

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

**NJ Comprehensive Annual Financial Report**  
**Year Ended December 31, 2011**

**BOROUGH OF LODI**  
**NJ Comprehensive Annual Financial Report**  
**Year Ended December 31, 2011**  
**Table of Contents**

---

<u>Reference</u>	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Municipal Officials.....	1-2
<u>FINANCIAL SECTION</u>	
	4-6
A-1	7
A-2	8
A-3	9
Notes to Financial Statements:	
Note 1 - Reporting Entity, Organization and Function.....	10
Note 2 - Summary of Significant Accounting Policies.....	11-17
Note 3 - Cash and Cash Equivalents.....	18
Note 4 - Investments.....	19
Note 5 - Receivables.....	20
Note 6 - Commitments.....	21
Note 7 - Fixed Assets.....	22
Note 8 - Municipal Debt.....	23-28
Note 9 - Risk Management.....	29
Note 10 - Interfunds.....	30
Note 11 - Deferred Charges to be Raised in Succeeding Budgets.....	31
Note 12 - Retirement Plans.....	32-37
Note 13 - Deferred Compensation Plans.....	38
Note 14 - Other Post Retirement Benefits.....	39-42
Note 15 - Contingencies.....	43
Note 16 - Subsequent Events.....	44

**BOROUGH OF LODI**  
**NJ Comprehensive Annual Financial Report**  
**Year Ended December 31, 2011**  
**Table of Contents**

---

<u>Reference</u>		<u>Page</u>
	<u>FINANCIAL SECTION (Continued)</u>	
	<u>Supplementary Data</u>	
	<u>Current Fund</u>	
B-1	Statement of Assets, Liabilities and Fund Balance - Statutory Basis.....	45
B-2	Statement of Revenues and Other Credits to Income - Statutory Basis.....	46-47
B-3	Statement of Expenditures and Other Charges to Income - Statutory Basis.....	48-53
	<u>Federal and State Grant Fund</u>	
C-1	Statement of Assets, Liabilities and Reserves - Statutory Basis.....	54
C-2	Statement of Grants Receivable.....	55
C-3	Statement of Appropriated Reserves.....	56
C-4	Statement of Unappropriated Reserves.....	57
	<u>Trust Fund</u>	
D-1	Statement of Assets, Liabilities and Reserves - Statutory Basis.....	58
	<u>General Capital Fund</u>	
E-1	Statement of Assets, Liabilities and Fund Balance - Statutory Basis.....	59
E-2	Statement of Grants Receivable.....	60
E-3	Statement of Deferred Charges to Future Taxation - Unfunded.....	61
E-4	Statement of Improvement Authorizations.....	62
E-5	Statement of Serial Bonds Payable.....	63
E-6	Statement of Loans Payable.....	64
E-7	Statement of Bond Anticipation Notes Payable.....	65-66
E-8	Statement of Bonds and Notes Authorized but not Issued.....	67
	<u>General Fixed Asset Account Group</u>	
F-1	Statement of Assets and Reserves - Statutory Basis.....	68

**BOROUGH OF LODI**  
**NJ Comprehensive Annual Financial Report**  
**Year Ended December 31, 2011**  
**Table of Contents**

---

<u>Reference</u>		<u>Page</u>
<u>STATISTICAL SECTION</u>		
J-1	Adopted Budgets.....	70
J-2	Ten Largest Taxpayers by Assessment.....	71
J-3	Tax Levy and Collection Data.....	72
J-4	Assessed and County Equalized Valuation Data.....	73
J-5	Tax Rate Data.....	74
J-6	Ratio of Annual Debt Service Appropriations to Total Current Fund Budget Appropriations.....	75
J-7	Direct and Overlapping Debt.....	76
J-8	Ratio of Gross and Net Debt to County Equalized Value and Debt Per Capita.	77
J-9	Comparative Schedule of Delinquent Taxes and Tax Title Liens.....	78
J-10	Comparative Schedule of Property Acquired by Tax Title Lien Liquidation.....	79
J-11	Comparison of Current Fund Balances Appropriated.....	80
<u>SINGLE AUDIT SECTION</u>		
K-1	Report on Compliance and on Internal Control Structure Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	82-83
K-3	Schedule of Expenditures of Federal Financial Assistance.....	84
K-4	Schedule of Expenditure of State Financial Assistance.....	85
K-5	Notes to the Schedules of Federal and State Financial Assistance.....	86-88
K-6	Schedule of Findings and Questioned Costs.....	89-93
K-7	Summary Schedule of Prior Audit Findings.....	94
<u>GENERAL COMMENTS AND RECOMMENDATIONS SECTION</u>		
	General.....	96
	Cash Cycle.....	97
	Revenues/Cash Receipts Cycles.....	98
	Expenditures/Cash Disbursement Cycles.....	99
	Payroll Cycle.....	100
	Capital Assets.....	101
	Recommendations.....	102
	Status of Prior Years' Recommendations.....	103

BOROUGH OF LODI

NJ Comprehensive Annual Financial Report

Introductory Section

**BOROUGH OF LODI**  
**Municipal Officials**  
**Year Ended December 31, 2011**

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

**BOROUGH OF LODI**  
**Municipal Officials**  
**Year Ended December 31, 2011**

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Name	Title	Term Expires
<u>PLANNING BOARD</u>		
Alexander J. Noreika	Chairperson	June 30, 2013
Francis Carrasco	Co-Chairperson	June 30, 2014
Thomas Palumbo	Member	June 30, 2015
Alighieri Borelli	Member	June 30, 2012
David Lortz	Member	June 30, 2015
Marjorie Brietwieser	Member	June 30, 2012
Erwin Stolz	Class I	June 30, 2012
Paul Wanco	Class II	June 30, 2012
Paula Fiduccia	Class III	June 30, 2012
Joseph Russo, Esq.	Planning Board Attorney	
Marlene Muska	Planning Board Secretary	
Gary Paporozzi	Planning Board Planner	
Thomas Solfaro	Planning Board Engineer	
<u>ZONING BOARD</u>		
Frank Gaciofano	Chairperson	June 30, 2012
Louis Avola	Co-Chairperson	June 30, 2012
Gerald Inserra	Member	June 30, 2015
Bruce Gilson	Member	June 30, 2014
Domenic Staine	Member	June 30, 2015
Frank Pinto	Member	June 30, 2012
Robert Schrieks	Member	June 30, 2012
Anthony Bene	Alternate #1	June 30, 2012
Anthony Bua	Alternate #2	June 30, 2012
Marcel Wurms, Esq.	Zoning Board Attorney	
Marlene Muska	Zoning Board Secretary	
Gary Paporozzi	Zoning Board Planner	
Thomas Solfaro	Zoning Board Engineer	

BOROUGH OF LODI

NJ Comprehensive Annual Financial Report

Financial Section



# **Di Maria & Di Maria LLP**

**Accountants & Consultants**

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

## **Independent Auditors' Report**

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

We have audited the accompanying statements of financial position - regulatory basis of the various funds of the Borough of Lodi, State of New Jersey, as of and for the years ended December 31, 2011 and 2010, and the related statements of operations and changes in fund balance - regulatory basis, and statement of revenue and expenditures - regulatory basis as listed in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Borough of Lodi prepares its financial statements in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Independent Auditors' Report (Continued)**

In our opinion, because of the Borough of Lodi's requirement to prepare its financial statements on the basis of accounting discussed in preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Borough of Lodi, State of New Jersey, as of December 31, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Lodi, State of New Jersey at December 31, 2011 and 2010, and the results of its operations and the changes in fund balance of the individual funds for the years then ended, and the revenues and expenditures of the various funds for the years ended December 31, 2011 and 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2012 on our consideration of the Borough of Lodi, State of New Jersey internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

## ***Di Maria & Di Maria LLP***

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### **Independent Auditors' Report (Continued)**

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

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

*Frank Di Maria*

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

June 30, 2012

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

A-1

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Fixed Asset Account Group	Totals (Memorandum Only)	
						December 31, 2011	December 31, 2010
<b><u>ASSETS AND OTHER DEBITS</u></b>							
Cash	\$ 6,168,748	\$ 40,060	\$ 1,173,126	\$ 2,735,230	\$ -	\$ 10,117,164	\$ 7,881,714
Deferred Compensation Assets	-	-	261,700	-	-	261,700	2,474,010
Interfunds Receivable	-	-	-	2,862	-	2,862	-
Intergovernmental Receivable	26,433	292,793	-	1,449,151	-	1,768,377	2,133,829
Accounts Receivable	243,105	-	-	-	-	243,105	135,542
Deferred Charges	2,430,000	-	-	22,882,389	-	25,312,389	23,842,093
Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Total Assets and Other Debits	<u>\$ 8,868,286</u>	<u>\$ 332,853</u>	<u>\$ 1,434,826</u>	<u>\$ 27,069,632</u>	<u>\$ 23,234,532</u>	<u>\$ 60,940,129</u>	<u>\$ 59,701,720</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>							
Interfunds Payable	\$ 2,862	\$ -	\$ -	\$ -	\$ -	\$ 2,862	\$ -
Intergovernmental Payable	5,635	-	11	-	-	5,646	7,808
Other Liabilities and Reserves	3,707,728	332,853	1,434,815	1,098,468	-	6,573,864	5,857,465
Improvement Authorizations	-	-	-	3,596,627	-	3,596,627	3,821,951
Emergency Notes Payable	250,000	-	-	-	-	250,000	-
Special Emergency Notes Payable	980,000	-	-	-	-	980,000	-
Serial Bonds Payable	-	-	-	3,556,000	-	3,556,000	4,496,000
Loans Payable	-	-	-	836,627	-	836,627	937,531
Bond Anticipation Notes Payable	-	-	-	17,849,762	-	17,849,762	17,708,562
Reserve for General Fixed Assets	-	-	-	-	23,234,532	23,234,532	23,234,532
Reserve for Receivables and Other Assets	243,105	-	-	-	-	243,105	135,542
Fund Balances	3,678,956	-	-	132,148	-	3,811,104	3,502,329
Total Liabilities, Reserves and Fund Balance	<u>\$ 8,868,286</u>	<u>\$ 332,853</u>	<u>\$ 1,434,826</u>	<u>\$ 27,069,632</u>	<u>\$ 23,234,532</u>	<u>\$ 60,940,129</u>	<u>\$ 59,701,720</u>

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

	2011	2010
<b><u>REVENUES AND OTHER CREDITS TO INCOME</u></b>		
Revenues:		
Fund Balance Anticipated	\$ 1,600,000	\$ 1,600,000
Miscellaneous Revenues	6,122,038	6,675,128
Receipts from Delinquent Taxes	20,639	748,671
Amount to be Raised by Taxation - Local	16,676,174	17,776,155
Amount to be Raised by Taxation - Library	732,780	-
Total Revenues	<u>\$ 25,151,631</u>	<u>\$ 26,799,954</u>
Other Credits to Income	44,129,898	41,804,645
Total Revenues and Other Credits to Income	<u>\$ 69,281,529</u>	<u>\$ 68,604,599</u>
<b><u>EXPENDITURES AND OTHER CHARGES TO INCOME</u></b>		
Expenditures:		
Operations Within "CAPS":		
Salaries and Wages	\$ 9,948,001	\$ 9,613,201
Other Expenses	9,987,297	7,387,859
Deferred Charges and Statutory Expenditures	2,125,073	1,753,561
Operations Excluded From "CAPS":		
Salaries and Wages	-	-
Other Expenses	3,189,531	3,500,267
Capital Improvements	100,000	100,000
Municipal Debt Service	2,208,226	2,201,677
Deferred Charges	-	-
Judgments	-	-
Reserve for Uncollected Taxes	100,000	600,000
Total Budget Expenditures	<u>\$ 27,658,128</u>	<u>\$ 25,156,565</u>
Other Expenses and Charges to Income	42,271,606	40,317,599
Total Expenditures	<u>\$ 69,929,734</u>	<u>\$ 65,474,164</u>
Statutory (Deficit)/Excess to Current Fund Balance	(648,205)	3,130,435
Transferred to Deferred Charge of Succeeding Year	2,430,000	-
Fund Balance, July 1	<u>3,497,161</u>	<u>1,966,726</u>
	5,278,956	5,097,161
Decreased by:		
Utilization as Anticipated Revenue	1,600,000	1,600,000
Fund Balance, December 31	<u>\$ 3,678,956</u>	<u>\$ 3,497,161</u>

**BOROUGH OF LODI**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE (Statutory Basis)**  
**BUDGET AND ACTUAL -- CURRENT FUND**  
**Year Ended December 31, 2011**

	Budget as Modified	Actual	Variance
<b>REVENUES AND OTHER CREDITS TO INCOME</b>			
Revenues:			
Fund Balance Anticipated	\$ 1,600,000	\$ 1,600,000	\$ -
Miscellaneous Revenues	6,069,107	6,122,038	52,931
Receipts from Delinquent Taxes	-	20,639	20,639
Amount to be Raised by Taxation - Local	16,826,241	16,676,174	(150,067)
Amount to be Raised by Taxation - Library	732,780	732,780	-
Total Revenues	25,228,128	25,151,631	(76,497)
Other Credits to Income	42,271,508	44,129,898	1,858,390
Total Revenues and Other Credits to Income	\$ 67,499,636	\$ 69,281,529	\$ 1,781,893

**EXPENDITURES AND OTHER CHARGES TO INCOME**

Expenditures:			
Operations Within "CAPS":			
Salaries and Wages	\$ 9,948,001	\$ 9,948,001	\$ -
Other Expenses	9,987,297	9,987,297	-
Deferred Charges and Statutory Expenditures	2,125,073	2,125,073	-
Operations Excluded From "CAPS":			
Salaries and Wages	-	-	-
Other Expenses	3,189,531	3,189,531	-
Capital Improvements	100,000	100,000	-
Municipal Debt Service	2,208,226	2,208,226	-
Deferred Charges	-	-	-
Judgments	-	-	-
Reserve for Uncollected Taxes	100,000	100,000	-
Total Budget Expenditures	27,658,128	27,658,128	-
Other Expenses	42,271,508	42,271,606	98
Total Expenditures	\$ 69,929,636	\$ 69,929,734	\$ 98

Statutory (Deficit)/Excess to Current Fund Balance	(648,205)
Transferred to Deferred Charge of Succeeding Year	2,430,000
Fund Balance, July 1	3,497,161
	<u>5,278,956</u>

Decreased by:	
Utilization as Anticipated Revenue	1,600,000
Fund Balance, December 31	<u>\$ 3,678,956</u>

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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

A. Introduction

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

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

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

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

B. Basis of Accounting

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

C. Component Units

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

Volunteer Fire Department  
Volunteer Ambulance Corp.  
Free Public Library

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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

Financial Statement Reporting

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

A. Funds and Account Groups

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

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

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

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

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

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



**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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

B. Budgets and Budgetary Accounting

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

C. Cash and Investments

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

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

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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

D. Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

E. Inventories of Supplies

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

F. General Fixed Assets

Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive. Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation on general fixed assets is recorded in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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

G. Foreclosed Property

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

H. Deferred Charges

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

I. Appropriation Reserves

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

J. Liens Sold for Other Governmental Units

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

K. Fund Balance

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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

L. Revenues

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

M. Property Tax Revenues

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

N. School Taxes

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

O. County Taxes

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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

P. Reserve for Uncollected Taxes

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

Q. Expenditures

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

R. Compensated Absences and Postemployment Benefits

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

S. Total Columns on Combined Statements

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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

T. Use of Estimates

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

U. New Reporting Standard(s)

In July 2004, the Governmental Accounting Standards Board (GASB) adopted statement number 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions". This statement will become effective for governmental entities on a phased in basis based on the entities total annual revenues. This phase in began with fiscal years beginning after December 15, 2006 and continued thru December 15, 2008 depending on annual revenues. The Borough's effective date is the year beginning January 1, 2009. This statement will require Governmental entities to report the future cost of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. Refer to footnote 14 for further information on the actuarial computation of this disclosure.

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 3 - Cash and Cash Equivalents**

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

A. Deposits

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

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

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

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

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

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

Year	Book Balance	Category			Carrying Amount
		1	2	3	
2011	\$ 10,117,164	\$ 10,508,266	-	-	\$ 10,508,266
2010	\$ 7,881,714	\$ 8,183,435	\$ -	\$ -	\$ 8,183,435
TY 2009	\$ 7,778,828	\$ 8,621,775	\$ -	\$ -	\$ 8,621,775
SFY 2009	\$ 12,244,484	\$ 12,433,455	\$ -	\$ -	\$ 12,433,455
SFY 2008	\$ 5,951,921	\$ 6,551,645	\$ -	\$ -	\$ 6,551,645
SFY 2007	\$ 5,151,217	\$ 5,849,879	\$ -	\$ -	\$ 5,849,879
SFY 2006	\$ 4,487,304	\$ 5,384,883	\$ -	\$ -	\$ 5,384,883
SFY 2005	\$ 4,362,337	\$ 4,850,150	\$ -	\$ -	\$ 4,850,150
SFY 2004	\$ 4,517,932	\$ 4,923,431	\$ -	\$ -	\$ 4,923,431
SFY 2003	\$ 3,182,619	\$ 3,958,866	\$ -	\$ -	\$ 3,958,866
SFY 2002	\$ 6,764,263	\$ 6,747,824	\$ -	\$ -	\$ 6,747,824

B. New Jersey Cash Management Fund

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 4 - Investments**

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

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

No investments were held as of December 31, 2011.



**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 5 - Receivables**

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 6 - Commitments**

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended December 31, 2011

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**Note 7 - Fixed Assets**

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

2011

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

2010

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 8 - Municipal Debt**

A. Types of Municipal Debt

Capital Debt

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

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

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 8 - Municipal Debt (Continued)**

B. Comparative Summary of Debt and Remaining Borrowing Power

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

	<u>December 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
Issued:		
School Bonds and Notes	\$ 740,000	\$ 1,105,000
General Bonds and Notes	22,242,389	23,142,093
	<u>\$ 22,982,389</u>	<u>\$ 24,247,093</u>
Authorized but not Issued:		
General Bonds and Notes	\$ 640,000	\$ 700,000
	<u>\$ 640,000</u>	<u>\$ 700,000</u>
Gross Debt	<u>\$ 23,622,389</u>	<u>\$ 24,947,093</u>
Deductions	<u>\$ 2,048,156</u>	<u>\$ 2,489,966</u>
Net Debt	<u>\$ 21,574,233</u>	<u>\$ 22,457,127</u>
Equalized Valuation Basis	\$ 2,205,940,647	\$ 2,351,342,268
Statutory Net Debt Percentage	0.98%	0.96%
3-1/2% of Equalized Valuation Basis	\$ 77,207,923	\$ 82,296,979
Remaining Borrowing Power	\$ 55,633,690	\$ 59,839,852

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

**Note 8 - Municipal Debt (Continued)**

C. Long-Term Bonded Debt Service Requirements to Maturity

The annual debt service requirement for long-term obligations requirements to maturity, including principal and interest as of December 31, 2011 are as follows:

Calendar Year	4/15/99 General Obligation Bonds			
	Principal	Interest		
2012	531,000	11,549		
	<u>\$ 531,000</u>	<u>\$ 11,549</u>		

  

Calendar Year	6/15/05 General Obligation Bonds		4/08/97 Green Trust Loan Memorial & Kennedy Parks	
	Principal	Interest	Principal	Interest
2012	450,000	109,913	32,325	1,818
2013	475,000	92,906	32,975	1,168
2014	500,000	74,000	33,638	505
2015	525,000	53,500	-	-
2016	525,000	32,500	-	-
2017	550,000	11,000	-	-
	<u>\$ 3,025,000</u>	<u>\$ 373,819</u>	<u>\$ 98,938</u>	<u>\$ 3,491</u>

  

Calendar Year	6/28/98 Green Trust Loan Saddle River Park Acquisition		9/21/98 Green Trust Loan Saddle River Park Development	
	Principal	Interest	Principal	Interest
2012	13,258	1,607	5,965	723
2013	13,524	1,341	6,085	603
2014	13,796	1,069	6,208	481
2015	14,073	791	6,332	356
2016	14,356	509	6,460	229
2017	14,644	220	6,589	99
	<u>\$ 83,651</u>	<u>\$ 5,537</u>	<u>\$ 37,639</u>	<u>\$ 2,491</u>

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended December 31, 2011

**Note 8 - Municipal Debt (Continued)**

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

Calendar Year	10/15/07 Green Trust Loan Kennedy Park Improvements		8/27/09 Green Trust Loan Memorial Park Improvements	
	Principal	Interest	Principal	Interest
	2012	9,090	3,346	11,261
2013	9,273	3,164	11,488	3,919
2014	9,460	2,977	11,719	3,688
2015	9,650	2,787	11,954	3,453
2016	9,844	2,593	12,194	3,212
2017	10,042	2,395	12,440	2,967
2018	10,243	2,193	12,690	2,717
2019	10,449	1,987	12,945	2,462
2020	10,659	1,777	13,205	2,202
2021	10,874	1,563	13,470	1,937
2022	11,092	1,345	13,741	1,666
2023	11,315	1,122	14,017	1,389
2024	11,542	894	14,299	1,108
2025	11,774	662	14,586	820
2026	12,011	426	14,880	527
2027	12,253	184	15,179	228
	<u>\$ 169,571</u>	<u>\$ 29,415</u>	<u>\$ 210,068</u>	<u>\$ 36,440</u>

Calendar Year	6/5/06 Green Trust Loan Memorial Park Improvements		N.J.E.I.T. Fund Non-Interest Bearing Loan	
	Principal	Interest	Principal	Interest
	2012	12,059	3,954	8,227
2013	12,301	3,711	7,854	-
2014	12,548	3,464	-	-
2015	12,800	3,212	-	-
2016	13,058	2,954	-	-
2017	13,320	2,692	-	-
2018	13,588	2,424	-	-
2019	13,861	2,151	-	-
2020	14,140	1,873	-	-
2021	14,424	1,588	-	-
2022	14,714	1,298	-	-
2023	15,009	1,003	-	-
2024	15,311	701	-	-
2025	15,619	393	-	-
2026	7,927	79	-	-
	<u>\$ 200,679</u>	<u>\$ 31,497</u>	<u>\$ 16,081</u>	<u>\$ -</u>

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended December 31, 2011

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**Note 8 - Municipal Debt (Continued)**

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

Calendar Year	N.J.E.I.T. Fund Interest Bearing Loan		Total	
	Principal	Interest	Principal	Interest
2012	10,000	1,025	1,083,185	138,080
2013	10,000	525	578,500	107,337
2014	-	-	587,369	86,184
2015	-	-	579,809	64,099
2016	-	-	580,912	41,997
2017	-	-	607,035	19,373
2018	-	-	36,521	7,334
2019	-	-	37,255	6,600
2020	-	-	38,004	5,852
2021	-	-	38,768	5,088
2022	-	-	39,547	4,309
2023	-	-	40,341	3,514
2024	-	-	41,152	2,703
2025	-	-	41,979	1,875
2026	-	-	34,818	1,032
2027	-	-	27,432	412
	<u>\$ 20,000</u>	<u>\$ 1,550</u>	<u>\$ 4,392,627</u>	<u>\$ 495,789</u>



**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended December 31, 2011

**Note 8 - Municipal Debt (Continued)**

D. Summary of Changes in Municipal Debt

During the fiscal year ended December 31, 2011, the following changes occurred in liabilities reported as general long-term debt:

	Beginning Balance		Issued		Retired		Ending Balance
<b>Short-Term Debt:</b>							
Tax Anticipation Notes	\$ -	\$	-	\$	-	\$	-
Emergency Notes	-		-		-		-
	<u>\$ -</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>
<b>Long-Term Debt:</b>							
Serial Bonds	\$ 4,496,000	\$	-	\$	(940,000)	\$	3,556,000
Loans Payable	937,531		-		(100,904)		836,627
Bond Anticipation Notes	17,708,562		17,849,762		(17,708,562)		17,849,762
Authorized but not Issued	700,000		640,000		(700,000)		640,000
	<u>\$ 23,842,093</u>	\$	<u>18,489,762</u>	\$	<u>(19,449,466)</u>	\$	<u>22,882,389</u>
	<u>\$ 23,842,093</u>	\$	<u>18,489,762</u>	\$	<u>(19,449,466)</u>	\$	<u>22,882,389</u>

	Ending Balance		Amounts Due in 2012		Long-term Portion
<b>Short-Term Debt:</b>					
Tax Anticipation Notes	\$ -		-	\$	-
Emergency Notes	-		-		-
	<u>\$ -</u>	\$	<u>-</u>	\$	<u>-</u>
<b>Long-Term Debt:</b>					
Serial Bonds	\$ 3,556,000	\$	981,000	\$	2,575,000
Loans Payable	836,627		102,185		734,442
Bond Anticipation Notes	17,849,762		17,849,762		-
Authorized but not Issued	640,000		-		640,000
	<u>\$ 22,882,389</u>	\$	<u>18,932,947</u>	\$	<u>3,949,442</u>
	<u>\$ 22,882,389</u>	\$	<u>18,932,947</u>	\$	<u>3,949,442</u>

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 9 - Risk Management**

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

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 10 - Interfunds**

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

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
<u>2011</u>		
Current Fund	\$ -	\$ 2,862
Trust Fund	-	-
General Capital Fund	2,862	-
	<u>\$ 2,862</u>	<u>\$ 2,862</u>
		-
<u>2010</u>		
Current Fund	\$ -	\$ -
Trust Fund	-	-
General Capital Fund	-	-
	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 11 - Deferred Charges to be Raised in Succeeding Budgets**

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

	<u>Balance</u> <u>Current Period</u>	<u>Appropriated in</u> <u>Subsequent</u> <u>Year's Budget</u>	<u>Balance to</u> <u>Succeeding</u>
<u>2011</u>			
Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations - 1 Year	250,000	250,000	-
Special Emergency	-	-	-
Authorizations (40A:4-53)	2,180,000	436,000	1,744,000
	<u>\$ 2,430,000</u>	<u>\$ 686,000</u>	<u>\$ 1,744,000</u>

2010

Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations - 1 Year	-	-	-
Special Emergency	-	-	-
Authorizations (40A:4-53)	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 12 - Retirement Plans**

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

A. Public Employees' Retirement System (PERS)

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

At June 30, 2010 and 2009, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2010	2009
State of New Jersey	1	1
County Agencies	65	65
Municipalities	580	584
School Districts	581	566
Other Public Agencies	483	484
Total	<u>1,710</u>	<u>1,700</u>

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The System's Board of Trustees is primarily responsible for the administration of the System.

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 12 - Retirement Plans (Continued)**

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

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the System.

For Tier 1 members, 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 adjustment (COLA) 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. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

Significant Legislation - Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and prior to November 2, 2008 (Tier 2 members) and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55. Also, this law provided that the amount of compensation for Tier 2 members used for employer and member contributions and benefits under the PERS cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008 and on or before May 21, 2010 (Tier 3 members). It also increased the minimum annual compensation required for membership eligibility for new Tier 3 members from \$1,500 to \$7,500 in addition to amending the early retirement reduction formula for Tier 3 members retiring with 25 years of service to 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS hired after May 21, 2010 (Tier 4 and 5 members) from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for these members of PERS to 1/60 from 1/55, and it provided that the retirement allowance for these members be calculated using the average annual compensation for the last five years of service instead of the last three years of service. Tier 4 and 5 members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for Tier 4 and 5 members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 12 - Retirement Plans (Continued)**

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

Membership in the system consisted of the following at June 30, 2010 and 2009, the dates of the most recent actuarial valuations:

	2010	2009
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	141,973	138,619
Active Members:		
Vested	149,506	144,698
Non-Vested	159,593	172,151
Total Active Members	309,099	316,849
Total	451,072	455,468

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

Description of the System

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

At June 30, 2010 and 2009, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2010	2009
State of New Jersey	1	1
Municipalities	588	588
Total	589	589

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

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 12 - Retirement Plans (Continued)**

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

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:16A and 43:3B. The System provides retirement as well as death and disability benefits. All benefits vest after ten years of service except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service. The annual benefit under special retirement is 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70% of final compensation. Pursuant to provisions of Chapter 78, P.L. 2011, the annual benefit under special retirement for members enrolled after June 28, 2011 (Tier 3 members), is 60% 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 65% 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 (COLA) 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 COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

Pursuant to Chapter 1, P.L. 2010, for new members of PFRS hired after May 21, 2010 (Tier 2 members), this law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

Membership in the System consisted of the following at June 30, 2010 and 2009 the dates of the most recent actuarial valuations:

	2010	2009
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	35,973	34,364
Active members:		
Vested	29,552	29,400
Non-vested	14,652	15,750
Total active members	44,204	45,150
Total	80,177	79,514



**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 12 - Retirement Plans (Continued)**

C. Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

Individuals eligible for membership in the DCRP include:

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

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

Enrollment

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

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

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

Retirement

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

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

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

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 12 - Retirement Plans (Continued)**

D. Contributions Required by Employer

<u>Year</u>	<u>Pension Cost</u>	<u>Percentage Contributed</u>	<u>Pension Obligation</u>
<i>Police and Firemens' Pension Fund (PFRS)</i>			
2011	\$ 1,249,942	100.00%	\$ 1,249,942
2010	\$ 1,097,724	100.00%	\$ 1,097,724
TY 2009	\$ -	100.00%	\$ -
SFY 2009	\$ 1,014,003	100.00%	\$ 1,014,003
SFY 2008	\$ 426,321	100.00%	\$ 426,321
SFY 2007	\$ 308,961	80.00%	\$ 386,201
<i>Public Employees Retirement System (PERS)</i>			
2011	\$ 430,770	100.00%	\$ 430,770
2010	\$ 330,585	100.00%	\$ 330,585
TY 2009	\$ -	100.00%	\$ -
SFY 2009	\$ 279,293	100.00%	\$ 279,293
SFY 2008	\$ 66,406	80.00%	\$ 83,008
SFY 2007	\$ 38,075	60.00%	\$ 63,458
<i>Defined Contribution Retirement Program (DCRP)</i>			
2011	\$ 789	100.00%	\$ 789
2010	\$ -	100.00%	\$ -
TY 2009	\$ -	100.00%	\$ -
SFY 2009	\$ -	100.00%	\$ -
SFY 2008	\$ -	100.00%	\$ -
SFY 2007	\$ -	100.00%	\$ -

E. Trend Information

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 13 - Deferred Compensation Plans**

A. Description

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

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

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

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

Lincoln National Life Insurance Co.

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

	<u>2011</u>
Assets, Beginning of Year (Market Value)	\$ 260,757
Municipal Contribution	21,000
Earnings and Adjustments to Market Value	(4,648)
Payments to Eligible Employees	(12,677)
Charges and Credits	(2,732)
Assets, Ending of Year (Market Value)	<u>\$ 261,700</u>

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 14 - Other Post Employment Benefits**

A. Compensated Absences

The Borough has permitted certain employees and bargaining units to accrue unused sick pay which may be taken as time off or paid at a later date at an agreed upon rate. A detail of amounts due is on file in the Office of the Borough Manager - One Memorial Drive Lodi, NJ 07644 (973) 365-4005. In accordance with accounting practices prescribed by the Division of Local Government Services, this amount is not recorded as either an expenditure or a liability.

The Borough approximates this liability at December 31, 2011 to be \$3,100,000.

B. Health Care Benefits

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

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

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 14 - Other Post Employment Benefits**

B. Health Care Benefits (Continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2011.pdf>.

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

Contributions to pay for the health premiums of participating retirees in the SHBP as well as dental premiums are billed to the Borough of Lodi on a monthly basis. The 2011 rates charged by the system for each medical coverage category ranged from \$436.68 to \$2,141.70 per month and \$60 to \$173 per month for each dental coverage category.

The Borough of Lodi's contributions to SHBP (including separate dental benefit premiums) paid for the year ended December 31, 2011 for all bargaining units noted was approximately \$405,000, which equaled the required contributions for the year. There were approximately 18 retired participants eligible at December 31, 2011.

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 14 - Other Post Employment Benefits**

B. Health Care Benefits (Continued)

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

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

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

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

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 14 - Other Post Employment Benefits**

B. Health Care Benefits (Continued)

Municipal Manager

Upon retirement or termination from employment or non-renewal of the agreement between the Manager and the Borough, the Borough shall reimburse the Manager for an amount not to exceed \$5,000 per year for any supplemental health coverage, provided that the Manager purchases same and said reimbursement shall be payable to the Manager upon receiving an invoice from the insurance company that provided the health coverage unless or except otherwise restricted by law. This reimbursement shall be made to the Manager for the remainder of their life.

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

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

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

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

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

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

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

**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

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**Note 15 - Contingencies**

A. Litigation

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

B. Federal and State Grants

The municipality participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed, the municipality may be required to reimburse the grantor agency. As of December 31, 2011, significant amounts of grant expenditures have not been audited. The municipality believes that any future disallowed expenditures will not have a material effect on its financial position.

C. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2011 and 2010. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, to be material. As of December 31, 2011 and 2010, the Borough did not record reserves in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budgets, from fund balance or by issuance of refunding bonds.



**BOROUGH OF LODI**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

**Note 16 - Subsequent Events**

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

A. Subsequent Year Capital Projects

The Borough's 2012 Capital Budget currently includes the following:

Purpose	Total	CIF and Other Funded Sources	Bonds & Notes Authorized
#2012-06 Installation of Synthetic Turf Athletic Field at Lodi High School	\$ 2,000,000	\$ 100,000	\$ 1,900,000
#2012-09 Improvements to Municipal Facilities	250,000	15,000	235,000
#2012-10 Acquisition of Vehicles	100,000	5,000	95,000
#2012-11 Acquisition of Equipment	100,000	5,000	95,000
#2012-12 Resurfacing of Church Street Phase III & IV	385,000	317,000	68,000
#2012-14 CY2012 Road, Curb & Sidewalk Program - Local	300,000	15,000	285,000
#2012-15 Sanitary Sewer Syetem Improvements	250,000	15,000	235,000
	<u>\$ 3,385,000</u>	<u>\$ 472,000</u>	<u>\$ 2,913,000</u>

B. Bond Anticipation Notes

On January 13, 2012 the Borough issued a Bond Anticipation Note in the amount of \$11,390,762, to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said note to Jefferies & Company, Inc. at an interest rate of 1.50% receiving a premium of \$38,047 resulting in a blended reduced effective interest rate. This note will mature on January 11, 2013.

On May 25, 2012 the Borough issued a Bond Anticipation Note in the amount of \$5,920,000, to temporarily finance expenditures related to Phase V of the downtown redevelopment. The Borough awarded the sale of said note to Spencer Savings Bank at an interest rate of .95%. This note will mature on May 24, 2013.

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

	2011	2010
<u>ASSETS AND OTHER DEBITS</u>		
Cash:		
Operating Account	\$ 6,168,248	\$ 4,769,109
Change Fund	500	500
	<u>\$ 6,168,748</u>	<u>\$ 4,769,609</u>
Interfunds Receivable:		
Due From Dog License Trust Fund	\$ -	\$ -
Due From Developer's Escrow Trust Fund	-	-
Due From Other Trust Fund	-	-
	<u>\$ -</u>	<u>\$ -</u>
Intergovernmental Receivable:		
Due From State of N.J. (P.L. 1976, c.73)	\$ 26,433	\$ 28,972
Other Receivables:		
Delinquent Property Taxes	\$ 30,373	\$ 16,723
Tax Title Liens Receivable	194,485	100,572
Property Acquired for Taxes at Assessed Valuation	18,247	18,247
	<u>\$ 243,105</u>	<u>\$ 135,542</u>
Deferred Charges:		
Emergency Authorizations	\$ 250,000	\$ -
Special Emergency Authorizations (N.J.S. 40A:4-53.1)	2,180,000	-
	<u>\$ 2,430,000</u>	<u>\$ -</u>
Total Assets and Other Debits	<u>\$ 8,868,286</u>	<u>\$ 4,934,123</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfunds Payable:		
Due to General Capital Fund	\$ 2,862	\$ -
Due to Other Trust Fund	-	-
	<u>\$ 2,862</u>	<u>\$ -</u>
Intergovernmental Payable:		
County of Bergen	\$ 1,786	\$ 4,315
State of New Jersey	3,849	3,482
	<u>\$ 5,635</u>	<u>\$ 7,797</u>
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 1,640,223	\$ 986,347
Reserve for Encumbrances	151,480	119,996
Tax Title Lien Redemptions Due to Outside Lien Holders	62,522	11,462
Taxes Collected in Advance	179,213	175,818
Tax Overpayments	2,801	-
Emergency Note Payable	250,000	-
Special Emergency Note Payable	980,000	-
Reserve for Special emergency - Hurricane Irene	1,671,489	-
	<u>\$ 4,937,728</u>	<u>\$ 1,293,623</u>
Reserve for Receivables and Other Assets	\$ 243,105	\$ 135,542
Fund Balance	<u>\$ 3,678,956</u>	<u>\$ 3,497,161</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 8,868,286</u>	<u>\$ 4,934,123</u>

**BOROUGH OF LODI**  
**STATEMENT OF BUDGET REVENUES AND OTHER CREDITS TO INCOME (Statutory Basis)**  
**CURRENT FUND**  
**Year Ended December 31, 2011**

	Budget As Modified	Realized	Excess/ (Deficit)
Fund Balance Anticipated	\$ 1,600,000	\$ 1,600,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 20,000	\$ 21,646	\$ 1,646
Other Licenses	75,000	72,354	(2,646)
Fees and Permits	195,000	191,345	(3,655)
Municipal Court Fines and Costs	385,000	480,545	95,545
Interest and Costs on Taxes	100,000	131,508	31,508
Interest on Investments and Deposits	25,000	30,165	5,165
Sewer Charges	1,900,000	1,831,342	(68,658)
Consolidated Municipal Property Tax Relief	494,766	494,766	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,434,778	1,434,778	-
Uniform Construction Code Fees	160,000	192,116	32,116
Body Armor Replacement Program	3,733	3,733	-
Drunk Driving Enforcement Fund	4,415	4,415	-
Recycling Tonnage Grant	17,370	17,370	-
Clean Communities Grant	32,520	32,520	-
Alcohol Education & Rehabilitation Grant	1,257	1,257	-
Click It or Ticket Program	4,000	4,000	-
Bergen County Prosecutor's Office - Confiscated Funds	73,455	73,455	-
Uniform Fire Safety Act - State	50,000	53,286	3,286
Uniform Fire Safety Act - Local	175,000	167,131	(7,869)
Host Community Fees	65,000	72,336	7,336
Cable TV Franchise Fees - Cablevision	215,709	215,709	-
Cable TV Franchise Fees - Verizon FIOS	56,628	56,628	-
P.V.W.C. Water Utility Lease Payment	60,476	60,476	-
Joint Insurance Fund Dividend	35,000	39,473	4,473
Developer's Contributions	100,000	100,000	-
Cellular Tower Lease - AT&T	30,000	33,600	3,600
Cellular Tower Lease - (Metro PCS)	15,000	21,667	6,667
Sanitary Sewer Tie-in Agreement (Wood-Ridge BORO)	50,000	-	(50,000)
Sanitary Sewer Tie-in Agreement (Hasbrouck Heights BORO)	10,000	-	(10,000)
Health Benefit Reimbursement - Free Public Library	80,000	80,000	-
BAN Reimbursement (Railroad Plaza LLC)	100,000	104,417	4,417
Resource Officer Reimbursement - Lodi BOE	100,000	100,000	-
Total Miscellaneous Revenues	<u>\$ 6,069,107</u>	<u>\$ 6,122,038</u>	<u>\$ 52,931</u>
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items	<u>\$ 1,142,813</u>	<u>\$ 1,104,722</u>	<u>\$ (38,091)</u>
Receipts From Delinquent Taxes	<u>\$ -</u>	<u>\$ 20,639</u>	<u>\$ 20,639</u>
Amount to be Raised by Taxation - Local	<u>\$ 16,826,241</u>	<u>\$ 16,676,174</u>	<u>\$ (150,067)</u>
Amount to be Raised by Taxation - Library	<u>\$ 732,780</u>	<u>\$ 732,780</u>	<u>\$ -</u>
	<u>\$ 17,559,021</u>	<u>\$ 17,408,954</u>	<u>\$ (150,067)</u>
Total Budget Revenues	<u>\$ 25,228,128</u>	<u>\$ 25,151,631</u>	<u>\$ (76,497)</u>

**BOROUGH OF LODI**  
**STATEMENT OF BUDGET REVENUES AND OTHER CREDITS TO INCOME (Statutory Basis)**  
**CURRENT FUND**  
**Year Ended December 31, 2011**

	Budget As Modified	Realized	Excess/ (Deficit)
Other Credits to Income:			
Local District School Tax	\$ 37,687,755	\$ 37,687,755	\$ -
County Tax	4,526,722	4,526,722	-
Added County Tax	1,763	1,763	-
County Open Space Tax	55,245	55,245	-
Added County Open Space Tax	23	23	-
Non-Budget Revenues	-	354,944	354,944
Unexpended Balance of Budget Appropriations	-	844,681	844,681
Unexpended Balance of Appropriation Reserves and Encumbrances	-	658,765	658,765
Interfund Loans Returned	-	-	-
Cancellations and Adjustments	-	-	-
Total Other Credits to Income	<u>\$ 42,271,508</u>	<u>\$ 44,129,898</u>	<u>\$ 1,858,390</u>
Total Revenues and Credits to Income	<u>\$ 67,499,636</u>	<u>\$ 69,281,529</u>	<u>\$ 1,781,893</u>

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS  
 CURRENT FUND  
 Year Ended December 31, 2011

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT FUNCTIONS:</b>						
General Administration:						
Salaries and Wages	\$ 240,000	\$ 228,900	\$ 225,413	\$ 3,487	\$ -	\$ -
Other Expenses	100,000	100,000	91,087	8,913	-	-
Mayor and Council:						
Salaries and Wages	32,500	32,501	32,500	1	-	-
Other Expenses	10,000	10,000	6,516	3,484	-	-
Municipal Clerk:						
Salaries and Wages	172,000	176,300	175,961	339	-	-
Other Expenses	40,000	65,000	59,069	5,931	-	-
Financial Administration:						
Salaries and Wages	245,000	245,000	243,277	1,723	-	-
Other Expenses	55,000	55,000	34,228	20,772	-	-
Computerized Data Processing:						
Other Expenses	50,000	30,000	19,315	10,685	-	-
Audit Services:						
Other Expenses	50,000	50,000	45,000	5,000	-	-
Revenue Administration:						
Salaries and Wages	130,000	131,300	131,242	58	-	-
Other Expenses	25,000	18,000	11,310	6,690	-	-
Tax Assessment Administration:						
Salaries and Wages	80,000	80,000	78,574	1,426	-	-
Other Expenses	50,000	32,000	21,847	10,153	-	-
Legal Services:						
Salaries and Wages	115,000	115,000	90,000	25,000	-	-
Other Expenses	200,000	200,000	165,900	34,100	-	-
Engineering Services:						
Other Expenses	75,000	55,000	47,614	7,386	-	-
<b>LAND USE ADMINISTRATION:</b>						
Planning Board:						
Salaries and Wages	2,000	2,000	1,000	1,000	-	-
Other Expenses	7,500	7,500	3,813	3,687	-	-
Zoning Board of Adjustment:						
Salaries and Wages	124,000	124,000	123,402	598	-	-
Other Expenses	7,500	7,500	3,798	3,702	-	-
Property Maintenance:						
Salaries and Wages	104,000	99,000	96,785	2,215	-	-
Other Expenses	7,500	7,500	2,464	5,036	-	-
<b>INSURANCE:</b>						
Liability Insurance	600,000	570,000	470,537	99,463	-	-
Worker Compensation Insurance	495,000	495,000	495,000	-	-	-
Employee Group Insurance	2,103,798	2,103,798	2,063,024	40,774	-	-
Employee Group Insurance - Cash in Lieu	20,000	20,000	20,000	-	-	-
Unemployment Compensation	30,000	30,000	28,787	1,213	-	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS  
 CURRENT FUND  
 Year Ended December 31, 2011

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS WITHIN "CAPS" (Continued)</u>						
PUBLIC SAFETY FUNCTIONS:						
Police:						
Salaries and Wages	\$ 6,250,000	\$ 6,180,000	\$ 5,840,503	339,497	\$ -	\$ -
Other Expenses	220,000	245,000	138,653	106,347	-	-
911/Dispatch:						
Salaries and Wages	270,000	274,000	271,728	2,272	-	-
Other Expenses	30,000	30,000	8,770	21,230	-	-
Office of Emergency Management:						
Salaries and Wages	15,000	65,000	42,287	22,713	-	-
Other Expenses	10,000	2,060,000	1,960,341	99,659	-	-
Aid to Volunteer Fire Companies:						
Other Expenses	90,000	90,000	88,661	1,339	-	-
Fire Department:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	50,000	50,000	22,601	27,399	-	-
Fire Prevention:						
Salaries and Wages	180,000	195,000	190,432	4,568	-	-
Other Expenses	31,000	34,000	30,238	3,762	-	-
Municipal Prosecutor's Office:						
Salaries and Wages	15,000	15,000	15,000	-	-	-
PUBLIC WORKS FUNCTIONS:						
Streets and Road Maintenance:						
Salaries and Wages	1,220,000	1,290,000	1,276,592	13,408	-	-
Other Expenses	435,000	460,000	388,996	71,004	-	-
Shade Tree:						
Other Expenses	20,000	20,000	15,771	4,229	-	-
Solid Waste Collection:						
Other Expenses	510,000	450,000	381,100	68,900	-	-
Vehicle Maintenance:						
Other Expenses	115,000	134,000	127,818	6,182	-	-
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Public Health Services:						
Salaries and Wages	21,000	21,000	18,638	2,362	-	-
Other Expenses	130,000	165,000	156,098	8,902	-	-
PARK AND RECREATION FUNCTIONS:						
Recreation Services and Programs:						
Salaries and Wages	235,000	244,000	241,121	2,879	-	-
Other Expenses	145,000	145,000	128,270	16,730	-	-
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	30,000	25,199	24,337	862	-	-

**STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS  
CURRENT FUND  
Year Ended December 31, 2011**

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>						
<b>MUNICIPAL COURT:</b>						
Municipal Court Administration:						
Salaries and Wages	\$ 213,000	\$ 225,000	\$ 223,876	\$ 1,124	\$ -	\$ -
Other Expenses	20,000	20,000	7,742	12,258	-	-
Public Defender:						
Salaries and Wages	15,000	15,000	15,000	-	-	-
<b>UNIFORM CONSTRUCTION CODE:</b>						
Code Enforcement and Administration:						
Salaries and Wages	190,000	190,000	186,182	3,818	-	-
Other Expenses	20,000	16,800	8,118	8,682	-	-
<b>UTILITY EXPENSES AND BULK PURCHASES:</b>						
Electricity	475,000	475,000	442,552	32,448	-	-
Street Lighting	215,000	215,000	173,876	41,124	-	-
Telephone	100,000	100,000	85,222	14,778	-	-
Water	20,000	26,000	15,635	10,365	-	-
Gasoline	165,000	175,000	153,303	21,697	-	-
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS:</b>						
Dump Fees	760,000	760,000	582,684	177,316	-	-
Recycling Disposal Fees	70,000	60,000	36,582	23,418	-	-
Roll-Off Containers	50,000	45,000	42,133	2,867	-	-
Reserve for Compensated Absences	-	330,000	330,000	-	-	-
Total Operations Within "CAPS"	<u>\$ 17,505,798</u>	<u>\$ 19,935,298</u>	<u>\$ 18,458,323</u>	<u>\$ 1,476,975</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Detail:</b>						
Salaries and Wages	\$ 9,868,500	\$ 9,948,001	\$ 9,519,513	\$ 428,488	\$ -	\$ -
Other Expenses	\$ 7,637,298	\$ 9,987,297	\$ 8,938,810	\$ 1,048,487	\$ -	\$ -
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</b>						
<b>DEFERRED CHARGES:</b>						
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Year Bills						
Florio, Perrucci, et al.	\$ 4,249	\$ 4,249	\$ 4,249	\$ -	\$ -	\$ -
Florio, Perrucci, et al.	\$ 3,823	\$ 3,823	\$ 3,823	\$ -	\$ -	\$ -
<b>STATUTORY EXPENDITURES:</b>						
Social Security System (O.A.S.I.)	420,000	420,000	402,200	17,800	-	-
Local Firemen's Pension Fund	15,000	15,500	15,500	-	-	-
Public Employees' Retirement System	430,770	430,770	430,770	-	-	-
Police and Fireman's Retirement System	1,249,942	1,249,942	1,249,942	-	-	-
DCRP	789	789	789	-	-	-
Deferred Compensation Contribution	-	-	-	-	-	-
	<u>\$ 2,124,573</u>	<u>\$ 2,125,073</u>	<u>\$ 2,107,273</u>	<u>\$ 17,800</u>	<u>\$ -</u>	<u>\$ -</u>
Total General Appropriations Within "CAPS"	<u>\$ 19,630,371</u>	<u>\$ 22,060,371</u>	<u>\$ 20,565,596</u>	<u>\$ 1,494,775</u>	<u>\$ -</u>	<u>\$ -</u>

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS  
 CURRENT FUND  
 Year Ended December 31, 2011

	Appropriated		Expended		Unexpended		Overexpended
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled		
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>							
<u>OTHER APPROPRIATIONS</u>							
EDUCATIONAL FUNCTIONS:							
Maintenance of Free Public Library	\$ 732,780	\$ 732,780	\$ 732,780	\$ -	\$ -	\$ -	-
UTILITY EXPENSES AND BULK PURCHASES:							
Sewer Processing and Disposal	1,675,000	1,675,000	1,574,550	100,450	-	-	-
STATUTORY EXPENDITURES:							
Public Employees' Retirement System	-	-	-	-	-	-	-
Police and Firemen's Retirement System	-	-	-	-	-	-	-
Volunteer Length of Service Award Program	45,000	45,000	-	45,000	-	-	-
Reserve for Tax Appeals	600,000	600,000	-	-	600,000	-	-
	<u>\$ 3,052,780</u>	<u>\$ 3,052,780</u>	<u>\$ 2,307,330</u>	<u>\$ 145,450</u>	<u>\$ 600,000</u>	<u>\$ -</u>	<u>-</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>							
Bergen County Prosecutor's Office - Confiscat	\$ 73,456	\$ 73,456	\$ 73,456	\$ -	\$ -	\$ -	-
Recycling Tonnage Grant	17,370	17,370	17,370	-	-	-	-
Alcohol Education Rehabilitation Fund	1,257	1,257	1,257	-	-	-	-
Drunk Driving Enforcement Fund	4,415	4,415	4,415	-	-	-	-
Clean Communities Program	32,520	32,520	32,520	-	-	-	-
Body Armor Replacement Program	3,733	3,733	3,733	-	-	-	-
Click It or Ticket Program	4,000	4,000	4,000	-	-	-	-
Municipal Alliance - State	-	-	-	-	-	-	-
Municipal Alliance - Local	-	-	-	-	-	-	-
Office of Justice Programs - Federal	-	-	-	-	-	-	-
Office of Justice Programs - Local	-	-	-	-	-	-	-
U.S. Immigration & Customs Enforcement Asset Sharing Program	-	-	-	-	-	-	-
FEMA Firefighter's Grant - Federal	-	-	-	-	-	-	-
FEMA Firefighter's Grant - Local	-	-	-	-	-	-	-
	<u>\$ 136,751</u>	<u>\$ 136,751</u>	<u>\$ 136,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Total Operations Excluded From "CAPS"	<u>\$ 3,189,531</u>	<u>\$ 3,189,531</u>	<u>\$ 2,444,081</u>	<u>\$ 145,450</u>	<u>\$ 600,000</u>	<u>\$ -</u>	<u>-</u>
Detail:							
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other Expenses	\$ 3,189,531	\$ 3,189,531	\$ 2,444,081	\$ 145,450	\$ 600,000	\$ -	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>							
Capital Improvement Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	-
Down Payment on Improvements	-	-	-	-	-	-	-
	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>



STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS  
 CURRENT FUND  
 Year Ended December 31, 2011

	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	\$ 940,000	\$ 940,000	\$ 940,000	\$ -	\$ -	\$ -	-
Bond Interest	159,750	159,750	159,750	-	-	-	-
Note Principal	788,800	788,800	558,800	-	230,000	-	-
Note Interest	200,000	200,000	185,358	-	14,642	-	-
Green Trust Loan Principal	11,039	11,039	11,039	-	-	-	-
Green Trust Loan Interest	4,367	4,367	4,367	-	-	-	-
Green Trust Loan Principal	31,688	31,688	31,688	-	-	-	-
Green Trust Loan Interest	2,455	2,455	2,455	-	-	-	-
Green Trust Loan Principal	12,997	12,997	12,997	-	-	-	-
Green Trust Loan Interest	1,868	1,868	1,868	-	-	-	-
Green Trust Loan Principal	5,848	5,848	5,848	-	-	-	-
Green Trust Loan Interest	841	841	841	-	-	-	-
Green Trust Loan Principal	11,821	11,821	11,821	-	-	-	-
Green Trust Loan Interest	4,191	4,191	4,191	-	-	-	-
Green Trust Loan Principal	8,911	8,911	8,911	-	-	-	-
Green Trust Loan Interest	3,525	3,525	3,525	-	-	-	-
N.J.E.I.T. Loan Principal	18,600	18,600	18,600	-	-	-	-
N.J.E.I.T. Loan Interest	1,525	1,525	1,486	-	39	-	-
	<u>\$ 2,208,226</u>	<u>\$ 2,208,226</u>	<u>\$ 1,963,545</u>	<u>\$ -</u>	<u>\$ 244,681</u>	<u>\$ -</u>	<u>-</u>
<u>DEFERRED CHARGES</u>							
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Special Emergency Authorizations - 5 Years	-	-	-	-	-	-	-
Special Emergency Authorizations - 3 Years	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<u>JUDGMENTS</u>							
Judgments (N.J.S. 40A:4-45.3c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS  
 CURRENT FUND  
 Year Ended December 31, 2011

	Appropriated		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
Total General Appropriations - Excluded From "CAPS"	\$ 5,497,757	\$ 5,497,757	\$ 4,507,626	\$ 145,450	\$ 844,681	\$ -
Sub-Total General Appropriations	\$ 25,128,128	\$ 27,558,128	\$ 25,073,222	\$ 1,640,225	\$ 844,681	\$ -
Reserve for Uncollected Taxes	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -
Total General Appropriations	\$ 25,228,128	\$ 27,658,128	\$ 25,173,222	\$ 1,640,225	\$ 844,681	\$ -
Budget as Adopted	\$ 25,228,128	\$ 25,228,128				
Added by N.J.S. 40A:4-87	-	-				
Emergency Appropriations	-	2,430,000				
	\$ 25,228,128	\$ 27,658,128				
Other Charges to Income:						
Local District School Tax		\$ 37,687,755	\$ 37,687,755			
County Tax		4,526,722	4,526,722			
Added County Tax		1,763	1,763			
County Open Space Tax		55,245	55,245			
Added County Open Space Tax		23	23			
Interfund Advances Originating		-	-			
Refund of Prior Year Revenue		-	98			
		\$ 42,271,508	\$ 42,271,606			

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

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	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 40,060	\$ 153,454
Intergovernmental Receivable:		
Grants Receivable	\$ 292,793	\$ 273,449
Total Assets	<u>\$ 332,853</u>	<u>\$ 426,903</u>
 <u>RESERVES</u>		
Other Liabilities and Reserves:		
Appropriated Reserves	\$ 273,126	\$ 367,609
Unappropriated Reserves	59,727	59,294
Total Reserves	<u>\$ 332,853</u>	<u>\$ 426,903</u>

**BOROUGH OF LODI**  
**STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE**  
**FEDERAL AND STATE GRANT FUND**  
**Year Ended December 31, 2011**

Program	Balance December 31, 2010	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2011
<b>Federal:</b>						
FEMA Firefighter's Grant	\$ 142,560	\$ -	\$ -	\$ -	\$ -	\$ 142,560
	<u>\$ 142,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,560</u>
<b>State:</b>						
Body Armor Replacement Program	\$ -	\$ 3,733	\$ -	\$ 3,733	\$ -	\$ -
Recycling Tonnage Grant	-	17,370	-	17,370	-	-
Drunk Driving Enforcement Fund	-	4,415	-	4,415	-	-
Clean Communities Program	-	32,520	-	32,520	-	-
Alcohol Education & Rehabilitation Program	-	1,257	-	1,257	-	-
Smart Future Grant	45,000	-	-	-	-	45,000
You Drink, You Drive, You Lose Grant	5,000	-	5,000	-	-	-
Click It Or Ticket Grant	-	4,000	4,000	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse	27,440	-	5,618	-	-	21,822
Bergen County Prosecutor's Office - Confiscated Funds	18,043	73,456	25,451	-	(18,043)	48,005
Safe Streets to Schools Program	35,406	-	-	-	-	35,406
	<u>\$ 130,889</u>	<u>\$ 136,751</u>	<u>\$ 40,069</u>	<u>\$ 59,295</u>	<u>\$ (18,043)</u>	<u>\$ 150,233</u>
<b>Total</b>	<u>\$ 273,449</u>	<u>\$ 136,751</u>	<u>\$ 40,069</u>	<u>\$ 59,295</u>	<u>\$ (18,043)</u>	<u>\$ 292,793</u>

**BOROUGH OF LODI**  
**STATEMENT OF APPROPRIATED RESERVES**  
**FEDERAL AND STATE GRANT FUND**  
**Year Ended December 31, 2011**

Program	Balance December 31, 2010	Amount Budgeted	Paid or Charged	Cancellations & Adjustments	Balance December 31, 2011
<b>Federal:</b>					
FEMA Firefighter's Grant - Local	\$ 847	\$ -	\$ 524	\$ -	\$ 323
U.S. Immigration & Customs Enforcement Asset Sharing Program	165,600	-	115,277	-	50,323
	<u>\$ 166,447</u>	<u>\$ -</u>	<u>\$ 115,801</u>	<u>\$ -</u>	<u>\$ 50,646</u>
<b>State:</b>					
<b>Drunk Driving Enforcement Fund:</b>					
Salaries and Wages	\$ 11,814	\$ 2,208	\$ 4,435	\$ -	\$ 9,587
Other Expenses	2,590	2,207	586	-	4,211
<b>Clean Communities Program:</b>					
Salaries and Wages	-	1,500	1,500	-	-
Other Expenses	2,000	31,020	6,252	-	26,768
<b>Municipal Alliance on Alcoholism and Drug Abuse:</b>					
State Share	31,197	-	5,822	-	25,375
Local Share	6,415	-	-	-	6,415
<b>Click It Or Ticket Grant:</b>					
Salaries and Wages	-	4,000	4,000	-	-
<b>Recycling Tonnage Grant</b>					
	28,792	17,370	46,162	-	-
<b>Alcohol Education Rehabilitation Program</b>					
	12,257	1,257	180	-	13,334
<b>You Drink, You Drive, You Lose Grant</b>					
	3,000	-	3,000	-	-
<b>Division of Criminal Justice Body Armor Fund</b>					
	3,244	3,733	-	-	6,977
<b>B.C. Prosecutor Confiscated Funds</b>					
	18,046	73,456	25,453	(18,043)	48,006
<b>Smart Future Grant</b>					
	50,000	-	-	-	50,000
<b>Safe Streets to Schools Program</b>					
	31,807	-	-	-	31,807
	<u>\$ 201,162</u>	<u>\$ 136,751</u>	<u>\$ 97,390</u>	<u>\$ (18,043)</u>	<u>\$ 222,480</u>
	<u>\$ 367,609</u>	<u>\$ 136,751</u>	<u>\$ 213,191</u>	<u>\$ (18,043)</u>	<u>\$ 273,126</u>

**BOROUGH OF LODI**  
**STATEMENT OF UNAPPROPRIATED RESERVES**  
**FEDERAL AND STATE GRANT FUND**  
**Year Ended December 31, 2011**

Program	Balance December 31, 2010	Amount Budgeted	Amount Received	Adjustments	Balance December 31, 2011
Alcohol Education Rehabilitation Program	\$ 1,257	\$ 1,257	\$ 54	\$ -	\$ 54
Drunk Driving Enforcement Fund	4,415	4,415	3,029	-	3,029
Recycling Tonnage Grant	17,370	17,370	21,900	-	21,900
Clean Communities Program	32,520	32,520	30,836	-	30,836
Body Armor Fund	3,732	3,732	3,908	-	3,908
	<u>\$ 59,294</u>	<u>\$ 59,294</u>	<u>\$ 59,727</u>	<u>\$ -</u>	<u>\$ 59,727</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	Totals	
									2011	2010
<b>ASSETS</b>										
Cash	\$ 11,204	\$ 4,517	\$ 389,129	\$ 715,216	\$ 6,712	\$ 26,475	\$ 19,873	\$ -	\$ 1,173,126	\$ 614,912
Deferred Compensation Assets:										
Lincoln National Life Insurance Co.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,700	\$ 261,700	\$ 260,757
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,700	\$ 261,700	\$ 2,474,010
Interfund Receivable:										
Current Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Assets</b>	<b>\$ 11,204</b>	<b>\$ 4,517</b>	<b>\$ 389,129</b>	<b>\$ 715,216</b>	<b>\$ 6,712</b>	<b>\$ 26,475</b>	<b>\$ 19,873</b>	<b>\$ 261,700</b>	<b>\$ 1,434,826</b>	<b>\$ 3,088,922</b>
<b>LIABILITIES AND RESERVES</b>										
Interfund Payable:										
Current Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Payable:										
State of New Jersey	\$ -	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11	\$ 11
Other Liabilities and Reserves:										
Net Payroll and Withholdings Payable	\$ 11,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,204	\$ 11,312
Reserve for Dog Expenditures	-	4,506	-	-	-	-	-	-	4,506	2,833
Reserve for Developer's Escrow Deposits	-	-	389,129	-	-	-	-	-	389,129	242,248
Reserve for Employee Benefit Expenditures	-	-	-	-	6,712	-	-	-	6,712	1,567
Reserve for Fire Department/Code Enforcement Penalty Ex	-	-	-	67,377	-	-	-	-	67,377	65,830
Reserve for Parking Offenses Adjudication Act Expenditures:	-	-	-	50,638	-	-	-	-	50,638	47,729
Reserve for Tax Sale Premiums	-	-	-	586,600	-	-	-	-	586,600	184,800
Reserve for Outside Police Employment Expenditures	-	-	-	5,662	-	-	-	-	5,662	4,782
Reserve for April '07 Nor'easter Expenditures	-	-	-	4,939	-	-	-	-	4,939	14,493
Reserve for Downtown Redevelopment Expenditures	-	-	-	-	-	26,475	-	-	26,475	26,454
Reserve for Route 46 Redevelopment Expenditures	-	-	-	-	-	-	19,873	-	19,873	12,853
Reserve for Deferred Compensation Plan	-	-	-	-	-	-	-	261,700	261,700	2,474,010
Total Other Liabilities and Reserves	\$ 11,204	\$ 4,506	\$ 389,129	\$ 715,216	\$ 6,712	\$ 26,475	\$ 19,873	\$ 261,700	\$ 1,434,815	\$ 3,088,911
<b>Total Liabilities and Reserves</b>	<b>\$ 11,204</b>	<b>\$ 4,517</b>	<b>\$ 389,129</b>	<b>\$ 715,216</b>	<b>\$ 6,712</b>	<b>\$ 26,475</b>	<b>\$ 19,873</b>	<b>\$ 261,700</b>	<b>\$ 1,434,826</b>	<b>\$ 3,088,922</b>

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

	2011	2010
<u>ASSETS</u>		
Cash:		
Checking Account - #1	\$ 857,693	\$ 2,335,690
Checking Account - #2	1,877,537	-
Community Development Account	-	3
Green Acres Account	-	1
Railroad Plaza Development Account	-	8,045
	<u>\$ 2,735,230</u>	<u>\$ 2,343,739</u>
Interfund Receivable:		
Current Fund	\$ 2,862	\$ -
Intergovernmental Receivable:		
State of New Jersey - Department of Transportation	\$ 551,694	\$ 515,367
State of New Jersey - Economic Improvement Authority	-	-
State of New Jersey - Department of Environmental Protection	-	-
State of New Jersey - Department of Community Affairs	13,500	13,500
Bergen County Open Space	-	200,000
Bergen County Community Development	883,957	1,102,541
	<u>\$ 1,449,151</u>	<u>\$ 1,831,408</u>
Deferred Charges:		
Funded	\$ 4,392,627	\$ 5,433,531
Unfunded	18,489,762	18,408,562
	<u>\$ 22,882,389</u>	<u>\$ 23,842,093</u>
Total Assets	<u>\$ 27,069,632</u>	<u>\$ 28,017,240</u>
<u>LIABILITIES AND RESERVES</u>		
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 201,245	\$ 140,140
Accrued Interest	-	3,027
Reserve for N.J. Department of Transportation Grants Receivable	121,694	235,366
Reserve for Community Development Block Grants Receivable	82,373	82,373
Reserve for Railroad Plaza	-	2,156
Reserve for Payment of Bonds	565,954	584,966
Reserve for Payment of BAN's	127,202	-
	<u>\$ 1,098,468</u>	<u>\$ 1,048,028</u>
Improvement Authorizations:		
Funded	\$ 1,015,895	\$ 916,951
Unfunded	2,580,732	2,905,000
	<u>\$ 3,596,627</u>	<u>\$ 3,821,951</u>
Serial Bonds Payable	<u>\$ 3,556,000</u>	<u>\$ 4,496,000</u>
Loans Payable	<u>\$ 836,627</u>	<u>\$ 937,531</u>
Bond Anticipation Notes Payable	<u>\$ 17,849,762</u>	<u>\$ 17,708,562</u>
Fund Balance	<u>\$ 132,148</u>	<u>\$ 5,168</u>
Total Liabilities and Reserves	<u>\$ 27,069,632</u>	<u>\$ 28,017,240</u>



**BOROUGH OF LODI**  
**STATEMENT OF GRANTS RECEIVABLE**  
**GENERAL CAPITAL FUND**  
**Year Ended December 31, 2011**

Improvement Description	Balance December 31, 2010	Improvement Authorized	Cash Received	Cancellations & Adjustments	Balance December 31, 2011
<b>State:</b>					
State of N.J. Department of Transportation	\$ 515,367	\$ 150,000	\$ (68,133)	\$ (45,540)	\$ 551,694
State of N.J. Department of Consumer Affairs	13,500	-	-	-	13,500
<b>County:</b>					
Bergen County Community Development	1,102,541	351,105	(569,689)	-	883,957
Bergen County Open Space	200,000	150,000	(240,057)	(109,943)	-
<b>Total Grants Receivable</b>	<b>\$ 1,831,408</b>	<b>\$ 651,105</b>	<b>\$ (877,879)</b>	<b>\$ (155,483)</b>	<b>\$ 1,449,151</b>

**BOROUGH OF LODI**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**GENERAL CAPITAL FUND**  
**Year Ended December 31, 2011**

Improvement Description	Balance December 31, 2010	Authorized	Notes Paid by Budget Appropriation	Deferred Charges Paid by Budget Appropriation	Adjustments	Balance December 31, 2011	Analysis of December 31, 2011 Balance		
							Financed by BANs	B&N Authorized	Deficit Cash Balance
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	\$ 373,000	\$ -	\$ 17,000	\$ -	\$ -	\$ 356,000	\$ 356,000	\$ -	\$ -
#202-23 Route 46 Redevelopment - Phase I	71,000	-	4,000	-	-	67,000	67,000	-	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	183,500	-	9,000	-	-	174,500	174,500	-	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	122,500	-	5,000	-	-	117,500	117,500	-	-
#404-06 Downtown Redevelopment - Phase I (Supplemental #2)	201,500	-	9,000	-	-	192,500	192,500	-	-
#505-19 Downtown Redevelopment - Phase III	534,000	-	12,000	-	-	522,000	522,000	-	-
#505-20 Downtown Redevelopment - Phase IV	911,000	-	13,000	-	-	898,000	898,000	-	-
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	369,000	-	53,000	-	-	316,000	316,000	-	-
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	53,000	-	3,500	-	-	49,500	49,500	-	-
#606-04 SFY 2006 Shade Tree Program	1,800	-	100	-	-	1,700	1,700	-	-
#606-05 Acquisition of Ambulance	47,200	-	6,900	-	-	40,300	40,300	-	-
#606-10 Improvement of Charles Street - Section II	71,000	-	4,500	-	-	66,500	66,500	-	-
#606-11 Removal of Underground Storage Tanks	87,000	-	4,000	-	-	83,000	83,000	-	-
#606-14 Improvements to Municipal Facilities	87,000	-	4,000	-	-	83,000	83,000	-	-
#606-15 Improvements to Kennedy Park	450,000	-	25,000	-	-	425,000	425,000	-	-
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	23,100	-	1,300	-	-	21,800	21,800	-	-
#707-03 Improvement of Garibaldi Avenue	12,300	-	700	-	-	11,600	11,600	-	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	450,000	-	25,000	-	-	425,000	425,000	-	-
#707-05 Improvements to Municipal Facilities	91,700	-	3,300	-	-	88,400	88,400	-	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	229,300	-	8,200	-	-	221,100	221,100	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipment	1,350,000	-	75,000	-	-	1,275,000	1,275,000	-	-
#808-03 Downtown Redevelopment - Phase I (Supplemental)	237,500	-	8,200	-	-	229,300	229,300	-	-
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	475,000	-	25,000	-	-	450,000	450,000	-	-
#808-05 Improvements to Municipal Facilities	95,000	-	3,300	-	-	91,700	91,700	-	-
#808-06 Computer System Upgrades	142,500	-	11,000	-	-	131,500	131,500	-	-
#808-07 Sanitary Sewer System Improvements	190,000	-	2,500	-	-	187,500	187,500	-	-
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	220,000	-	12,000	-	-	208,000	208,000	-	-
#808-09 Downtown Redevelopment - Phase III (Supplemental)	95,000	-	2,000	-	-	93,000	93,000	-	-
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	80,950	-	4,300	-	-	76,650	76,650	-	-
#808-24 Acquisition of New Street Sweeper	190,000	-	22,000	-	-	168,000	168,000	-	-
#909-11 Improvements to Sanitary Sewer System	475,000	-	-	-	-	475,000	475,000	-	-
#909-12 Downtown Redevelopment - Phase V	6,000,000	-	-	-	-	6,000,000	6,000,000	-	-
#909-13 Roof Improvements to Various Municipal Facilities	1,710,000	-	-	-	-	1,710,000	1,710,000	-	-
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Development)	88,712	-	-	-	-	88,712	88,712	-	-
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	237,500	-	-	-	-	237,500	237,500	-	-
#909-16 Downtown Redevelopment - Phase 1 (Supplemental)	237,500	-	-	-	-	237,500	237,500	-	-
#909-19 Improvements to Various Municipal Facilities	95,000	-	-	-	-	95,000	95,000	-	-
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	100,000	-	-	-	-	100,000	100,000	-	-
#2010-03 Improvements to Various Municipal Facilities	95,000	-	-	-	-	95,000	95,000	-	-
#2010-04 Improvements to Sanitary Sewer System	190,000	-	-	-	-	190,000	190,000	-	-
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	95,000	-	-	-	-	95,000	95,000	-	-
#2010-06 2009 Road, Curb & Sidewalk Program (State)	50,000	-	-	-	-	50,000	50,000	-	-
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development)	90,000	-	-	-	-	90,000	90,000	-	-
#2010-12 Refunding Bond Ordinance	800,000	-	185,000	-	-	615,000	615,000	-	-
#2010-28 Improvements to Sanitary Sewer System	425,000	-	-	-	-	425,000	425,000	-	-
#2010-29 Improvements to Various Municipal Facilities	95,000	-	-	-	-	95,000	95,000	-	-
#2010-30 2010 Road, Curb & Sidewalk Program (Community Development)	85,000	-	-	-	-	85,000	85,000	-	-
#2010-31 Acquisition of Various Equipment, Machinery & Vehicles	95,000	-	-	-	-	95,000	95,000	-	-
#2011-07 Improvements to Various Municipal Facilities	-	95,000	-	-	-	95,000	-	95,000	-
#2011-08 CY2011 Road Improvement Program (Community Development)	-	90,000	-	-	-	90,000	-	90,000	-
#2011-09 CY2011 Road Improvement Program (NJDOT)	-	30,000	-	-	-	30,000	-	30,000	-
#2011-10 Acquisition of Vehicles	-	95,000	-	-	-	95,000	-	95,000	-
#2011-11 Acquisition of Equipment	-	95,000	-	-	-	95,000	-	95,000	-
#2011-12 Improvements to Sanitary Sewer System	-	235,000	-	-	-	235,000	-	235,000	-
	<b>\$ 18,408,562</b>	<b>\$ 640,000</b>	<b>\$ 558,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,489,762</b>	<b>\$ 17,849,762</b>	<b>\$ 640,000</b>	<b>\$ -</b>

**BOROUGH OF LODI**  
**STATEMENT OF IMPROVEMENT AUTHORIZATIONS**  
**GENERAL CAPITAL FUND**  
**Year Ended December 31, 2011**

Improvement Description	Ordinance Date	Amount	Balance December 31, 2010		Authorized in 2011				Balance December 31, 2011		
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded	Other	Paid or Charged	Canceled	Funded	Unfunded
#201-16 Storm Water Drainage Improvements to Massey, Prospect and Union	06/18/01	150,000	685	-	-	-	-	-	685	-	-
#202-21 2001 Shade Tree Program	06/17/02	90,000	156	-	-	-	-	-	-	156	-
#303-16 Hamilton Avenue Mini Park Improvements	05/19/03	50,000	48,999	-	-	-	-	999	48,000	-	-
#303-17 Improvement of Kipp Avenue - Phase II	05/19/03	150,000	14,086	-	-	-	-	-	14,086	-	-
#404-04 SFY 2004 Roadway Improvement Program	08/26/03	450,000	19,085	-	-	-	-	1,623	-	17,462	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	08/26/03	150,000	-	42,186	-	-	-	256	-	-	41,930
#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	84	-	-	-	-	84	-	-	-
#505-19 Downtown Redevelopment - Phase III	04/25/05	600,000	-	1,969	-	-	-	128	-	-	1,841
#505-24 Improvement of Memorial Park (Supplemental)	06/24/05	100,000	-	41,769	-	-	-	202	-	-	41,567
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	08/15/05	350,000	-	8,218	-	-	-	8,218	-	-	-
#606-11 Removal of Underground Storage Tanks	09/19/05	100,000	-	75	-	-	-	75	-	-	-
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	10/10/06	350,000	-	21,139	-	-	-	19,654	-	-	1,485
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	10/10/06	500,000	-	2,248	-	-	-	1,121	-	-	1,127
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	08/20/07	500,000	-	365,237	-	-	-	305,249	-	-	59,988
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	10/15/07	350,000	118,208	220,000	-	-	-	311,036	-	-	27,172
#808-09 Downtown Redevelopment - Phase III (Supplemental)	10/15/07	100,000	-	2,685	-	-	-	1,025	-	-	1,660
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	10/15/07	500,000	-	77,239	-	-	-	128	-	-	77,111
#808-24 Acquisition of New Street Sweeper	02/11/08	200,000	-	52,124	-	-	-	43,426	-	-	8,698
#909-11 Improvements to Sanitary Sewer System	03/26/09	500,000	-	10,158	-	-	-	256	-	-	9,902
#909-13 Roof Improvements to Vroius Municipal Facilities	03/26/09	1,800,000	-	688,069	-	-	-	44,412	-	-	643,657
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Development)	03/26/09	450,000	14,065	88,712	-	-	-	128	-	13,937	88,712
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	03/26/09	250,000	11,263	237,501	-	-	-	5,510	-	5,754	237,500
#909-19 Improvements to Various Municipal Facilities	03/26/09	100,000	-	1,181	-	-	-	1,181	-	-	-
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	03/26/09	250,000	111,943	100,000	-	-	-	128	-	111,815	100,000
#2010-03 Improvements to Various Municipal Facilities	08/17/09	100,000	-	5,432	-	-	-	5,432	-	-	-
#2010-04 Improvements to Sanitary Sewer System	08/17/09	200,000	-	38,507	-	-	-	29,822	-	-	8,685
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	08/17/09	100,000	3,813	95,000	-	-	-	51,566	-	-	47,247
#2010-06 2009 Road, Curb & Sidewalk Program (State)	08/17/09	200,000	148,813	50,000	-	-	-	128	-	148,685	50,000
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development)	08/17/09	400,000	59,314	90,000	-	-	-	1,798	-	57,516	90,000
#2010-12 Refunding Bond Ordinance	10/20/09	820,000	-	20,575	-	-	-	669	-	-	19,906
#2010-28 Improvements to Sanitary Sewer System	08/16/10	450,000	-	374,605	-	-	-	137,605	-	-	237,000
#2010-29 Improvements to Various Municipal Facilities	08/16/10	100,000	-	90,371	-	-	-	35,697	-	-	54,674
#2010-30 2010 Road, Curb & Sidewalk Program (Community Development)	08/16/10	450,000	351,112	85,000	-	-	-	206,818	-	144,294	85,000
#2010-31 Acquisition of Various Equipment, Machinery & Vehicles	08/16/10	100,000	4,257	95,000	-	-	-	11,678	-	-	87,579
#2011-07 Improvements to Various Municipal Facilities	08/16/11	100,000	-	-	5,000	95,000	-	931	-	4,069	95,000
#2011-08 CY2011 Road Improvement Program (Community Development)	08/16/11	450,000	-	-	8,895	90,000	351,105	931	-	359,069	90,000
#2011-09 CY2011 Road Improvement Program (NJDOT)	08/16/11	180,000	-	-	-	30,000	150,000	931	-	149,069	30,000
#2011-10 Acquisition of Vehicles	08/16/11	100,000	-	-	5,000	95,000	-	931	-	4,069	95,000
#2011-11 Acquisition of Equipment	08/16/11	100,000	-	-	5,000	95,000	-	83,153	-	-	16,847
#2011-12 Improvements to Sanitary Sewer System	08/16/11	250,000	-	-	15,000	235,000	-	18,556	-	-	231,444
			\$ 916,951	\$ 2,905,000	\$ 38,895	\$ 640,000	\$ 501,105	\$ 1,331,485	\$ 73,839	\$ 1,015,895	\$ 2,580,732

**BOROUGH OF LODI**  
**STATEMENT OF SERIAL BONDS PAYABLE**  
**GENERAL CAPITAL FUND**  
**Year Ended December 31, 2011**

<u>Date of Issue - Purpose</u>	<u>Interest Rate</u>	<u>Amount of Issue</u>	<u>Balance December 31, 2010</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2011</u>
04/15/99 General Improvement Bonds	4.318%	5,431,000	\$ 1,046,000	\$ -	\$ 515,000	\$ 531,000
06/15/05 General Improvement Bonds	Various	3,550,000	3,450,000	-	425,000	3,025,000
			<u>\$ 4,496,000</u>	<u>\$ -</u>	<u>\$ 940,000</u>	<u>\$ 3,556,000</u>

**BOROUGH OF LODI**  
**STATEMENT OF LOANS PAYABLE**  
**GENERAL CAPITAL FUND**  
**Year Ended December 31, 2011**

Date of Issue - Purpose	Interest Rate	Amount of Issue	Balance December 31, 2010	Issued	Paid by Budget Appropriation	Balance December 31, 2011
Environmental Infrastructure Trust	2.00%	\$ 126,252	\$ 54,680	\$ -	\$ 18,600	\$ 36,080
04/8/98 Green Trust Loan (Memorial and Kennedy Parks)	2.00%	490,000	130,628	-	31,688	98,940
02/28/98 Green Trust Loan (Saddle River Park Acquisition)	2.00%	234,007	96,648	-	12,996	83,652
09/21/98 Green Trust Loan (Saddle River Park Development)	2.00%	103,000	43,486	-	5,848	37,638
6/5/06 Green Trust Loan (Memorial Park Impts.)	2.00%	257,500	212,500	-	11,821	200,679
8/27/09 Green Trust Loan (Memorial Park Impts.)	2.00%	231,929	221,107	-	11,039	210,068
10/15/07 Green Trust Loan (Kennedy Park Impts.)	2.00%	200,000	178,482	-	8,912	169,570
			<u>\$ 937,531</u>	<u>\$ -</u>	<u>\$ 100,904</u>	<u>\$ 836,627</u>

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE  
Year Ended December 31, 2011**

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased by		Decreased by			Balance December 31, 2011
							New Cash	Renewal	Budget Appropriation Paydown	Renewal	Grant Received	
<b>No. 10-2R</b>												
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	475,000	06/28/02	3/26/2010	1/14/2011	0.790%	\$ 373,000	\$ -	\$ -	\$ 17,000	\$ 356,000	\$ -	\$ -
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	3/26/2010	1/14/2011	0.790%	71,000	-	-	4,000	67,000	-	-
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	237,500	07/22/02	3/26/2010	1/14/2011	0.790%	183,500	-	-	9,000	174,500	-	-
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	06/25/04	3/26/2010	1/14/2011	0.790%	122,500	-	-	5,000	117,500	-	-
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	3/26/2010	1/14/2011	0.790%	201,500	-	-	9,000	192,500	-	-
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	3/26/2010	1/14/2011	0.790%	534,000	-	-	12,000	522,000	-	-
#505-20 Downtown Redevelopment - Phase IV	600,000	06/03/05	3/26/2010	1/14/2011	0.790%	911,000	-	-	13,000	898,000	-	-
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	04/26/06	3/26/2010	1/14/2011	0.790%	369,000	-	-	53,000	316,000	-	-
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	04/26/06	3/26/2010	1/14/2011	0.790%	53,000	-	-	3,500	49,500	-	-
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	3/26/2010	1/14/2011	0.790%	1,800	-	-	100	1,700	-	-
#606-05 Acquisition of Ambulance	61,000	04/26/06	3/26/2010	1/14/2011	0.790%	47,200	-	-	6,900	40,300	-	-
#606-10 Improvement of Charles Street - Section II	80,000	04/26/06	3/26/2010	1/14/2011	0.790%	71,000	-	-	4,500	66,500	-	-
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	3/26/2010	1/14/2011	0.790%	87,000	-	-	4,000	83,000	-	-
#606-14 Improvements to Municipal Facilities	95,000	04/26/06	3/26/2010	1/14/2011	0.790%	87,000	-	-	4,000	83,000	-	-
#606-15 Improvements to Kennedy Park	700,000	04/26/06	3/26/2010	1/14/2011	0.790%	450,000	-	-	25,000	425,000	-	-
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	01/19/07	3/26/2010	1/14/2011	0.790%	23,100	-	-	1,300	21,800	-	-
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	3/26/2010	1/14/2011	0.790%	12,300	-	-	700	11,600	-	-
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/19/07	3/26/2010	1/14/2011	0.790%	450,000	-	-	25,000	425,000	-	-
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	3/26/2010	1/14/2011	0.790%	91,700	-	-	3,300	88,400	-	-
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	3/26/2010	1/14/2011	0.790%	229,300	-	-	8,200	221,100	-	-
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipme	1,425,000	01/19/07	3/26/2010	1/14/2011	0.790%	1,350,000	-	-	75,000	1,275,000	-	-
#808-03 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/18/08	3/26/2010	1/14/2011	0.790%	237,500	-	-	8,200	229,300	-	-
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/18/08	3/26/2010	1/14/2011	0.790%	475,000	-	-	25,000	450,000	-	-
#808-05 Improvements to Municipal Facilities	95,000	01/18/08	3/26/2010	1/14/2011	0.790%	95,000	-	-	3,300	91,700	-	-
#808-06 Computer System Upgrades	142,500	01/18/08	3/26/2010	1/14/2011	0.790%	142,500	-	-	11,000	131,500	-	-
#808-07 Sanitary Sewer System Improvements	190,000	01/18/08	3/26/2010	1/14/2011	0.790%	190,000	-	-	2,500	187,500	-	-
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	220,000	01/18/08	3/26/2010	1/14/2011	0.790%	220,000	-	-	12,000	208,000	-	-
#808-09 Downtown Redevelopment - Phase III (Supplemental)	95,000	01/18/08	3/26/2010	1/14/2011	0.790%	95,000	-	-	2,000	93,000	-	-
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	80,950	01/18/08	3/26/2010	1/14/2011	0.790%	80,950	-	-	4,300	76,650	-	-
#808-24 Acquisition of New Street Sweeper	190,000	03/26/08	3/26/2010	1/14/2011	0.790%	190,000	-	-	22,000	168,000	-	-
#909-11 Improvements to Sanitary Sewer System	475,000	03/26/09	3/26/2010	1/14/2011	0.790%	475,000	-	-	-	475,000	-	-
#909-13 Roof Improvements to Various Municipal Facilities	1,710,000	03/26/09	3/26/2010	1/14/2011	0.790%	1,710,000	-	-	-	1,710,000	-	-
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Developpr	88,712	03/26/09	3/26/2010	1/14/2011	0.790%	88,712	-	-	-	88,712	-	-
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	237,500	03/26/09	3/26/2010	1/14/2011	0.790%	237,500	-	-	-	237,500	-	-
#909-16 Downtown Redevelopment - Phase 1 (Supplemental)	237,500	03/26/09	3/26/2010	1/14/2011	0.790%	237,500	-	-	-	237,500	-	-
#909-19 Improvements to Various Municipal Facilities	95,000	03/26/09	3/26/2010	1/14/2011	0.790%	95,000	-	-	-	95,000	-	-
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	100,000	03/26/09	3/26/2010	1/14/2011	0.790%	100,000	-	-	-	100,000	-	-
#2010-03 Improvements to Various Municipal Facilities	95,000	01/15/10	3/26/2010	1/14/2011	0.790%	95,000	-	-	-	95,000	-	-
#2010-04 Improvements to Sanitary Sewer System	190,000	01/15/10	3/26/2010	1/14/2011	0.790%	190,000	-	-	-	190,000	-	-
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	95,000	01/15/10	3/26/2010	1/14/2011	0.790%	95,000	-	-	-	95,000	-	-
#2010-06 2009 Road, Curb & Sidewalk Program (State)	50,000	01/15/10	3/26/2010	1/14/2011	0.790%	50,000	-	-	-	50,000	-	-
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development	90,000	01/15/10	3/26/2010	1/14/2011	0.790%	90,000	-	-	-	90,000	-	-
						\$ 10,908,562	\$ -	\$ -	\$ 373,800	\$ 10,534,762	\$ -	\$ -
<b>No. 10-1</b>												
#909-12 Downtown Redevelopment - Phase V	\$ 6,000,000	05/29/09	05/28/10	05/26/11	1.750%	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,000,000	\$ -	\$ -
<b>No. 10-4 R</b>												
#2010-12 Refunding Bond Ordinance	\$ 820,000	12/23/09	12/15/10	12/15/11	1.500%	\$ 800,000	\$ -	\$ -	\$ 185,000	\$ 615,000	\$ -	\$ -
						\$ 17,708,562	\$ -	\$ -	\$ 558,800	\$ 17,149,762	\$ -	\$ -

**BOROUGH OF LODI  
GENERAL CAPITAL FUND  
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE  
Year Ended December 31, 2011**

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased by		Decreased by		Balance December 31, 2011
							New Cash	Renewal	Budget Appropriation Paydown	Renewal	
<b>No. 11-2R</b>											
#201-11 Downtown Redevelopment - Phase I (Soft Costs)	475,000	06/28/02	1/14/2011	1/13/2012	1.750%	\$ -	\$ -	\$ 356,000	\$ -	\$ -	\$ 356,000
#202-23 Route 46 Redevelopment - Phase I	95,000	07/22/02	1/14/2011	1/13/2012	1.750%	-	-	67,000	-	-	67,000
#202-27 Downtown Redevelopment - Phase I (Soft Costs)	237,500	07/22/02	1/14/2011	1/13/2012	1.750%	-	-	174,500	-	-	174,500
#404-05 Route 46 Redevelopment - Phase I (Supplemental)	142,500	06/25/04	1/14/2011	1/13/2012	1.750%	-	-	117,500	-	-	117,500
#404-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	06/25/04	1/14/2011	1/13/2012	1.750%	-	-	192,500	-	-	192,500
#505-19 Downtown Redevelopment - Phase III	570,000	06/03/05	1/14/2011	1/13/2012	1.750%	-	-	522,000	-	-	522,000
#505-20 Downtown Redevelopment - Phase IV	600,000	06/03/05	1/14/2011	1/13/2012	1.750%	-	-	898,000	-	-	898,000
#606-02 SFY 2006 Road, Curb and Sidewalk Improvement Program (Local)	475,000	04/26/06	1/14/2011	1/13/2012	1.750%	-	-	316,000	-	-	316,000
#606-03 SFY 2006 Road, Curb and Sidewalk Improvement Program (CD)	60,000	04/26/06	1/14/2011	1/13/2012	1.750%	-	-	49,500	-	-	49,500
#606-04 SFY 2006 Shade Tree Program	2,000	04/26/06	1/14/2011	1/13/2012	1.750%	-	-	1,700	-	-	1,700
#606-05 Acquisition of Ambulance	61,000	04/26/06	1/14/2011	1/13/2012	1.750%	-	-	40,300	-	-	40,300
#606-10 Improvement of Charles Street - Section II	80,000	04/26/06	1/14/2011	1/13/2012	1.750%	-	-	66,500	-	-	66,500
#606-11 Removal of Underground Storage Tanks	95,000	04/26/06	1/14/2011	1/13/2012	1.750%	-	-	83,000	-	-	83,000
#606-14 Improvements to Municipal Facilities	95,000	04/26/06	1/14/2011	1/13/2012	1.750%	-	-	83,000	-	-	83,000
#606-15 Improvements to Kennedy Park	700,000	04/26/06	1/14/2011	1/13/2012	1.750%	-	-	425,000	-	-	425,000
#707-02 SFY 2007 Road, Curb and Sidewalk Improvement Program (CD)	24,400	01/19/07	1/14/2011	1/13/2012	1.750%	-	-	21,800	-	-	21,800
#707-03 Improvement of Garibaldi Avenue	13,000	01/19/07	1/14/2011	1/13/2012	1.750%	-	-	11,600	-	-	11,600
#707-04 SFY 2007 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/19/07	1/14/2011	1/13/2012	1.750%	-	-	425,000	-	-	425,000
#707-05 Improvements to Municipal Facilities	95,000	01/19/07	1/14/2011	1/13/2012	1.750%	-	-	88,400	-	-	88,400
#707-06 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/19/07	1/14/2011	1/13/2012	1.750%	-	-	221,100	-	-	221,100
#707-11 Acquisition of New Aerial Platform Fire Engine w/Original Equipme	1,425,000	01/19/07	1/14/2011	1/13/2012	1.750%	-	-	1,275,000	-	-	1,275,000
#808-03 Downtown Redevelopment - Phase I (Supplemental)	237,500	01/18/08	1/14/2011	1/13/2012	1.750%	-	-	229,300	-	-	229,300
#808-04 SFY 2008 Road, Curb and Sidewalk Improvement Program (Local)	475,000	01/18/08	1/14/2011	1/13/2012	1.750%	-	-	450,000	-	-	450,000
#808-05 Improvements to Municipal Facilities	95,000	01/18/08	1/14/2011	1/13/2012	1.750%	-	-	91,700	-	-	91,700
#808-06 Computer System Upgrades	142,500	01/18/08	1/14/2011	1/13/2012	1.750%	-	-	131,500	-	-	131,500
#808-07 Sanitary Sewer System Improvements	190,000	01/18/08	1/14/2011	1/13/2012	1.750%	-	-	187,500	-	-	187,500
#808-08 SFY 2008 Road, Curb and Sidewalk Improvement Program (State)	220,000	01/18/08	1/14/2011	1/13/2012	1.750%	-	-	208,000	-	-	208,000
#808-09 Downtown Redevelopment - Phase III (Supplemental)	95,000	01/18/08	1/14/2011	1/13/2012	1.750%	-	-	93,000	-	-	93,000
#808-10 SFY 2008 Road, Curb and Sidewalk Improvement Program (CD)	80,950	01/18/08	1/14/2011	1/13/2012	1.750%	-	-	76,650	-	-	76,650
#808-24 Acquisition of New Street Sweeper	190,000	03/26/08	1/14/2011	1/13/2012	1.750%	-	-	168,000	-	-	168,000
#909-11 Improvements to Sanitary Sewer System	475,000	03/26/09	1/14/2011	1/13/2012	1.750%	-	-	475,000	-	-	475,000
#909-13 Roof Improvements to Various Municipal Facilities	1,710,000	03/26/09	1/14/2011	1/13/2012	1.750%	-	-	1,710,000	-	-	1,710,000
#909-14 SFY 2009 Road, Curb & Sidewalk Program (Community Developpr	88,712	03/26/09	1/14/2011	1/13/2012	1.750%	-	-	88,712	-	-	88,712
#909-15 SFY 2009 Road, Curb & Sidewalk Program (Local)	237,500	03/26/09	1/14/2011	1/13/2012	1.750%	-	-	237,500	-	-	237,500
#909-16 Downtown Redevelopment - Phase 1 (Supplemental)	237,500	03/26/09	1/14/2011	1/13/2012	1.750%	-	-	237,500	-	-	237,500
#909-19 Improvements to Various Municipal Facilities	95,000	03/26/09	1/14/2011	1/13/2012	1.750%	-	-	95,000	-	-	95,000
#909-20 SFY 2009 Road, Curb & Sidewalk Program (State)	100,000	03/26/09	1/14/2011	1/13/2012	1.750%	-	-	100,000	-	-	100,000
#2010-03 Improvements to Various Municipal Facilities	95,000	01/15/10	1/14/2011	1/13/2012	1.750%	-	-	95,000	-	-	95,000
#2010-04 Improvements to Sanitary Sewer System	190,000	01/15/10	1/14/2011	1/13/2012	1.750%	-	-	190,000	-	-	190,000
#2010-05 2009 Road, Curb & Sidewalk Program (Local)	95,000	01/15/10	1/14/2011	1/13/2012	1.750%	-	-	95,000	-	-	95,000
#2010-06 2009 Road, Curb & Sidewalk Program (State)	50,000	01/15/10	1/14/2011	1/13/2012	1.750%	-	-	50,000	-	-	50,000
#2010-07 2009 Road, Curb & Sidewalk Program (Community Development	90,000	01/15/10	1/14/2011	1/13/2012	1.750%	-	-	90,000	-	-	90,000
#2010-28 Improvements to Sanitary Sewer System	425,000	01/14/11	1/14/2011	1/13/2012	1.750%	-	425,000	-	-	-	425,000
#2010-29 Improvements to Various Municipal Facilities	95,000	01/14/11	1/14/2011	1/13/2012	1.750%	-	95,000	-	-	-	95,000
#2010-30 2010 Road, Curb & Sidewalk Program (Community Development	85,000	01/14/11	1/14/2011	1/13/2012	1.750%	-	85,000	-	-	-	85,000
#2010-31 Acquisition of Various Equipment, Machinery & Vehicles	95,000	01/14/11	1/14/2011	1/13/2012	1.750%	-	95,000	-	-	-	95,000
						\$ -	\$ 700,000	\$ 10,534,762	\$ -	\$ -	\$ 11,234,762
<b>No. 11-3R</b>											
#909-12 Downtown Redevelopment - Phase V	\$ 6,000,000	05/29/09	05/26/11	05/25/12	1.700%	\$ -	\$ -	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000
<b>No. 11-4 R</b>											
#2010-12 Refunding Bond Ordinance	\$ 820,000	12/23/09	12/15/11	12/14/12	0.750%	\$ -	\$ -	\$ 615,000	\$ -	\$ -	\$ 615,000
						\$ -	\$ 700,000	\$ 17,149,762	\$ -	\$ -	\$ 17,849,762
						\$ 17,708,562	\$ 700,000	\$ 17,149,762	\$ 558,800	\$ 17,149,762	\$ 17,849,762

**BOROUGH OF LODI**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**GENERAL CAPITAL FUND**  
**Year Ended December 31, 2011**

E-8

Improvement Description	Balance December 31, 2010	Authorized	BANs Issued	Cancelled	Decreased	Balance December 31, 2011
#2010-28 Improvements to Sanitary Sewer System	\$ 425,000		\$ 425,000			\$ -
#2010-29 Improvements to Various Municipal Facilities	95,000		95,000			-
#2010-30 2010 Road, Curb & Sidewalk Program (Community Development)	85,000		85,000			-
#2010-31 Acquisition of Various Equipment, Machinery & Vehicles	95,000		95,000			-
#2011-07 Improvements to Various Municipal Facilities	-	95,000				95,000
#2011-08 CY2011 Road Improvement Program (Community Development)	-	90,000				90,000
#2011-09 CY2011 Road Improvement Program (NJDOT)	-	30,000				30,000
#2011-10 Acquisition of Vehicles	-	95,000				95,000
#2011-11 Acquisition of Equipment	-	95,000				95,000
#2011-12 Improvements to Sanitary Sewer System	-	235,000				235,000
	<u>\$ 700,000</u>	<u>\$ 640,000</u>	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 640,000</u>



**BOROUGH OF LODI**  
**STATEMENT OF ASSETS AND RESERVES (Statutory Basis)**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
**Year Ended December 31, 2011**

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	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Land	\$ 11,179,200	\$ 11,179,200
Land Improvements	344,800	344,800
Buildings	6,185,450	6,185,450
Machinery and Equipment	5,503,607	5,503,607
Underground Equipment	21,475	21,475
	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>
<u>RESERVES</u>		
Reserve for General Fixed Assets	<u>\$ 23,234,532</u>	<u>\$ 23,234,532</u>

BOROUGH OF LODI

NJ Comprehensive Annual Financial Report

Statistical Section

**BOROUGH OF LODI**  
**Adopted Budgets**  
**(Unaudited)**

	2011	2010	TY 2009
<u>CURRENT FUND</u>			
<u>REVENUES</u>			
Fund Balance	\$ 1,600,000	\$ 1,600,000	\$ 56,119
Miscellaneous Revenues	6,069,107	5,995,297	3,967,262
Receipts From Delinquent Taxes	-	310,000	-
Amount to be Raised by Taxation - Local	16,826,241	17,251,268	8,187,475
Amount to be Raised by Taxation - Library	732,780	-	-
Total Revenues	<u>\$ 25,228,128</u>	<u>\$ 25,156,565</u>	<u>\$ 12,210,856</u>
<u>APPROPRIATIONS</u>			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 9,868,500	\$ 9,546,200	\$ 4,708,071
Other Expenses	7,637,298	7,474,860	5,238,852
Deferred Charges and Statutory Expenditures	2,124,573	1,753,561	382,500
Excluded From "CAPS":			
Operations:			
Salaries and Wages	-	-	-
Other Expenses	3,189,530	3,500,267	1,456,661
Capital Improvements	100,000	100,000	100,000
Municipal Debt Service	2,208,227	2,181,677	174,421
Deferred Charges	-	-	-
Judgments	-	-	12,500
Reserve for Uncollected Taxes	100,000	600,000	137,851
Total Appropriations	<u>\$ 25,228,128</u>	<u>\$ 25,156,565</u>	<u>\$ 12,210,856</u>

**BOROUGH OF LODI**  
**Ten Largest Taxpayers by Assessment**  
**(Unaudited)**

Taxpayer	2011 Assessed Valuation	As a Percent of Total 2011 Net Valuations \$ 1,952,221,656
1. Cedar Wright Gardens (8 Properties)	\$ 36,652,800	1.88%
2. Vornado Realty Trust (2 Properties)	20,879,700	1.07%
3. Parker Properties c/o The Home Depot (3 Properties)	16,766,600	0.86%
4. Rothman, Leonard & Mildred (2 Properties)	13,154,700	0.67%
5. Vornado Lodi Delaware LLC (3 Properties)	12,415,400	0.64%
6. Lodi Market, LLC	11,345,700	0.58%
7. Kmart Corp. Tax Department	10,973,400	0.56%
8. 240 Associates c/o David F. Bolger	8,000,000	0.41%
9. Vista Garden Associates, LLC (2 Properties)	7,790,900	0.40%
10. McCain Ellio's Foods, Inc.	7,280,500	0.37%
	\$ 145,259,700	

**BOROUGH OF LODI**  
**Tax Levy and Collection Data**  
**(Unaudited)**

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	<u>2011</u>	<u>2010</u>	<u>TY 2009</u>	<u>SFY 2009</u>	<u>SFY 2008</u>
Total Tax Levy	<u>\$ 59,702,675</u>	<u>\$ 57,473,612</u>	<u>\$ 27,708,519</u>	<u>\$ 55,266,054</u>	<u>\$ 54,494,788</u>
Current Tax Collections	<u>\$ 59,580,463</u>	<u>\$ 57,394,145</u>	<u>\$ 26,967,075</u>	<u>\$ 55,120,268</u>	<u>\$ 54,240,351</u>
Percent of Tax Levy Collected	<u>99.80%</u>	<u>99.86%</u>	<u>97.32%</u>	<u>99.74%</u>	<u>99.53%</u>

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

J-4

Description	2011		2010		2009		2008		2007	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
Net Valuations Taxable:										
Vacant Land	72	\$ 9,104,300	73	\$ 9,257,200	78	\$ 6,849,400	79	\$ 7,274,700	83	\$ 12,173,700
Residential	4442	1,415,542,300	4443	1,418,646,900	4436	1,416,454,300	4440	1,416,914,100	4426	1,410,476,800
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	303	263,238,000	302	262,212,400	305	263,971,900	309	267,186,800	309	253,309,900
Industrial	112	124,065,300	112	124,511,800	114	131,949,300	114	131,949,300	115	134,837,300
Apartments	<u>93</u>	<u>136,957,600</u>	<u>92</u>	<u>136,831,600</u>	<u>92</u>	<u>136,929,100</u>	<u>92</u>	<u>137,836,600</u>	<u>91</u>	<u>137,552,000</u>
Sub-Total	5022	1,948,907,500	5022	1,951,459,900	5025	1,956,154,000	5034	1,961,161,500	5024	1,948,349,700
Personal Property		<u>3,314,156</u>		<u>3,965,260</u>		<u>2,068,996</u>		<u>2,042,681</u>		<u>1,840,005</u>
Net Valuations Taxable		<u>1,952,221,656</u>		<u>1,955,425,160</u>		<u>1,958,222,996</u>		<u>1,963,204,181</u>		<u>1,950,189,705</u>
County Equalization Adjustment		257,570,655		429,437,233		543,017,102		482,436,119		391,892,452
County Equalized Valuation		<u>\$ 2,209,792,311</u>		<u>\$ 2,384,862,393</u>		<u>\$ 2,501,240,098</u>		<u>\$ 2,445,640,300</u>		<u>\$ 2,342,082,157</u>
County Equalization Ratio		<u>88.93%</u>		<u>82.53%</u>		<u>78.78%</u>		<u>80.78%</u>		<u>83.79%</u>
Average Residential Assessment		<u>\$ 318,672</u>		<u>\$ 319,299</u>		<u>\$ 319,309</u>		<u>\$ 319,125</u>		<u>\$ 318,680</u>
Total County Equalized Valuations		<u>\$ 173,258,537,441</u>		<u>\$ 183,412,099,706</u>		<u>\$ 187,580,071,463</u>		<u>\$ 182,767,512,263</u>		<u>\$ 172,863,500,734</u>
Municipal Percentage										
County Equalized Valuations		<u>1.28%</u>		<u>1.30%</u>		<u>1.33%</u>		<u>1.34%</u>		<u>1.35%</u>

**BOROUGH OF LODI**  
**Tax Rate Data**  
**(Unaudited)**

	2011	2010	2009	2008	2007
Net Valuations Taxable	\$ 1,952,221,656	\$ 1,955,425,160	\$ 1,958,222,996	\$ 1,963,204,181	\$ 1,950,189,705
<b>TAX REQUIREMENTS</b>					
County	\$ 4,526,722	\$ 4,538,528	\$ 4,534,510	\$ 4,264,738	\$ 4,010,583
County Open Space	55,245	59,622	250,124	244,564	234,208
Local School	37,687,755	35,615,525	33,109,897	32,600,375	32,197,863
Municipal - Local	16,826,241	17,251,268	17,291,197	17,615,984	16,842,440
Municipal - Library	732,780	-	-	-	-
Total	\$ 59,828,743	\$ 57,464,943	\$ 55,185,728	\$ 54,725,661	\$ 53,285,094
<b>TAX RATES</b>					
County	0.232	0.233	0.232	0.218	0.206
County Open Space	0.003	0.003	0.013	0.013	0.010
Local School	1.931	1.821	1.691	1.661	1.651
Municipal - Local	0.861	0.882	0.883	0.898	0.873
Municipal - Library	0.038	-	-	-	-
Total	3.065	2.939	2.819	2.790	2.740

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

	2011	2010	TY 2009	SFY 2009	SFY 2008
Serial Bonds:					
Principal	\$ 940,000	\$ 1,145,000	\$ -	\$ 1,725,000	\$ 1,575,000
Interest	159,750	202,881	113,687	286,367	341,273
Notes:					
Principal	788,800	283,500	-	265,000	89,500
Interest	200,000	429,746	-	219,525	261,917
Loans:					
Principal	100,904	99,656	43,993	78,328	68,848
Interest	18,772	20,894	16,741	18,739	17,197
Sub-Total Debt Service	\$ 2,208,226	\$ 2,181,677	\$ 174,421	\$ 2,592,959	\$ 2,353,735
Less Revenue Off-Sets	(100,000)	-	-	-	-
Net Debt Service	\$ 2,108,226	\$ 2,181,677	\$ 174,421	\$ 2,592,959	\$ 2,353,735
Total Current Fund Budget Appropriations	\$ 25,228,128	\$ 25,156,565	\$ 12,210,856	\$ 25,287,478	\$ 24,331,781
Ratio of Debt Service to Current Fund Budget Appropriations	<u>8.36%</u>	<u>8.67%</u>	<u>1.43%</u>	<u>10.25%</u>	<u>9.67%</u>



**BOROUGH OF LODI**  
**Direct and Overlapping Debt**  
**(Unaudited)**

**DIRECT DEBT**

	December 31, 2011	December 31, 2010	December 31, 2009	June 30, 2009	June 30, 2008	June 30, 2007
Municipal Debt (Net)	\$ 21,574,233	\$ 22,457,127	\$ 22,762,428	\$ 22,784,241	\$ 14,544,820	\$ 13,388,826
Local School Debt	740,000	1,105,000	1,455,000	1,455,000	1,785,000	2,105,000
	<u>\$ 22,314,233</u>	<u>\$ 23,562,127</u>	<u>\$ 24,217,428</u>	<u>\$ 24,239,241</u>	<u>\$ 16,329,820</u>	<u>\$ 15,493,826</u>

**OVERLAPPING DEBT**

	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006
<b>(1) County Debt:</b>						
Municipal Equalized Valuations	\$ 2,209,792,311	\$ 2,384,862,393	\$ 2,501,240,098	\$ 2,445,640,300	\$ 2,342,082,157	\$ 2,069,742,996
Total County Equalized Valuations	\$ 173,258,537,441	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626
	1.28%	1.30%	1.33%	1.34%	1.35%	1.34%
X's Outstanding County Debt	1,209,730,830	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268	825,597,736
	<u>\$ 15,484,555</u>	<u>\$ 16,227,555</u>	<u>\$ 15,142,122</u>	<u>\$ 14,774,486</u>	<u>\$ 14,684,723</u>	<u>\$ 11,063,010</u>

**(2) Passaic Valley Sewerage Authority Debt**

Municipal Sewer Flow Charges	\$ 1,524,254	\$ 1,552,420	\$ 1,525,632	\$ 1,465,106	\$ 1,434,906	\$ 1,367,245
Total Flow Charges	\$ 129,883,667	\$ 129,963,014	\$ 127,525,062	\$ 125,403,855	\$ 121,388,216	\$ 118,930,095
	1.17%	1.19%	1.20%	1.17%	1.18%	1.15%
X's Outstanding Debt	339,880,368	355,234,494	305,533,465	293,890,682	305,405,498	316,172,356
	<u>\$ 3,976,600</u>	<u>\$ 4,227,290</u>	<u>\$ 3,666,402</u>	<u>\$ 3,438,521</u>	<u>\$ 3,603,785</u>	<u>\$ 3,635,982</u>

**DEBT LIMIT - MUNICIPAL DEBT**

Equalized Valuation Basis	\$ 2,205,940,647	\$ 2,351,342,268	\$ 2,423,856,737	\$ 2,402,224,264	\$ 2,256,079,114	\$ 2,042,779,832
Permitted Debt Limitation (3 1/2%)	77,207,923	82,296,979	84,834,986	84,077,849	78,962,769	71,497,294
Net Debt	21,574,233	22,457,127	22,762,428	22,784,241	14,544,820	13,388,826
Remaining Borrowing Power	<u>\$ 55,633,690</u>	<u>\$ 59,839,852</u>	<u>\$ 62,072,558</u>	<u>\$ 61,293,608</u>	<u>\$ 64,417,949</u>	<u>\$ 58,108,468</u>

**DEBT LIMIT - SCHOOL DEBT**

Equalized Valuation Basis	\$ 2,205,940,647	\$ 2,351,342,268	\$ 2,423,856,737	\$ 2,402,224,264	\$ 2,256,079,114	\$ 2,042,779,832
Permitted Debt Limitation (4%)	88,237,626	94,053,691	96,954,269	96,088,971	90,243,165	81,711,193
Net Debt	740,000	1,105,000	1,455,000	1,455,000	1,785,000	2,105,000
Remaining Borrowing Power	<u>\$ 87,497,626</u>	<u>\$ 92,948,691</u>	<u>\$ 95,499,269</u>	<u>\$ 94,633,971</u>	<u>\$ 88,458,165</u>	<u>\$ 79,606,193</u>

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

	2011	2010	TY 2009	SFY 2009	SFY 2008
Population	24,295	24,166	23,766	23,766	23,705
County Equalized Valuation	\$ 2,209,792,311	\$ 2,384,862,393	\$ 2,501,240,098	\$ 2,445,640,300	\$ 2,342,082,157
Gross Debt	\$ 23,622,389	\$ 24,947,093	\$ 26,145,249	\$ 24,849,241	\$ 18,478,130
Gross Debt Per Capita	\$ 972	\$ 1,032	\$ 1,100	\$ 1,046	\$ 780
Ratio of Gross Debt to County Equalized Valuations	1.07%	1.05%	1.05%	1.02%	0.79%
Net Debt	\$ 21,574,233	\$ 22,457,127	\$ 22,762,428	\$ 22,784,241	\$ 14,544,820
Ratio of Net Debt to County Equalized Valuations	0.98%	0.94%	0.91%	0.93%	0.62%
Net Debt per Capita	\$ 888	\$ 929	\$ 958	\$ 959	\$ 614

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

	2011	2010	TY 2009	SFY 2009	SFY 2008
Total Tax Levy	\$ 59,702,675	\$ 57,473,612	\$ 27,708,519	\$ 55,266,054	\$ 54,494,788
Current Tax Collections	\$ 59,580,463	\$ 57,394,145	\$ 26,967,075	\$ 55,120,268	\$ 54,240,351
% of Tax Levy Collected	<u>99.80%</u>	<u>99.86%</u>	<u>97.32%</u>	<u>99.74%</u>	<u>99.53%</u>
Tax Title Liens	\$ 194,485	\$ 100,572	\$ 292,868	\$ 284,219	\$ 258,175
Delinquent Taxes	30,373	16,723	685,244	2,183	2,634
Total Delinquent	\$ 224,858	\$ 117,295	\$ 978,112	\$ 286,402	\$ 260,809
Tax Levy	\$ 59,702,675	\$ 57,473,612	\$ 27,708,519	\$ 55,266,054	\$ 54,494,788
% of Delinquencies to Tax Levy	<u>0.38%</u>	<u>0.20%</u>	<u>3.53%</u>	<u>0.52%</u>	<u>0.48%</u>
Foreclosed Property: Assessed Valuation	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247	\$ 18,247

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

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	<u>2011</u>	<u>2010</u>	<u>TY 2009</u>	<u>SFY 2009</u>	<u>SFY 2008</u>	<u>SFY 2007</u>
Foreclosed Property:						
Assessed Valuation	<u>\$ 18,247</u>	<u>\$ 18,247</u>	<u>\$ 18,247</u>	<u>\$ 18,247</u>	<u>\$ 18,247</u>	<u>\$ 18,247</u>

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

	December 31, 2011	December 31, 2010	December 31, 2009	June 30, 2009	June 30, 2008
Current Fund Balance Year End	\$ 3,678,956	\$ 3,497,161	\$ 1,966,726	\$ 1,354,518	\$ 1,210,656
Utilized in Budget of Succeeding Year	\$ 1,036,000	\$ 1,600,000	\$ 1,600,000	\$ 56,119	\$ 325,000
Percentage Utilized	28.16%	45.75%	81.35%	4.14%	26.84%

BOROUGH OF LODI

NJ Comprehensive Annual Financial Report

Single Audit Section

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

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

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

We have audited the financial statements of the Borough of Lodi in the County of Bergen, State of New Jersey, as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 30, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Lodi prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

***Di Maria & Di Maria LLP***

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

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

**Compliance and Other Matters**

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

We noted certain other matters that we reported to management of the Borough of Lodi, New Jersey in a separate letter dated June 30, 2012.

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

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

*Frank Di Maria*

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

June 30, 2012



**BOROUGH OF LODI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE**  
**Year Ended December 31, 2011**

K-3

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period		Balance December 31, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2011	Deferred Revenue December 31, 2011	Due to Grantor December 31, 2011
			From	To									
<b>Federal and State Grant Fund</b>													
FEMA Firefighter's Grant - Federal		\$ 142,560	1/1/2010	12/31/2010	\$ (142,560)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (142,560)	\$ -	\$ -
FEMA Firefighter's Grant - Local		15,840	1/1/2010	12/31/2010	847	-	-	(524)	-	-	-	323	-
U.S. Immigration & Customs Enforcement Asset Sharing		176,490	1/1/2010	12/31/2010	165,600	-	-	(115,277)	-	-	-	50,323	-
<b>Total Federal Financial Assistance</b>					<b>\$ 23,887</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(115,801)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(142,560)</b>	<b>\$ 50,646</b>	<b>\$ -</b>

\*Denotes Major Program

**BOROUGH OF LODI**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**Year Ended December 31, 2011**

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period From	To	Balance December 31, 2010	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2011	Deferred Revenue December 31, 2011	Due to Grantor December 31, 2011
State of New Jersey, Department of Health --													
2011 Alcohol, Education, Rehabilitation and Enforcement Fund (Trust)	046-760-4240	1,257	1/1/2011	12/31/2011	\$ -	\$ -	\$ 1,257	\$ -	\$ -	\$ -	\$ -	\$ 1,257	\$ -
2010 Alcohol, Education, Rehabilitation and Enforcement Fund (Trust)	046-760-4240	743	1/1/2010	12/31/2010	743	-	-	-	-	-	-	743	-
SFY 2005 Alcohol, Education, Rehabilitation and Enforcement Fund (Trust)	046-760-4240	-	7/1/2004	6/30/2005	11,514	-	-	(180)	-	-	-	11,334	-
2010 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		12,157	1/1/2010	12/31/2010	(12,157)	-	-	-	-	-	(12,157)	-	-
State Share		12,157	1/1/2010	12/31/2010	12,157	-	-	-	-	-	-	12,157	-
Local Share		3,040	1/1/2010	12/31/2010	3,040	-	-	-	-	-	-	3,040	-
SFY 2009 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		13,500	7/1/2008	6/30/2009	(12,933)	-	3,268	-	-	-	(9,665)	-	-
State Share		13,500	7/1/2008	6/30/2009	22,415	-	-	(5,822)	-	-	-	16,593	-
SFY 2008 Municipal Alliance on Alcoholism & Drug Abuse:													
State Share		13,500	7/1/2007	6/30/2008	(2,350)	-	2,350	-	-	-	-	-	-
State of New Jersey, Department of Environmental Protection --													
2011 Clean Communities Program:													
Salaries and Wages	042-765-6010	1,500	Non-Expiring		-	-	1,500	(1,500)	-	-	-	-	-
Other Expenses	042-765-6010	31,020	Non-Expiring		-	-	31,020	(4,252)	-	-	-	26,768	-
2010 Clean Communities Program:													
Other Expenses	042-765-6010	29,770	Non-Expiring		2,000	-	-	(2,000)	-	-	-	-	-
2011 Recycling Tonnage Grant	042-752-6020	-	Non-Expiring		-	-	17,370	(17,370)	-	-	-	-	-
2010 Recycling Tonnage Grant	042-752-6020	28,792	Non-Expiring		28,792	-	-	(28,792)	-	-	-	-	-
State of New Jersey, Department of Community Affairs --													
CMPTRA													
LEA Rebates		53,286	1/1/2011	12/31/2011	-	-	53,286	(53,286)	-	-	-	-	-
Smart Future Grant		50,000	7/1/2009	12/31/2009	(45,000)	-	-	-	-	-	(45,000)	-	-
Smart Future Grant		50,000	7/1/2009	12/31/2009	50,000	-	-	-	-	-	-	50,000	-
State of New Jersey, Department of Treasury --													
Energy Receipts Tax	082-100-6020	1,434,778	1/1/2011	12/31/2011	-	-	1,434,778	(1,434,778)	-	-	-	-	-
Veterans & Senior Citizens	082-495-6020	259,828	1/1/2011	12/31/2011	-	-	259,828	(259,828)	-	-	-	-	-
State of New Jersey, Department of Law and Public Safety --													
2011 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,208	1/1/2011	12/31/2011	-	-	2,208	-	-	-	-	2,208	-
Other Expenses		2,207	1/1/2011	12/31/2011	-	-	2,207	-	-	-	-	2,207	-
2010 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,463	1/1/2010	12/31/2010	2,463	-	-	-	-	-	-	2,463	-
Other Expenses		2,463	1/1/2010	12/31/2010	2,463	-	-	-	-	-	-	2,463	-
SFY 2008 Drunk Driving Enforcement Fund:													
Salaries and Wages		2,800	7/1/2007	6/30/2008	1,086	-	-	-	-	-	-	1,086	-
SFY 2005 Drunk Driving Enforcement Fund:													
Salaries and Wages			7/1/2004	6/30/2005	8,392	-	-	(5,021)	-	-	-	3,371	-
2011 Click It or Ticket		4,000	1/1/2011	12/31/2011	-	-	4,000	(4,000)	-	-	-	-	-
2010 You Drink, You Drive, You Lose		5,000	1/1/2010	12/31/2010	(5,000)	-	5,000	-	-	-	-	-	-
2010 You Drink, You Drive, You Lose		5,000	1/1/2010	12/31/2010	3,000	-	-	(3,000)	-	-	-	-	-
2011 Division of Criminal Justice Body Armor Fund		3,733	1/1/2011	12/31/2011	-	-	3,733	-	-	-	-	3,733	-
2010 Division of Criminal Justice Body Armor Fund		1,526	1/1/2010	12/31/2010	1,526	-	-	-	-	-	-	1,526	-
SFY 2008 Division of Criminal Justice Body Armor Fund		4,526	7/1/2007	6/30/2008	1,718	-	-	-	-	-	-	1,718	-
2011 B.C. Prosecutor Confiscated Funds		73,456	1/1/2011	12/31/2011	-	-	25,451	(25,451)	-	-	(48,006)	48,006	-
SFY 2008 B.C. Prosecutor Confiscated Funds		30,934	7/1/2007	6/30/2008	(18,043)	-	-	-	18,043	-	-	-	-
SFY 2008 B.C. Prosecutor Confiscated Funds		30,934	7/1/2007	6/30/2008	18,046	-	-	-	(18,046)	-	-	-	-
SFY 2005 Safe Streets to Schools Program			7/1/2004	6/30/2005	(35,406)	-	-	-	-	-	(35,406)	-	-
SFY 2005 Safe Streets to Schools Program			7/1/2004	6/30/2005	31,807	-	-	-	-	-	-	31,807	-
					\$ 70,273	\$ -	\$ 2,342,022	\$ (2,340,046)	\$ (3)	\$ -	\$ (150,234)	\$ 222,480	\$ -

\*Denotes Major Program

**BOROUGH OF LODI**  
**NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE**  
**Year Ended December 31, 2011**

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**Note 1 - General**

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

**Note 2 - Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**BOROUGH OF LODI**  
**NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE**  
**Year Ended December 31, 2011**

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

Organization

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

Basis of Accounting

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

Current Fund Grants -

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

Trust Fund and Capital Fund Grants -

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

Local Contributions

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

Expenditures

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

Expenditures per Financial Reports

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from January 1, 2011 to December 31, 2011.

**BOROUGH OF LODI**  
**NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE**  
**Year Ended December 31, 2011**

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

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

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

The municipality did not have any federal and state loans outstanding at of December 31, 2011.

**Note 6 - Contingencies**

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

**BOROUGH OF LODI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2011**

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

Financial Statements

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

**BOROUGH OF LODI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2011**

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

Federal Awards

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

1. Internal control over major programs:
  - a. Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
  - b. Reportable condition(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes \_\_\_\_\_ none reported
2. Type of auditors' report issued on compliance for major programs: \_\_\_\_\_
3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes \_\_\_\_\_ no
4. Identification of major programs:
 

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
5. Dollar threshold used to distinguish between type A and type B programs: \_\_\_\_\_
6. Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

**BOROUGH OF LODI  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended December 31, 2011**

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

State Awards

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

1. Internal control over major programs:
  - a. Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
  - b. Reportable condition(s) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes \_\_\_\_\_ none reported
2. Type of auditors' report issued on compliance for major programs: \_\_\_\_\_
3. Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? \_\_\_\_\_ yes \_\_\_\_\_ no
4. Identification of major programs:
 

<u>Program Number(s)</u>	<u>Name of State Program or Cluster</u>
5. Dollar threshold used to distinguish between type A and type B programs: \_\_\_\_\_
6. Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no



**BOROUGH OF LODI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2011**

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**Section II -- Financial Statement Findings**

2011-01      Condition: The municipality failed to comply with D.L.G.S. Technical Accounting Directive #85-2 (N.J.A.C. 5:30-5.6) which requires the implementation and continued maintenance of a fixed asset accounting system.

Criteria: Technical Accounting Directive #85-2 (N.J.A.C. 5:30-5.6).

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

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

Recommendation: That a fixed asset accounting system be implemented in accordance with Technical Accounting Directive #85-2 (N.J.A.C. 5:30-5.6).

**BOROUGH OF LODI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2011**

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

Current Year

Federal Awards:

None

State Awards:

None

**BOROUGH OF LODI**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended December 31, 2011**

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<u>Finding</u>	<u>Status</u>
CY 2010-01	Condition continues to exist.

BOROUGH OF LODI

NJ Comprehensive Annual Financial Report

General Comments and Recommendations Section

**BOROUGH OF LODI**  
**GENERAL COMMENTS AND RECOMMENDATIONS**  
**Year Ended December 31, 2011**

---

**General**

1. Miscellaneous non-tax billings were not made timely, nor were related accounts receivable records maintained.\*
2. Developer/Escrow accounts were not reviewed periodically for excess/deficit balances.

**BOROUGH OF LODI**  
**GENERAL COMMENTS AND RECOMMENDATIONS**  
**Year Ended December 31, 2011**

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**Cash Cycle**

None

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
Year Ended December 31, 2011**

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**Revenues/Cash Receipts Cycles**

Treasurer

None

Tax Collector

None

Municipal Clerk

None

Recreation Department

None

Fire Official

None

Construction Code Official

None

Registrar of Vital Statistics

None

Police Department

None

**BOROUGH OF LODI**  
**GENERAL COMMENTS AND RECOMMENDATIONS**  
**Year Ended December 31, 2011**

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**Expenditures/Cash Disbursement Cycles**

1. The encumbrance system was not utilized in the General Capital Fund in accordance with Technical Accounting Directive #85-1 (N.J.A.C. 5:30-5.2).



**BOROUGH OF LODI**  
**GENERAL COMMENTS AND RECOMMENDATIONS**  
**Year Ended December 31, 2011**

---

**Payroll Cycle**

1. The payroll account was not maintained on an imprest basis.\*
2. The payroll account was not reconciled on a monthly basis.\*
3. The Borough did not report taxable compensation to applicable employees for non-qualified, non-personal use vehicles.

**BOROUGH OF LODI**  
**GENERAL COMMENTS AND RECOMMENDATIONS**  
**Year Ended December 31, 2011**

---

**Fixed Assets**

1. A fixed asset accounting system was not maintained in accordance with Technical Accounting Directive #85-2 (N.J.A.C. 5:30-5.6).\*

**BOROUGH OF LODI**  
**GENERAL COMMENTS AND RECOMMENDATIONS**  
**Year Ended December 31, 2011**

---

**Recommendations**

1. That the payroll account be reconciled monthly, and maintained on an imprest basis.\*
2. That a fixed asset accounting system be maintained in accordance with Technical Accounting Directive #85-2 (N.J.A.C. 5:30-5.6).\*
3. That controls procedures be implemented to ensure the timeliness of miscellaneous non-tax municipal billings, and the maintenance of related accounts receivable records.\*
4. That an encumbrance system be utilized in the General Capital Fund in accordance with Technical Accounting Directive #85-1 (N.J.A.C. 5:30-5.2).
5. That Developer/Escrow accounts be reviewed for excess/deficit balances on a monthly basis, and cleared of record accordingly.
6. That applicable employee's taxable compensation include automobile fringe benefits in accordance with U.S. Treasury Regulations.

**BOROUGH OF LODI  
GENERAL COMMENTS AND RECOMMENDATIONS  
Year Ended December 31, 2011**

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**Status of Prior Years' Recommendations**

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

\*\*\*\*\*

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

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

*Frank Di Maria*

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

June 30, 2012