kennedy Parks)	2.00%	490,000	236,700	-	29,556	207,144
02/28/98 Green Trust Loan (Saddle River Park Acquisition)	2.00%	234,007	140,152	-	12,122	128,030
09/21/98 Green Trust Loan (Saddle River Park Development)	2.00%	103,000	63,061	-	5,454	57,607
6/5/06 Green Trust Loan (Memorial Park In	2.00%	257,500	252,069	206,201	11,025	447,245
10/15/07 Green Trust Loan (Kennedy Park	2.00%	200,000	-	200,000	-	200,000
			\$ 796,426	\$ 406,201	\$ 68,847	\$ 1,133,780

BOROUGH OF LODI
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
GENERAL CAPITAL FUND
Year Ended June 30, 2008

Improvement Description	Balance June 30, 2007	Authorized	Notes Paid by Budget Appropriation	Deferred Charges Paid by Budget Appropriation	Adjustments	Balance June 30, 2008	Analysis of June 30, 2008 Balance			
							Financed by BANS	Deficit Cash Balance	Unexpended Balance of BANS	Improvement Authorizations Unfunded
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	424,000	-	17,000	-	-	407,000	407,000	-	-	-
#202-23 Route 46 Redevelopment - Phase I	83,000	-	4,000	-	-	79,000	79,000	-	-	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	210,500	-	9,000	-	-	201,500	201,500	-	-	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	137,500	-	5,000	-	-	132,500	132,500	-	-	-
#404-06 Downtown Redevelopment - Phase I (Supplemental #2)	228,500	-	9,000	-	-	219,500	219,500	-	-	-
#505-19 Downtown Redevelopment - Phase III	570,000	-	12,000	-	-	558,000	558,000	-	-	-
#505-20 Downtown Redevelopment - Phase IV	950,000	-	13,000	-	-	937,000	937,000	-	-	-
#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	-	-	-
#808-03 Downtown Redevelopment - Phase I (Supplemental)	-	237,500	-	-	-	237,500	237,500	-	-	-
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	-	475,000	-	-	-	475,000	475,000	-	-	-
#808-05 Improvements to Municipal Facilities	-	95,000	-	-	-	95,000	95,000	-	-	-
#808-06 Computer System Upgrades	-	142,500	-	-	-	142,500	142,500	-	-	-
#808-07 Sanitary Sewer System Improvements	-	190,000	-	-	-	190,000	190,000	-	-	-
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	-	220,000	-	-	-	220,000	220,000	-	-	-
#808-09 Downtown Redevelopment - Phase III (Supplemental)	-	95,000	-	-	-	95,000	95,000	-	-	-
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	-	80,950	-	-	-	80,950	80,950	-	-	-
#808-24 Acquisition of New Street Sweeper	-	190,000	-	-	-	190,000	190,000	-	-	-
	\$ 6,536,400	\$ 1,725,950	\$ 69,000	\$ -	\$ -	\$ 8,193,350	\$ 8,193,350	\$ -	\$ -	\$ -

BOROUGH OF LODI
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
GENERAL CAPITAL FUND
Year Ended June 30, 2008

E-7

Improvement Description	Balance June 30, 2007	Authorized	BANs Issued	Cancelled	Decreased	Balance June 30, 2008
#808-03 Downtown Redevelopment - Phase I (Supplemental)	\$ -	\$ 237,500	237,500	\$ -	\$ -	-
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	-	475,000	475,000	-	-	-
#808-05 Improvements to Municipal Facilities	-	95,000	95,000	-	-	-
#808-06 Computer System Upgrades	-	142,500	142,500	-	-	-
#808-07 Sanitary Sewer System Improvements	-	190,000	190,000	-	-	-
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	-	220,000	220,000	-	-	-
#808-09 Downtown Redevelopment - Phase III (Supplemental)	-	95,000	95,000	-	-	-
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	-	80,950	80,950	-	-	-
#808-24 Acquisition of New Street Sweeper	-	190,000	190,000	-	-	-
	<u>\$ -</u>	<u>\$ 1,725,950</u>	<u>\$ 1,725,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

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

	2008	2007	2006	2005	2004
<u>ASSETS</u>					
Land	\$ 11,179,200	\$ 11,179,200	\$ 11,179,200	\$ 11,179,200	\$ 11,179,200
Land Improvements	344,800	344,800	344,800	344,800	344,800
Buildings	6,185,450	6,185,450	6,185,450	6,185,450	6,185,450
Machinery and Equipment	5,503,607	5,503,607	5,503,607	5,503,607	5,503,607
Underground Equipment	21,475	21,475	21,475	21,475	21,475
	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>
<u>RESERVES</u>					
Reserve for General Fixed Assets	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>

BOROUGH OF LODI

N.J. Comprehensive Annual Financial Report
Year Ended June 30, 2008

Statistical Section

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

	SFY 2008	SFY 2007	SFY 2006	SFY 2005	SFY 2004
<u>CURRENT FUND</u>					
<u>REVENUES</u>					
Fund Balance	\$ 340,000	\$ -	\$ -	\$ 362,931	\$ 392,956
Miscellaneous Revenues	7,046,264	6,050,332	7,034,375	6,319,189	5,511,822
Receipts From Delinquent Taxes	25,000	25,000	55,000	112,000	220,000
Amount to be Raised by Taxation	16,920,517	15,812,722	14,779,221	13,395,449	12,556,205
Total Revenues	<u>\$ 24,331,781</u>	<u>\$ 21,888,054</u>	<u>\$ 21,868,596</u>	<u>\$ 20,189,569</u>	<u>\$ 18,680,983</u>
<u>APPROPRIATIONS</u>					
Within "CAPS":					
Operations:					
Salaries and Wages	\$ 8,627,600	\$ 7,869,650	\$ 8,044,400	\$ 7,432,500	\$ 6,001,500
Other Expenses	7,856,450	7,747,055	4,187,000	4,023,276	3,756,190
Deferred Charges and Statutory Expenditures	407,240	345,000	697,437	569,077	489,245
Excluded From "CAPS":					
Operations:					
Salaries and Wages	-	-	220,000	-	598,500
Other Expenses	4,170,500	2,958,903	5,759,781	5,199,662	4,920,732
Capital Improvements	100,000	125,000	50,000	50,000	50,000
Municipal Debt Service	2,353,735	2,229,940	2,119,173	2,141,380	2,007,420
Deferred Charges	633,419	218,294	365,931	621,471	647,205
Judgments	25,000	250,000	298,891	63,891	-
Reserve for Uncollected Taxes	157,837	144,212	125,983	88,312	210,191
Total Appropriations	<u>\$ 24,331,781</u>	<u>\$ 21,888,054</u>	<u>\$ 21,868,596</u>	<u>\$ 20,189,569</u>	<u>\$ 18,680,983</u>

BOROUGH OF LODI
Ten Largest Taxpayers by Assessment
(Unaudited)

Taxpayer	CY 2008 Assessed Valuation	As a Percent of Total CY 2008 Net Valuations \$ 1,963,204,181
1. Cedar Wright Gardens (8 Properties)	\$ 36,652,800	1.87%
2. Vornado Realty Trust (2 Properties)	20,879,700	1.06%
3. Parker Properties c/o The Home Depot (3 Properties)	17,266,600	0.88%
4. Rothman, Leonard & Mildred (2 Properties)	13,154,700	0.67%
5. Vornado Lodi Delaware LLC (3 Properties)	12,415,400	0.63%
6. Lodi Market, LLC	11,345,700	0.58%
7. Kmart Corp. Property Tax Compliance	10,973,400	0.56%
8. 240 Associates c/o David F. Bolger	8,000,000	0.41%
9. Vista Garden Associates, LLC (2 Properties)	7,790,900	0.40%
10. McCain Ellio's Foods, Inc.	7,280,500	0.37%
	\$ 145,759,700	

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

	SFY 2008	SFY 2007	SFY 2006	SFY 2005	SFY 2004
Total Tax Levy	\$ 54,494,788	\$ 52,015,213	\$ 48,665,837	\$ 45,409,146	\$ 41,238,496
Current Tax Collections	\$ 54,240,351	\$ 51,881,507	\$ 48,531,380	\$ 45,292,674	\$ 41,152,362
Percent of Tax Levy Collected	99.53%	99.74%	99.72%	99.74%	99.79%

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

Table 4

Description	2008		2007		2006		2005		2004**	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
Net Valuations Taxable:										
Vacant Land	79	\$ 7,274,700	83	\$ 12,173,700	102	\$ 12,064,400	87	\$ 10,692,700	89	\$ 11,283,700
Residential	4440	1,416,914,100	4426	1,410,476,800	4399	1,391,425,900	4393	1,386,121,300	4376	1,384,591,000
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	309	267,186,800	309	253,309,900	313	261,751,100	312	265,527,500	317	266,838,200
Industrial	114	131,949,300	115	134,837,300	108	127,848,000	101	127,407,000	101	127,822,000
Apartments	<u>92</u>	<u>137,836,600</u>	<u>91</u>	<u>137,552,000</u>	<u>91</u>	<u>138,552,000</u>	<u>91</u>	<u>139,198,200</u>	<u>91</u>	<u>139,198,200</u>
Sub-Total	5034	1,961,161,500	5024	1,948,349,700	5013	1,931,641,400	4984	1,928,946,700	4974	1,929,733,100
Personal Property		<u>2,042,681</u>		<u>1,840,005</u>		<u>2,004,136</u>		<u>2,314,053</u>		<u>2,642,103</u>
Net Valuations Taxable		<u>1,963,204,181</u>		<u>1,950,189,705</u>		<u>1,933,645,536</u>		<u>1,931,260,753</u>		<u>1,932,375,203</u>
County Equalization Adjustment		482,436,119		391,892,452		136,097,460		(144,645,832)		(369,551,181)
County Equalized Valuation		<u>\$ 2,445,640,300</u>		<u>\$ 2,342,082,157</u>		<u>\$ 2,069,742,996</u>		<u>\$ 1,786,614,921</u>		<u>\$ 1,562,824,022</u>
County Equalization Ratio		<u>80.78%</u>		<u>83.79%</u>		<u>93.42%</u>		<u>108.90%</u>		<u>124.70%</u>
Average Residential Assessment		<u>\$ 319,125</u>		<u>\$ 318,680</u>		<u>\$ 316,305</u>		<u>\$ 315,530</u>		<u>\$ 316,406</u>
Total County Equalized Valuations		<u>\$ 182,767,512,263</u>		<u>\$ 172,863,500,734</u>		<u>\$ 153,984,695,626</u>		<u>\$ 136,528,998,442</u>		<u>\$ 121,601,699,827</u>
Municipal Percentage										
County Equalized Valuations		<u>1.34%</u>		<u>1.35%</u>		<u>1.34%</u>		<u>1.31%</u>		<u>1.29%</u>

**Revaluation Year

BOROUGH OF LODI
Tax Requirement and Rate Data
(Unaudited)

	2008	2007	2006	2005	2004**
Net Valuations Taxable	\$ 1,963,204,181	\$ 1,950,189,705	\$ 1,933,645,536	\$ 1,928,946,700	\$ 1,932,375,203
<u>TAX REQUIREMENTS</u>					
County	\$ 4,264,738	\$ 4,010,583	\$ 3,651,048	\$ 3,370,245	\$ 3,116,350
County Open Space	244,564	234,208	206,974	178,661	156,282
Local School	32,600,375	32,197,863	30,833,980	29,241,551	27,146,448
Municipal	17,615,984	16,842,440	15,179,732	13,536,585	12,676,438
Total	\$ 54,725,661	\$ 53,285,094	\$ 49,871,734	\$ 46,327,042	\$ 43,095,518
<u>TAX RATES</u>					
County	0.218	0.206	0.189	0.175	0.161
County Open Space	0.013	0.010	0.010	0.010	0.010
Local School	1.661	1.651	1.595	1.516	1.405
Municipal	0.898	0.873	0.786	0.702	0.664
Total	2.79	2.74	2.58	2.40	2.24

**Revaluation Year

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

	SFY 2008	SFY 2007	SFY 2006	SFY 2005	SFY 2004
Serial Bonds:					
Principal	\$ 1,575,000	\$ 1,540,000	\$ 1,465,000	\$ 1,330,000	\$ 1,285,000
Interest	341,273	404,320	464,507	385,076	444,505
Notes:					
Principal	89,500	44,000	30,000	207,638	128,000
Interest	261,917	162,937	90,000	113,051	66,000
Loans:					
Principal	68,848	63,790	56,264	87,483	70,545
Interest	17,197	15,085	13,403	18,133	13,370
Sub-Total Debt Service	\$ 2,353,735	\$ 2,230,132	\$ 2,119,174	\$ 2,141,381	\$ 2,007,420
Less Revenue Off-Sets	-	-	-	(171,600)	(136,560)
Net Debt Service	\$ 2,353,735	\$ 2,230,132	\$ 2,119,174	\$ 1,969,781	\$ 1,870,860
Total Current Fund Budget Appropriations	\$ 24,331,781	\$ 21,888,054	\$ 21,868,596	\$ 20,189,569	\$ 18,680,983
Ratio of Debt Service to Current Fund Budget Appropriations	<u>9.67%</u>	<u>10.19%</u>	<u>9.69%</u>	<u>9.76%</u>	<u>10.01%</u>

BOROUGH OF LODI
Direct and Overlapping Debt Data
(Unaudited)

DIRECT DEBT

	June 30, 2008	June 30, 2007	June 30, 2006	June 30, 2005	June 30, 2004
Municipal Debt (Net)	\$ 14,544,820	\$ 13,388,826	\$ 15,650,400	\$ 15,633,663	\$ 15,133,284
Local School Debt	1,785,000	2,105,000	2,410,000	2,995,000	2,995,000
	<u>\$ 16,329,820</u>	<u>\$ 15,493,826</u>	<u>\$ 18,060,400</u>	<u>\$ 18,628,663</u>	<u>\$ 18,128,284</u>

OVERLAPPING DEBT

	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003
(1) County Debt:					
Municipal Equalized Valuations	\$ 2,342,082,157	\$ 2,069,742,996	\$ 1,786,614,921	\$ 1,562,824,022	\$ 1,376,618,579
Total County Equalized Valuations	\$ 172,863,500,734	\$ 153,984,695,626	\$ 136,528,998,442	\$ 121,601,699,827	\$ 108,087,109,373
	1.35%	1.34%	1.31%	1.29%	1.27%
X's Outstanding County Debt	1,087,757,268	825,597,736	808,502,305	651,460,590	531,241,383
	<u>\$ 14,684,723</u>	<u>\$ 11,063,010</u>	<u>\$ 10,591,380</u>	<u>\$ 8,403,842</u>	<u>\$ 6,746,766</u>

(2) Passaic Valley Sewerage Authority Debt

Municipal Sewer Flow Charges	\$ 1,434,906	\$ 1,367,245	\$ 1,109,343	\$ 968,084	\$ 872,808
Total Flow Charges	\$ 121,388,216	\$ 118,930,095	\$ 99,930,995	\$ 94,136,079	\$ 90,646,200
	1.18%	1.15%	1.11%	1.03%	0.96%
X's Outstanding Debt	305,405,498	316,172,356	285,797,506	294,049,501	302,062,733
	<u>\$ 3,603,785</u>	<u>\$ 3,635,982</u>	<u>\$ 3,172,352</u>	<u>\$ 3,028,710</u>	<u>\$ 2,899,802</u>

DEBT LIMIT - MUNICIPAL DEBT

Equalized Valuation Basis	\$ 2,256,079,114	\$ 2,042,779,832	\$ 1,789,204,841	\$ 1,557,211,389	\$ 1,380,189,898
Permitted Debt Limitation (3 1/2%)	78,962,769	71,497,294	62,622,169	54,502,399	48,306,646
Net Debt	14,544,820	13,388,826	15,650,400	15,633,663	15,133,284
Remaining Borrowing Power	<u>\$ 64,417,949</u>	<u>\$ 58,108,468</u>	<u>\$ 46,971,769</u>	<u>\$ 38,868,736</u>	<u>\$ 33,173,362</u>

DEBT LIMIT - SCHOOL DEBT

Equalized Valuation Basis	\$ 2,256,079,114	\$ 2,042,779,832	\$ 1,789,204,841	\$ 1,557,211,389	\$ 1,380,189,898
Permitted Debt Limitation (4%)	90,243,165	81,711,193	71,568,194	62,288,456	55,207,596
Net Debt	1,785,000	2,105,000	2,410,000	2,995,000	2,995,000
Remaining Borrowing Power	<u>\$ 88,458,165</u>	<u>\$ 79,606,193</u>	<u>\$ 69,158,194</u>	<u>\$ 59,293,456</u>	<u>\$ 52,212,596</u>

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

	SFY 2008	SFY 2007	SFY 2006	SFY 2005	SFY 2004	SFY 2003	SFY 2002
Population	23,972	24,017	24,076	24,137	24,050	24,043	23,972
County Equalized Valuation	\$ 2,342,082,157	\$ 2,069,742,996	\$ 1,786,614,921	\$ 1,562,824,022	\$ 1,546,477,433	\$ 1,356,694,252	\$ 1,242,598,710
Gross Debt	\$ 18,478,130	\$ 18,378,826	\$ 18,060,400	\$ 18,628,663	\$ 18,128,284	\$ 18,916,613	\$ 18,775,779
Gross Debt Per Capita	\$ 771	\$ 765	\$ 750	\$ 772	\$ 754	\$ 787	\$ 783
Ratio of Gross Debt to County Equalized Valuations	0.79%	0.89%	1.01%	1.19%	1.17%	1.39%	1.51%
Net Debt	\$ 14,544,820	\$ 13,388,826	\$ 11,700,400	\$ 10,378,760	\$ 8,954,082	\$ 14,269,277	\$ 15,749,779
Ratio of Net Debt to County Equalized Valuations	0.62%	0.65%	0.65%	0.66%	0.58%	1.05%	1.27%
Net Debt per Capita	\$ 607	\$ 557	\$ 486	\$ 430	\$ 372	\$ 593	\$ 657

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

	SFY 2008	SFY 2007	SFY 2006	SFY 2005	SFY 2004
Total Tax Levy	\$ 54,494,788	\$ 52,015,213	\$ 48,665,837	\$ 45,409,146	\$ 41,238,496
Current Tax Collections	\$ 54,240,351	\$ 51,881,507	\$ 48,531,380	\$ 45,292,674	\$ 41,152,362
% of Tax Levy Collected	<u>99.53%</u>	<u>99.74%</u>	<u>99.72%</u>	<u>99.74%</u>	<u>99.79%</u>
Tax Title Liens	\$ 258,175	\$ 225,592	\$ 209,429	\$ 144,346	\$ 168,441
Delinquent Taxes	2,634	7,117	71,621	80,242	109,626
Total Delinquent	\$ 260,809	\$ 232,709	\$ 281,050	\$ 224,588	\$ 278,067
Tax Levy	\$ 54,494,788	\$ 52,015,213	\$ 48,665,837	\$ 45,409,146	\$ 41,238,496
% of Delinquencies to Tax Levy	<u>0.48%</u>	<u>0.45%</u>	<u>0.58%</u>	<u>0.49%</u>	<u>0.67%</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 2008</u>	<u>SFY 2007</u>	<u>SFY 2006</u>	<u>SFY 2005</u>	<u>SFY 2004</u>	<u>SFY 2003</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 2008	SFY 2007	SFY 2006	SFY 2005	SFY 2004
Current Fund Balance Year End	\$ 1,210,656	\$ 851,968	\$ 310,276	\$ 275,175	\$ 514,221
Utilized in Budget of Succeeding Year	\$ 325,000	\$ 340,000	\$ -	\$ -	\$ 392,956
Percentage Utilized	26.84%	39.91%	0.00%	0.00%	76.42%

BOROUGH OF LODI

N.J. Comprehensive Annual Financial Report
Year Ended June 30, 2008

Single Audit Section

Di Maria & Di Maria LLP

Public Accountants and Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891
www.dimariaanddimaria.com

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, 2008 and 2007, and have issued our report thereon dated December 31, 2008. 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 08-01.

**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 08-01 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, 2008

BOROUGH OF LODI
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
Year Ended June 30, 2008

K-3

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period		Balance June 30, 2007	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2008	Deferred Revenue June 30, 2008	Due to Grantor June 30, 2008
			From	To									
Federal and State Grant Fund													
SFY 2008 Office of Justice Programs:													
Federal Share - Salaries and Wages	16.710	\$ 40,800	7/1/2007	6/30/2008	\$ -	\$ -	\$ 40,800	\$ (40,786)	\$ (14)	\$ -	\$ -	\$ -	\$ -
Local Share - Salaries and Wages	16.710	61,500	7/1/2007	6/30/2008	-	-	61,500	(61,179)	(321)	-	-	-	-
Federal Share - Other Expenses	16.710	12,200	7/1/2007	6/30/2008	-	-	12,200	(12,153)	(47)	-	-	-	-
Local Share - Other Expenses	16.710	18,500	7/1/2007	6/30/2008	-	-	18,500	(18,227)	(273)	-	-	-	-
SFY 2008 FEMA Reimbursements		418,750	7/1/2007	6/30/2008	-	-	418,750	(418,750)	-	-	-	-	-
Total Federal Financial Assistance					\$ -	\$ -	\$ 551,750	\$ (551,095)	\$ (655)	\$ -	\$ -	\$ -	\$ -

*Denotes Major Program

BOROUGH OF LODI
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2008

K-4

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period From	Grant Period To	Balance June 30, 2007	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2008	Deferred Revenue June 30, 2008	Due to Grantor June 30, 2008
Federal and State Grant Fund													
State of New Jersey, Department of Health --													
SFY 2008 Alcohol, Education, Rehabilitation and Enforcement Fun	046-760-4240	226	7/1/2007	6/30/2008	\$ -	\$ -	\$ 226	\$ -	\$ -	\$ -	\$ -	\$ 226	\$ -
SFY 2005 Alcohol, Education, Rehabilitation and Enforcement Fun	046-760-4240		7/1/2004	6/30/2005	11,782	-	-	-	-	-	-	11,782	-
SFY 2008 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		13,500	7/1/2007	6/30/2008	-	-	13,500	-	-	-	(13,500)	27,000	-
Local Share		3,375	7/1/2007	6/30/2008	-	-	3,375	-	-	-	-	3,375	-
SFY 2005 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share			7/1/2004	6/30/2005	23,729	-	-	(8,012)	-	-	(5,855)	21,572	-
Local Share			7/1/2004	6/30/2005	6,750	-	-	(6,750)	-	-	-	-	-
State of New Jersey, Department of Environmental Protection --													
SFY 2008 Clean Communities Program													
Salaries and Wages	042-765-6010	23,096	Non-Expiring		-	-	1,150	(1,150)	-	-	-	-	-
Other Expenses					-	-	21,946	(21,946)	-	-	-	-	-
SFY 2008 Recycling Tonnage Grant													
	042-752-6020	4,446	Non-Expiring		-	-	4,446	(4,446)	-	-	-	-	-
State of New Jersey, Department of Community Affairs --													
SFY 2008 Special Legislative Grant													
	022-495-6020	97,818	7/1/2007	6/30/2008	-	-	97,818	(97,818)	-	-	-	-	-
SFY 2001 Special Legislative Grant													
	022-495-6020		7/1/2000	6/30/2001	20	-	-	-	-	-	-	20	-
Consolidated Municipal Property Tax Relief Aid													
	082-495-6020	1,414,637	7/1/2007	6/30/2008	-	-	1,414,637	(1,414,637)	-	-	-	-	-
Municipal Property Tax Assistance													
		50,080	7/1/2007	6/30/2008	-	-	50,080	(50,080)	-	-	-	-	-
Homeland Security Grant													
	022-100-6020	90,000	7/1/2007	6/30/2008	-	-	90,000	(90,000)	-	-	-	-	-
State of New Jersey, Department of Treasury --													
Energy Receipts Tax													
	082-100-6020	1,039,946	7/1/2007	6/30/2008	-	-	1,039,946	(1,039,946)	-	-	-	-	-
Supplemental Energy Receipts Tax													
	082-100-6020	40,082	7/1/2007	6/30/2008	-	-	40,082	(40,082)	-	-	-	-	-
Extraordinary Aid (N.J.S.A. 52:27D-118.35)													
		200,000	7/1/2007	6/30/2008	-	-	200,000	(200,000)	-	-	-	-	-
Veterans & Senior Citizens													
	082-495-6020	318,250	7/1/2007	6/30/2008	-	-	318,250	(318,250)	-	-	-	-	-
State of New Jersey, Department of Law and Public Safety --													
SFY 2008 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,800	7/1/2007	6/30/2008	-	-	2,800	-	-	-	-	2,800	-
Other Expenses		2,797	7/1/2007	6/30/2008	-	-	2,797	-	-	-	-	2,797	-
SFY 2005 Drunk Driving Enforcement Fund:													
Salaries and Wages			7/1/2004	6/30/2005	11,445	-	-	-	-	-	-	11,445	-
Other Expenses			7/1/2004	6/30/2005	14,673	-	-	(3,258)	-	-	-	11,415	-
SFY 2008 Division of Criminal Justice Body Armor Fund													
		4,526	7/1/2007	6/30/2008	-	-	4,526	-	-	-	-	4,526	-
SFY 2005 Division of Criminal Justice Body Armor Fund													
			7/1/2004	6/30/2005	10,476	-	-	(6,535)	-	-	-	3,941	-
SFY 2008 B.C. Prosecutor Confiscated Funds													
		30,934	7/1/2007	6/30/2008	-	-	30,934	-	-	(30,934)	-	61,868	-
SFY 2005 B.C. Prosecutor Confiscated Funds													
			7/1/2004	6/30/2005	58,220	-	-	(11,632)	(46,565)	-	-	23	-
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	455	-	-	(455)	-	-	-	-	-
SFY 2005 Safe Streets to Schools Program													
			7/1/2004	6/30/2005	33,307	-	-	(1,500)	-	-	(35,406)	67,213	-
SFY 2005 Child Passenger Safety Education Grant:													
Salaries and Wages			7/1/2004	6/30/2005	1,835	-	-	(800)	-	(3,699)	-	4,734	-
Other Expenses			7/1/2004	6/30/2005	1,462	-	-	-	-	-	-	1,462	-
SFY 2008 GDL Enforcement & Education Program:													
Salaries and Wages			7/1/2007	6/30/2008	-	-	2,000	(1,200)	(800)	-	-	-	-
SFY 2008 Click it or Ticket Program:													
Salaries and Wages	066-100-6010	4,000	7/1/2007	6/30/2008	-	-	4,000	(2,600)	-	-	(1,400)	2,800	-
Others --													
SFY 2005 Municipal Stormwater Regulation Program													
			7/1/2004	6/30/2005	5,461	-	-	(312)	-	-	-	5,149	-
BCUA Municipal Recycling Assistance Program													
Salaries and Wages			7/1/2007	6/30/2008	-	-	500	(500)	-	-	-	-	-
Other Expenses			7/1/2007	6/30/2008	-	-	6,208	-	-	-	-	6,208	-
					\$ 179,647	\$ -	\$ 3,349,221	\$ (3,321,909)	\$ (47,365)	\$ -	\$ (90,794)	\$ 250,388	\$ -

*Denotes Major Program

BOROUGH OF LODI
NOTES TO SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2008

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

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, 2008

Note 3 - Relationship to General-Purpose Financial Statements (continued)

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, 2007 to June 30, 2008.

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, 2008.

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, 2008

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, 2008

Section II -- Financial Statement Findings

Finding 08-01:

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, 2008

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, 2008

General Comments and Recommendations Section

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2008

Cash

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2008

Revenue/Cash Receipts Cycles

Treasurer

None

Tax Collector

1. None

Municipal Clerk

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

Recreation Department

None

Fire Official

None

Construction Code Official

None

Registrar of Vital Statistics

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

Police Department

None

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2008

Expenditure/Cash Disbursements Cycle

1. Public Bids were not obtained in applicable instances.
2. Competitive quotes were not obtained in all applicable instances.
3. Approved contract for Scuffy Carting LLC was not available for audit.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2008

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.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2008

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.
4. Police personnel negotiated outside police employment rates with Shop-Rite without authorization, and in conflict with existing Borough Ordinance.
5. The Ordinance pertaining to fees for outside police employment was not strictly adhered to.

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2008

Recommendations

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

BOROUGH OF LODI
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended June 30, 2008

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, 2008