

**BOROUGH OF BERLIN
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR 2011**

BOROUGH OF BERLIN
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BOROUGH OF BERLIN
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Berlin
Berlin, New Jersey 08009

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Borough of Berlin, in the County of Camden, State of New Jersey as of December 31, 2011 and 2010, and the related statements of operations and changes in fund balance-- regulatory basis for the years then ended, and the related statement of revenues-- regulatory basis, statement of expenditures-- regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2011. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 in compliance with audit requirements as 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. 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 described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

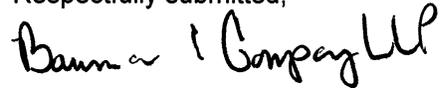
In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Berlin, in the County of Camden, 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 assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Borough of Berlin, in the County of Camden, State of New Jersey, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance-- regulatory basis of such funds for the years then ended, and the revenues-- regulatory basis, expenditures-- regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2011 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.

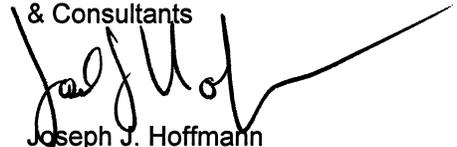
In accordance with Government Auditing Standards, we have also issued our report dated July 11, 2012 on our consideration of the Borough of Berlin, in the County of Camden, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, 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 financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements as a whole. The supplemental financial statements 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, and are not a required part of the basic financial statements. The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 11, 2012

**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**

The Honorable Mayor and
Members of the Borough Council
Borough of Berlin
Berlin, New Jersey 08009

We have audited the financial statements (regulatory basis) of the Borough of Berlin, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated July 11, 2012, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Borough of Berlin is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

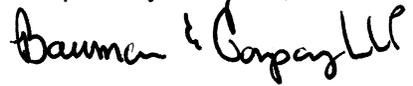
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

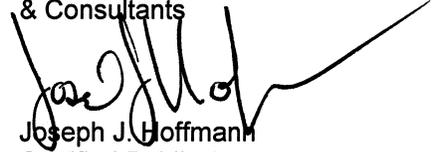
As part of obtaining reasonable assurance about whether the Borough of Berlin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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.

This report is intended solely for the information and use of the management of the Borough, others within the Borough, the Division of Local Government Services, Department of Community Affairs and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 11, 2012

BOROUGH OF BERLIN
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
Regular Fund:			
Cash	SA-1	\$ 1,555,482.74	\$ 2,983,644.36
Cash--Change Funds	SA-3	<u>200.00</u>	<u>200.00</u>
		<u>1,555,682.74</u>	<u>2,983,844.36</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	486,874.82	293,673.95
Tax Title Liens Receivable	SA-10	3,453.23	14,416.31
Revenue Accounts Receivable	SA-5	20,442.38	18,016.34
Due from Federal and State Grant Fund	A	27,317.66	
Due from Trust Other Fund	SB-5	<u>932.31</u>	<u>988.57</u>
		<u>539,020.40</u>	<u>327,095.17</u>
Deferred Charges:			
Special Emergency Authorizations	SA-6	<u>138,000.00</u>	<u>186,000.00</u>
		<u>2,232,703.14</u>	<u>3,496,939.53</u>
Federal and State Grant Fund:			
Due from Current Fund	A		72,971.61
Federal and State Grants Receivable	SA-19	<u>99,205.11</u>	<u>67,417.11</u>
		<u>99,205.11</u>	<u>140,388.72</u>
		<u>\$ 2,331,908.25</u>	<u>\$ 3,637,328.25</u>

(Continued)

BOROUGH OF BERLIN

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

As of December 31, 2011 and 2010

	<u>Ref.</u>	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3; SA-8	\$ 248,044.19	\$ 92,319.10
Reserve for Encumbrances	A-3; SA-8	56,079.67	16,237.37
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-7	13,694.59	14,635.43
State Training Fees	SA-9	1,058.00	1,028.00
Prepaid Taxes	SA-11	248,602.07	207,522.85
Reserve for Revision of Tax Map	A	15,000.00	15,000.00
Reserve for Revaluation of Real Property	SA-18	29,184.90	42,115.90
Reserve for Sale of Municipal Assets	A	10,300.00	10,300.00
Contracts Payable	SA-1		32,507.60
Due County for Added and Omitted Taxes	SA-13	18,317.92	66,883.19
Local District School Taxes Payable	SA-15	311,697.00	271,710.00
Regional High School Taxes Payable	SA-17	39,484.59	1,272.52
Due Library	SA-1	329.00	
Due to Water Utility Operating Fund	A		221,097.84
Due to Water Utility Capital Fund	A		650,000.00
Due to Open Space Trust Fund	B-1	451.61	1,147.84
Due to Federal and State Grant Fund	A		72,971.61
Due to General Capital Fund	SC-9		191,542.11
		<u>992,243.54</u>	<u>1,908,291.36</u>
Reserves for Receivables and Other Assets	A	539,020.40	327,095.17
Fund Balance	A-1	<u>701,439.20</u>	<u>1,261,553.00</u>
		<u>2,232,703.14</u>	<u>3,496,939.53</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-20	1,863.32	36,398.91
Appropriated Reserves	SA-21	69,534.33	56,549.08
Due Current Fund	A	27,317.66	
Reserve for Encumbrances	SA-1; SA-21	489.80	3,189.00
Reserve for Contracts Payable	SA-1		44,251.73
		<u>99,205.11</u>	<u>140,388.72</u>
		<u>\$ 2,331,908.25</u>	<u>\$ 3,637,328.25</u>

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

BOROUGH OF BERLIN
CURRENT FUND
 Statements of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 780,000.00	\$ 55,000.00
Miscellaneous Revenues Anticipated	1,644,690.43	1,971,310.68
Receipts from Delinquent Taxes	305,251.49	346,902.27
Receipts from Current Taxes	19,819,459.11	19,776,445.59
Non-Budget Revenue	108,663.98	218,115.66
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	74,501.97	193,050.39
Liquidation of Reserve for:		
Due Trust Other Fund	56.26	34,862.43
Due Animal Control Fund		257.89
Due Sewer Utility Operating Fund		9,668.00
	<hr/>	<hr/>
Total Income	22,732,623.24	22,605,612.91
<u>Expenditures</u>		
Budget Appropriations:		
Within "CAPS":		
Operations -- Salaries and Wages	2,253,382.34	2,295,225.77
Operations -- Other Expenses	1,987,921.68	1,785,287.89
Deferred Charges and Statutory Expenditures	661,237.00	390,657.00
Excluded from "CAPS":		
Operations -- Salaries and Wages	174,441.17	178,467.13
Operations -- Other Expenses	129,713.01	316,770.93
Capital Improvements--Excluded from "CAPS"	70,000.00	25,000.00
Municipal Debt Service--Excluded from "CAPS"	1,026,100.89	1,013,366.65
Deferred Charges--Municipal--Excluded from "CAPS"	48,000.00	48,000.00
Transfer to Local School Districts	42,889.00	45,918.00
Regional High School Tax	3,504,202.35	3,427,034.21
Local District School Tax	6,803,048.00	6,763,013.00
Municipal Open Space Tax	155,789.61	83,118.38
County Taxes	5,606,094.61	5,330,973.65
Due County for Added and Omitted Taxes	18,317.92	66,883.19
Creation of Reserve for:		
Due Federal and State Grant Fund	27,317.66	
Prior Year Property Tax Deductions Disallowed	354.19	2,000.00
Refund of Prior Year Revenues	3,927.61	2,273.58
	<hr/>	<hr/>
Total Expenditures	22,512,737.04	21,773,989.38
Excess in Revenues	219,886.20	831,623.53
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	-
	<hr/>	<hr/>
Statutory Excess to Fund Balance	219,886.20	831,623.53
<u>Fund Balance</u>		
Balance Jan. 1	1,261,553.00	484,929.47
	<hr/>	<hr/>
Decreased by:	1,481,439.20	1,316,553.00
Utilized as Revenue	780,000.00	55,000.00
	<hr/>	<hr/>
Balance Dec. 31	\$ 701,439.20	\$ 1,261,553.00

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

BOROUGH OF BERLIN
CURRENT FUND
 Statement of Revenues--Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A: 4-87</u>		
Fund Balance Anticipated	\$ 780,000.00	-	\$ 780,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	9,000.00		11,440.00	\$ 2,440.00
Other	53,000.00		58,865.24	5,865.24
Fees and Permits	37,000.00		36,001.00	(999.00)
Fines and Costs -- Municipal Court	132,000.00		131,359.76	(640.24)
Interest and Costs on Taxes	75,000.00		96,886.92	21,886.92
Interest on Investments and Deposits	6,000.00		13,402.78	7,402.78
Payment in Lieu of Taxes -- Virtua hospital	20,000.00		20,000.00	
Payment in Lieu of Taxes -- Jet Associates	21,000.00		17,948.34	(3,051.66)
Rental of Borough Property:				
U.S. Post Office	4,000.00		6,188.37	2,188.37
131 South White Horse Pike	2,000.00			(2,000.00)
Bell Telephone / Verizon Rental	50,000.00		51,939.62	1,939.62
Cable T.C. Co.	20,000.00		20,736.00	736.00
Nextel	50,000.00		52,522.09	2,522.09
69 South White Horse Pike	9,000.00		10,800.00	1,800.00
Consolidated Municipal Property Tax Relief Act	70,676.00		70,676.00	
Energy Receipts Taxes	626,021.00		626,021.00	
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	130,000.00		83,606.00	(46,394.00)
Special Items of General Revenue Anticipated with Prior Written Consent of the Director of the Division of Local Government Services:				
State and Federal Revenue Off-Set with Appropriations:				
Clean Communities Grant		\$ 12,340.02	12,340.02	
Safe and Secure Communities Program-P.L. 1993, Chapter 220	54,456.00		54,456.00	
Recycling Tonnage Grant	8,129.54	8,407.20	16,536.74	
Drunk Driving Enforcement Fund	3,709.12	2,887.20	6,596.32	
Municipal Alliance on Alcoholism and Drug Abuse	7,637.00		7,637.00	
Body Armor Replacement Grant		1,919.25	1,919.25	
Volunteer Firefighter Assistance Grant		7,336.00	7,336.00	
Other Special Items:				
Uniform Fire Safety Act	45,000.00		62,257.12	17,257.12
Sewer Utility Operating Surplus of Prior Year	75,000.00		75,000.00	
Cable TV Franchise Fee	63,544.00		92,218.86	28,674.86
	<u>1,572,172.66</u>	<u>32,889.67</u>	<u>1,644,690.43</u>	<u>39,628.10</u>
Receipts from Delinquent Taxes	<u>290,000.00</u>	<u>-</u>	<u>305,251.49</u>	<u>15,251.49</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	<u>4,356,026.90</u>	<u>-</u>	<u>4,169,367.47</u>	<u>(186,659.43)</u>
Budget Totals	<u>6,998,199.56</u>	<u>32,889.67</u>	<u>6,899,309.39</u>	<u>(131,779.84)</u>
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>108,663.98</u>	<u>108,663.98</u>
	<u>\$ 6,998,199.56</u>	<u>\$ 32,889.67</u>	<u>\$ 7,007,973.37</u>	<u>\$ (23,115.86)</u>

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2011

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 19,819,459.11
Allocated to County, School, and Open Space Taxes	16,087,452.49

Amount for Support of Municipal Budget Appropriations	3,732,006.62
Add: Appropriation "Reserve for Uncollected Taxes"	437,360.85

Amount for Support of Municipal Budget Appropriations	\$ 4,169,367.47
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 293,528.04
Due from State - Senior Citizen and Veteran Deductions	500.00
Tax Title Lien Collections	11,223.45

\$ 305,251.49

Fees and Permits--Other:

Clerk	\$ 8,821.00
Searches for Municipal Improvements	80.00
Planning	5,790.00
Zoning	2,420.00
Police	1,920.00
Registrar of Vital Statistics	16,970.00

\$ 36,001.00

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Receipts -- Treasurer:

Senior Citizen and Veteran Administrative Fee	\$ 1,981.08
Refund of Prior Year Expenditures	3,861.23
DMV Inspection Fees	658.50
Federal Emergency Management Reimbursement	18,960.78
Camp Fees	21,120.00
Police Outside Service Administrative Fees	1,765.00
Copy Fees	533.00
Sale of Municipal Assets	582.75
Sale of Trash Cans	2,080.00
Community Center Fees	14,980.00
Cancellation of Outstanding Checks	185.59
Miscellaneous	4,375.83
Rental Income -- PNC	900.00

\$ 71,983.76

Receipts -- Collector:

Tax Search Fees	645.00
PILOT Program -- 294 S. White Horse Pike	10,705.43
PILOT Program -- Lonaconing	20,700.37
Duplicate Tax Bills	295.00

32,345.80

Due From Trust Other Fund:

Cancellation of Reserve for Recreation	1,184.00
Cancellation of Reserve for Ambulance Hall	2,865.42
Cancellation of Reserve for Elections	285.00

4,334.42

\$ 108,663.98

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

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government</u>						
Mayor and Council						
Salaries and Wages	\$ 7,450.00	\$ 7,450.00	\$ 7,404.28		\$ 45.72	
Other Expenses	4,625.00	8,625.00	3,615.70	\$ 4,072.00	937.30	
Administrative and Executive						
Salaries and Wages	40,208.76	40,508.76	39,928.04		580.72	
Other Expenses	34,525.00	33,225.00	31,733.03	162.54	1,329.43	
Financial Administration						
Salaries and Wages	44,582.21	44,832.21	44,795.77		36.44	
Other Expenses	24,475.00	21,225.00	18,109.77		3,115.23	
Audit Services						
Other Expenses	23,000.00	23,000.00	23,000.00			
Engineering Services						
Other Expenses	15,500.00	20,500.00	18,469.87		2,030.13	
Collection of Taxes						
Salaries and Wages	30,800.00	30,800.00	30,722.62		77.38	
Other Expenses	9,900.00	9,900.00	8,236.88	498.35	1,164.77	
Public Employees' Award Program (NJSA 40A:9-8) (NJSA 40A:5-31)						
Other Expenses	1,400.00	1,400.00	729.95		670.05	
Assessment of Taxes						
Salaries and Wages	9,900.00	10,200.00	10,156.62		43.38	
Other Expenses	2,275.00	3,475.00	2,764.17	665.46	45.37	
Municipal Court						
Salaries and Wages	63,431.86	68,331.86	68,189.76		142.10	
Other Expenses	6,200.00	5,000.00	4,296.58		703.42	
Legal Services and Costs						
Other Expenses	150,200.00	139,900.00	96,110.95	34,521.20	9,267.85	
Economic Development Committee						
Salaries and Wages	1,320.00	1,320.00	990.00		330.00	
Other Expenses	750.00	750.00			750.00	
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board						
Salaries and Wages	1,320.00	1,320.00	1,100.00		220.00	
Other Expenses	10,000.00	10,000.00	8,526.94	771.78	701.28	
Zoning Enforcement Officer						
Salaries and Wages	14,100.00	14,500.00	14,465.01		34.99	
Other Expenses	250.00	250.00	190.00		60.00	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2011

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>General Government (Cont'd)</u>						
Insurance						
Opt-out Payments	\$ 7,038.60	\$ 7,938.60	\$ 7,917.60		\$ 21.00	
Workers Compensation	60,200.00	62,400.00	62,303.35		96.65	
Other Insurance	85,400.00	83,200.00	80,635.15		2,564.85	
Unemployment Compensation Insurance	17,500.00	17,500.00	15,514.06		1,985.94	
Group Insurance for Employees	534,180.95	553,680.95	492,615.27		11,065.68	\$ 50,000.00
<u>Public Safety</u>						
Police						
Salaries and Wages	1,535,669.05	1,524,069.05	1,332,337.72		56,731.33	135,000.00
Other Expenses:						
Leasing of Vehicles	43,271.73	43,271.73	43,238.87		32.86	
Miscellaneous Other Expenses	48,850.00	48,850.00	41,097.60	\$ 2,154.84	5,597.56	
Fire						
Aid to Volunteer Fire Company	27,000.00	27,000.00	27,000.00			
Miscellaneous Other Expenses	58,300.00	58,300.00	56,618.79	1,604.25	76.96	
Aid to Volunteer Ambulance/Emergency Squad						
Other Expenses	31,824.00	31,824.00	31,200.00		624.00	
Public Defender						
Other Expenses	5,900.00	5,900.00	5,402.84	491.16	6.00	
Uniform Fire Safety Act (P.L. 1983 CH 383):						
Fire						
Salaries and Wages	50,000.00	50,000.00	49,442.24		557.76	
Other Expenses	6,100.00	6,100.00	4,578.02	1,170.92	351.06	
Emergency Management Services						
Salaries and Wages	5,400.00	5,500.00	5,463.64		36.36	
Other Expenses	1,425.00	1,425.00	835.36	14.94	574.70	
Municipal Prosecutor						
Other Expenses	12,500.00	12,500.00	11,458.34	1,041.66		
<u>Streets and Roads</u>						
Road Repairs and Maintenance						
Salaries and Wages	115,500.00	113,200.00	104,412.55		8,787.45	
Other Expenses	34,350.00	34,350.00	18,162.49	268.56	10,918.95	5,000.00
Public Buildings and Grounds						
Salaries and Wages	61,175.96	62,175.96	58,626.91		3,549.05	
Other Expenses	57,200.00	61,200.00	58,237.34	947.63	2,015.03	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2011

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Streets and Roads</u>						
Garbage and Trash Collection						
Salaries and Wages	\$ 182,150.09	\$ 180,150.09	\$ 166,023.04		\$ 9,127.05	\$ 5,000.00
Other Expenses	13,350.00	13,350.00	12,992.49		357.51	
Vehicle and Equipment Maintenance						
Other Expenses	64,770.00	64,770.00	58,067.45	\$ 6,668.32	34.23	
Garage Operations						
Salaries and Wages	119,785.81	114,985.81	98,830.48		11,155.33	5,000.00
<u>Health and Welfare</u>						
Board of Health						
Salaries and Wages	7,800.00	8,100.00	8,078.59		21.41	
Other Expenses	800.00	800.00	606.50		193.50	
<u>Recreation and Education</u>						
Senior Citizen Coordinator						
Salaries and Wages	1,900.00	1,900.00	1,807.38		92.62	
Other Expenses	12,500.00	12,500.00	9,243.42		3,256.58	
Animal Control						
Other Expenses	5,000.00	1,000.00			1,000.00	
Parks and Playgrounds						
Salaries and Wages	13,500.00	13,500.00	11,926.03		1,573.97	
Other Expenses	22,500.00	22,500.00	15,950.09		6,549.91	
Expense of Participation in Free Public Library						
Salaries and Wages	41,100.00	41,100.00	37,489.84		3,610.16	
Other Expenses	3,750.00	3,750.00	3,103.38	133.88	512.74	
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	8,250.00	8,250.00	4,500.00		3,750.00	
<u>Uniform Construction Code -- Appropriations Offset</u>						
<u>by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Official						
Salaries and Wages	51,200.00	51,200.00	49,861.44		1,338.56	
Other Expenses	5,650.00	4,650.00	2,189.00		2,461.00	
Sub-Code Officials:						
Fire						
Salaries and Wages	2,500.00	5,300.00	4,999.96		300.04	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"(CONT'D)</u>						
<u>Unclassified</u>						
Electricity	\$ 52,400.00	\$ 51,400.00	\$ 40,952.39		\$ 10,447.61	
Water Service	7,000.00	8,300.00	8,260.90		39.10	
Sewer Service	5,200.00	5,200.00	4,874.85		325.15	
Telephone	24,700.00	29,500.00	28,172.65	\$ 242.18	1,085.17	
Gas / Fuel Oil	14,500.00	16,000.00	14,498.14		1,501.86	
Trash Disposal	274,200.00	268,700.00	248,665.30	650.00	19,384.70	
Street Lighting	104,700.00	103,700.00	92,326.74		11,373.26	
Gasoline / Motor Fuel	92,800.00	103,800.00	100,154.21		3,645.79	
	<u>4,427,004.02</u>	<u>4,441,304.02</u>	<u>3,964,208.35</u>	<u>56,079.67</u>	<u>221,016.00</u>	<u>\$ 200,000.00</u>
Detail:						
Salaries and Wages	2,407,832.34	2,398,382.34	2,154,969.52	-	98,412.82	145,000.00
Other Expenses (Including Contingent)	2,019,171.68	2,042,921.68	1,809,238.83	56,079.67	122,603.18	55,000.00
	<u>2,019,171.68</u>	<u>2,042,921.68</u>	<u>1,809,238.83</u>	<u>56,079.67</u>	<u>122,603.18</u>	<u>55,000.00</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Police and Firemen's Retirement System of N.J.	402,682.00	402,682.00	402,682.00			
Public Employees Retirement System	55,155.00	55,155.00	55,155.00			
Social Security System (O.A.S.I.)	218,000.00	203,400.00	191,264.26		12,135.74	
	<u>218,000.00</u>	<u>203,400.00</u>	<u>191,264.26</u>		<u>12,135.74</u>	
Total Deferred Charges and Statutory Expenditures Within--"CAPS"	<u>675,837.00</u>	<u>661,237.00</u>	<u>649,101.26</u>	<u>-</u>	<u>12,135.74</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within--"CAPS"	<u>5,102,841.02</u>	<u>5,102,541.02</u>	<u>4,613,309.61</u>	<u>56,079.67</u>	<u>233,151.74</u>	<u>200,000.00</u>
<u>OPERATIONS-- EXCLUDED FROM "CAPS"</u>						
Insurance						
Employee Group Health	59,944.00	59,944.00	59,944.00			
Solid Waste Disposal						
Recycling Tax (P.L. 2007, c. 311)	9,500.00	9,500.00	6,019.56		3,480.44	
Storm Water Management						
Salaries and Wages	25,344.85	25,644.85	25,642.66		2.19	
Other Expenses	12,000.00	12,000.00	3,090.18		8,909.82	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS-- EXCLUDED FROM "CAPS" (CONT'D)</u>						
State and Federal Programs Off-set by Revenues:						
Municipal Alliance on Alcoholism and Drug Abuse						
Other Expenses	\$ 7,637.00	\$ 7,637.00	\$ 7,637.00			
Recycling Tonnage Grant						
Other Expenses (NJSA 40A:4-87 \$8,407.20)	8,129.54	16,536.74	16,536.74			
Clean Communities Grant						
Road Repairs and Maintenance						
Other Expenses (NJSA 40A:4-87 \$12,340.02)		12,340.02	12,340.02			
Drunk Driving Enforcement Grant						
Salaries and Wages (NJSA 40A:4-87 \$2,887.20)	3,709.12	6,596.32	6,596.32			
Body Armor Replacement Grant						
Other Expenses (NJSA 40A:4-87 \$1,919.25)		1,919.25	1,919.25			
Volunteer Firefighter Assistance Grant						
Other Expenses (NJSA 40A:4-87 \$7,336.00)		7,336.00	7,336.00			
Safe and Secure Communities Program:						
Salaries and Wages	142,200.00	142,200.00	142,200.00			
Matching Funds for Grants	2,500.00	2,500.00			\$ 2,500.00	
Total Operations--Excluded from "CAPS"	<u>270,964.51</u>	<u>304,154.18</u>	<u>289,261.73</u>	-	<u>14,892.45</u>	-
Detail:						
Salaries and Wages	171,253.97	174,441.17	174,438.98	-	2.19	-
Other Expenses	99,710.54	129,713.01	114,822.75	-	14,890.26	-
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	<u>70,000.00</u>	<u>70,000.00</u>	<u>70,000.00</u>			
Total Capital Improvements--Excluded from "CAPS"	<u>70,000.00</u>	<u>70,000.00</u>	<u>70,000.00</u>	-	-	-

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 647,000.00	\$ 647,000.00	\$ 647,000.00			
Interest on Bonds	333,616.12	333,616.12	333,616.10			\$ 0.02
Interest on Notes	13,060.00	13,060.00	13,016.74			43.26
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	32,468.06	32,468.06	32,468.05			0.01
	<u>1,026,144.18</u>	<u>1,026,144.18</u>	<u>1,026,100.89</u>	<u>-</u>	<u>-</u>	<u>43.29</u>
<u>DEFERRED CHARGES--MUNICIPAL-- EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations--5 Year	48,000.00	48,000.00	48,000.00			
	<u>48,000.00</u>	<u>48,000.00</u>	<u>48,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TRANSFERRED TO BOARD OF EDUCATION FOR USE OF LOCAL SCHOOLS (NJSA 40:48-17.1 & 17.3)</u>						
	<u>42,889.00</u>	<u>42,889.00</u>	<u>42,889.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>1,457,997.69</u>	<u>1,491,187.36</u>	<u>1,476,251.62</u>	<u>-</u>	<u>\$ 14,892.45</u>	<u>43.29</u>
Subtotal General Appropriations	6,560,838.71	6,593,728.38	6,089,561.23	\$ 56,079.67	248,044.19	200,043.29
Reserve for Uncollected Taxes	437,360.85	437,360.85	437,360.85	-	-	-
Total	<u>\$ 6,998,199.56</u>	<u>\$ 7,031,089.23</u>	<u>\$ 6,526,922.08</u>	<u>\$ 56,079.67</u>	<u>\$ 248,044.19</u>	<u>\$ 200,043.29</u>
Adopted Budget		\$ 6,998,199.56				
Appropriation by NJSA 40A:4-87		<u>32,889.67</u>				
		<u>\$ 7,031,089.23</u>				
Disbursed			\$ 5,898,322.70			
Refunds			(51,326.80)			
Reserve for Uncollected Taxes			437,360.85			
Reserve for Federal and State Grants Appropriated			194,565.33			
Deferred Charges -- Special Emergency Appropriation			<u>48,000.00</u>			
			<u>\$ 6,526,922.08</u>			

BOROUGH OF BERLIN
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Animal Control Fund:			
Cash	SB-1	\$ 7,474.64	\$ 19.92
Open Space Fund:			
Cash	SB-1	141,345.03	46,442.83
Due from Current Fund	B-1;SB-1	451.61	1,147.84
		<u>141,796.64</u>	<u>47,590.67</u>
Other Funds:			
Cash -- Treasurer	SB-1	983,174.13	932,512.38
Cash -- Collector	SB-2	56,600.00	119,076.00
Police Outside Services Receivable	SB-1;SB-6	8,067.50	6,080.00
Due from Developers	SB-6	3,172.89	1,705.96
Due from Camden County Community Development	SB-4	29,467.59	29,117.00
		<u>1,080,482.11</u>	<u>1,088,491.34</u>
		<u>\$ 1,229,753.39</u>	<u>\$ 1,136,101.93</u>

(Continued)

BOROUGH OF BERLIN
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Animal Control Fund:			
Due to State of New Jersey	SB-1	\$ 189.00	
Reserve for Encumbrances	SB-3	1,385.00	
Reserve for Animal Control Fund Expenditures	SB-3	5,900.64	\$ 19.92
		<u>7,474.64</u>	<u>19.92</u>
Open Space Fund:			
Reserve for Future Use	B-1;B-2	141,796.64	47,590.67
Other Funds:			
Reserve for Recreation Facilities	SB-6	81,371.73	79,371.73
Reserve for Student Exchange Program	SB-6		1,184.00
Reserve for Parking Offenses Adjudication Act	SB-6	498.10	404.10
Reserve for Ambulance Hall	SB-6		2,865.42
Reserve for Election	SB-6		285.00
Reserve for Payroll Deductions Payable	SB-6	33,523.41	28,077.59
Reserve for Affordable Housing	SB-6	588,692.62	586,362.61
Reserve for COAH Fees	SB-6	5,017.50	5,017.50
Reserve for Developers' Escrow Deposits	SB-6	104,562.16	120,011.86
Reserve for Premiums Received at Tax Sale	SB-6	56,600.00	119,076.00
Reserve for Recycling Funds	SB-6	43,043.33	9,467.01
Reserve for Community Development Block Grant	SB-6	18,957.74	17,990.67
Reserve for Bid Bonds	SB-6	470.00	12,120.00
Reserve for Security Deposits	SB-6	3,340.00	3,340.00
Reserve for Encumbrances	SB-6	4,131.63	3,269.50
Reserve for Public Defender	SB-6	4,905.38	1,894.88
Reserve for Performance Bonds	SB-6	123,661.72	86,196.52
Reserve for Investigation Fund	SB-6	77.00	327.00
Reserve for Fire Safety	SB-6	6,191.50	5,491.50
Reserve for Police Donation	SB-6	1,480.00	1,480.00
Reserve for Special Law Enforcement	SB-6	3,025.98	3,269.88
Due Current Fund	SB-5	932.31	988.57
		<u>1,080,482.11</u>	<u>1,088,491.34</u>
		<u>\$ 1,229,753.39</u>	<u>\$ 1,136,101.93</u>

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

BOROUGH OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2011

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess <u>(Deficit)</u>
Amount to be Raised by Taxation	\$ 155,338.00	\$ 155,789.61	\$ 451.61
Budget Totals	155,338.00	155,789.61	451.61
Non-Budget Revenue	-	263.36	263.36
	<u>\$ 155,338.00</u>	<u>\$ 156,052.97</u>	<u>\$ 714.97</u>
 <u>Analysis of Realized Revenues</u>			
Analysis of Current Tax Collections:			
Receipts:			
Open Space Tax Levy	\$ 155,338.00		
Added / Omitted Taxes	<u>451.61</u>		
		<u>\$ 155,789.61</u>	
 <u>Analysis of Realized Revenues</u>			
Interest on Investments and Deposits		<u>\$ 263.36</u>	

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

BOROUGH OF BERLIN
 TRUST -- MUNICIPAL OPEN SPACE FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operating:						
Salaries and Wages	\$ 77,100.00	\$ 77,100.00	\$ 61,847.00			\$ 15,253.00
Other Expenses	<u>5,000.00</u>	<u>5,000.00</u>				<u>5,000.00</u>
Total Operating	<u>82,100.00</u>	<u>82,100.00</u>	<u>61,847.00</u>	-	-	<u>20,253.00</u>
Reserve for Future Use	<u>73,238.00</u>	<u>73,238.00</u>	-	-	-	<u>73,238.00</u>
Total Open Space Appropriations	<u><u>\$ 155,338.00</u></u>	<u><u>\$ 155,338.00</u></u>	<u><u>\$ 61,847.00</u></u>	<u>-</u>	<u>-</u>	<u><u>\$ 93,491.00</u></u>
Disbursed			\$ 61,847.00			
Reimbursed			<u>-</u>			
			<u><u>\$ 61,847.00</u></u>			

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

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Cash	SC-1	\$ 799,033.72	\$ 642,711.63
Due from State of New Jersey	SC-4	166,000.00	280,000.00
Due from Current Fund	SC-9		191,542.11
Due from Sewer Utility Operating Fund	SC-1		6,189.12
Due from Sewer Utility Capital Fund	SC-1		106,800.57
Deferred Charges to Future Taxation:			
Funded	SC-3	7,851,199.31	8,523,643.46
Unfunded	SC-5	1,258,150.00	652,650.00
		<u>\$ 10,074,383.03</u>	<u>\$ 10,403,536.89</u>
 <u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
General Serial Bonds	SC-10	\$ 7,519,119.00	\$ 8,166,119.00
Bond Anticipation Notes	SC-11	1,258,150.00	652,650.00
Green Acres Loan Payable	SC-12	332,080.31	357,524.46
Improvement Authorizations:			
Funded	SC-7	430,426.83	511,434.57
Unfunded	SC-7	156,094.86	63,885.88
Contracts Payable	SC-8	281,053.98	309,253.98
Reserve For Encumbrances	SC-1; SC-7	38,695.05	13,137.50
Due to Water Utility Capital Fund	SC-1		308,868.50
Capital Improvement Fund	SC-6	58,446.00	20,346.00
Fund Balance	C	317.00	317.00
		<u>\$ 10,074,383.03</u>	<u>\$ 10,403,536.89</u>

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

BOROUGH OF BERLIN
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash -- Treasurer	SD-1	\$ 736,806.32	\$ 49,379.23
Due From Current Fund	SD-1		221,097.84
Due From Water Utility Capital Fund	SD-1		395,652.84
		<u>736,806.32</u>	<u>666,129.91</u>
Receivables with Full Reserves:			
Water Rents Receivable	SD-4	293,230.75	314,718.48
Fire Hydrant and Sprinkler Rents Receivable	SD-5	33,502.69	22,006.80
		<u>326,733.44</u>	<u>336,725.28</u>
Total Operating Fund		<u>1,063,539.76</u>	<u>1,002,855.19</u>
Capital Fund:			
Cash -- Treasurer	SD-1	776,878.26	254,901.87
Due From General Capital Fund	SD-1		308,868.50
Due From Current Fund	SD-1		650,000.00
Due From NJ Environmental Infrastructure	SD-11		379,217.00
Fixed Capital	SD-9	17,653,817.93	13,955,302.93
Fixed Capital Authorized and Uncompleted	SD-8	2,479,530.00	6,178,045.00
Total Capital Fund		<u>20,910,226.19</u>	<u>21,726,335.30</u>
		<u>\$ 21,973,765.95</u>	<u>\$ 22,729,190.49</u>

(Continued)

BOROUGH OF BERLIN
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2011 and 2010

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Liabilities:			
Water Rent Overpayments	SD-6	\$ 7,324.88	\$ 9,380.04
Reserve for Encumbrances	D-3; SD-7	67,705.65	68,345.61
Due to Sewer Utility Operating Fund	SD-1		7,414.62
Appropriation Reserves	D-3; SD-7	94,973.45	114,611.44
Accrued Interest on Bonds and Notes	SD-10	54,891.49	61,591.77
		<hr/>	<hr/>
		224,895.47	261,343.48
Reserve for Receivables	D	326,733.44	336,725.28
Fund Balance	D-1	511,910.85	404,786.43
		<hr/>	<hr/>
Total Operating Fund		1,063,539.76	1,002,855.19
Capital Fund:			
Serial Bonds	SD-14	2,809,881.00	3,234,881.00
New Jersey Environmental Trust Loan	SD-15	2,759,526.55	3,155,443.50
Due to Water Utility Operating Fund	SD-1		395,652.84
Improvement Authorizations:			
Funded	SD-11	405,954.90	1,109,952.88
Unfunded	SD-11	354,844.53	354,844.53
Capital Improvement Fund	D	2,530.71	2,530.71
Reserve for Payment of Debt	SD-11	432,874.53	116,273.13
Contracts Payable	D	521,344.00	521,344.00
Reserve for Encumbrances	SD-1; SD-11	9,329.59	42,389.28
Reserve for Amortization	SD-12	13,491,091.38	12,670,174.43
Deferred Reserve for Amortization	SD-13	122,849.00	122,849.00
		<hr/>	<hr/>
Total Capital Fund		20,910,226.19	21,726,335.30
		<hr/>	<hr/>
		\$ 21,973,765.95	\$ 22,729,190.49

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

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Revenue and Other</u>		
<u>Income Realized</u>		
Operating Surplus Anticipated	\$ 363,000.00	\$ 401,000.00
Water Rents	2,513,135.05	2,370,936.42
Fire Hydrant and Sprinkler Service	395,355.04	398,417.44
Miscellaneous	23,120.16	85,755.50
Reserve for Payment of Debt		116,000.00
Other Credits to Income:		
Cancellation of Overpayments	1,000.83	
Unexpended Balance of Appropriation Reserves	112,700.49	129,244.06
	<u>3,408,311.57</u>	<u>3,501,353.42</u>
Total Income		
<u>Expenditures</u>		
Operating	2,057,488.81	2,069,000.00
Debt Service	770,998.34	937,241.85
Deferred Charges and Statutory Expenditures	109,700.00	124,090.00
	<u>2,938,187.15</u>	<u>3,130,331.85</u>
Total Expenditures		
Excess (Deficit) in Revenue	470,124.42	371,021.57
Adjustments to Income Before Fund Balance	-	-
	<u>470,124.42</u>	<u>371,021.57</u>
Statutory Excess to Fund Balance		
<u>Fund Balance</u>		
Balance Jan. 1	404,786.43	509,764.86
	874,910.85	880,786.43
Decreased by:		
Utilized as Revenue in Current Fund		75,000.00
Utilized as Revenue in Water Utility Fund	363,000.00	401,000.00
	<u>511,910.85</u>	<u>404,786.43</u>
Balance Dec. 31	<u>\$ 511,910.85</u>	<u>\$ 404,786.43</u>

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

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 363,000.00	\$ 363,000.00	
Water Rents	2,200,000.00	2,513,135.05	\$ 313,135.05
Fire Hydrant and Sprinkler Service	350,000.00	395,355.04	45,355.04
Miscellaneous	<u>53,101.14</u>	<u>23,120.16</u>	<u>(29,980.98)</u>
	<u>\$ 2,966,101.14</u>	<u>\$ 3,294,610.25</u>	<u>\$ 328,509.11</u>

Analysis of Realized Revenues

Water Rents Receivable:

Collector:

Rent Collections

\$ 2,503,634.91

Lien Collections

174.09

Overpayments Applied

9,326.05

\$ 2,513,135.05

Fire Hydrant and Sprinkler Service:

Collector:

Collections

\$ 395,163.29

Overpayments Applied

191.75

\$ 395,355.04

Miscellaneous:

Receipts:

Treasurer:

Interest on Deposits

\$ 1,820.26

Collector:

Interest on Delinquent Accounts

\$ 13,232.62

Turn-On Charges

2,209.44

Radio Read Charges

2,400.00

Miscellaneous

1,850.26

Return Check Fee

60.00

Refund of Prior Year Expenditure

47.58

Connection Fees

1,500.00

21,299.90

\$ 23,120.16

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

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2011

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 456,938.81	\$ 456,938.81	\$ 438,426.67		\$ 18,512.14	
Other Expenses	<u>1,600,550.00</u>	<u>1,600,550.00</u>	<u>1,458,236.18</u>	<u>\$ 67,705.65</u>	<u>74,608.17</u>	
Total Operating	<u>2,057,488.81</u>	<u>2,057,488.81</u>	<u>1,896,662.85</u>	<u>67,705.65</u>	<u>93,120.31</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	425,000.00	425,000.00	425,000.00			
Interest on Bonds	123,058.11	123,058.13	123,058.13			
Interest on Notes	3,000.00	3,000.00				\$ 3,000.00
Principal and Interest on Loans	<u>247,854.22</u>	<u>247,854.20</u>	<u>222,940.21</u>			<u>24,913.99</u>
Total Debt Service	<u>798,912.33</u>	<u>798,912.33</u>	<u>770,998.34</u>	<u>-</u>	<u>-</u>	<u>27,913.99</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Unemployment Compensation Insurance	3,800.00	3,800.00	3,323.76		476.24	
Public Employees Retirement System	70,900.00	70,900.00	70,900.00			
Social Security System (O.A.S.I.)	<u>35,000.00</u>	<u>35,000.00</u>	<u>33,623.10</u>		<u>1,376.90</u>	
Total Deferred Charges and Statutory Expenditures	<u>109,700.00</u>	<u>109,700.00</u>	<u>107,846.86</u>	<u>-</u>	<u>1,853.14</u>	<u>-</u>
	<u>\$ 2,966,101.14</u>	<u>\$ 2,966,101.14</u>	<u>\$ 2,775,508.05</u>	<u>\$ 67,705.65</u>	<u>\$ 94,973.45</u>	<u>\$ 27,913.99</u>
Accrued Interest on Bonds and Notes			\$ 172,419.13			
Refunds			(1,210.00)			
Disbursed			<u>2,604,298.92</u>			
			<u>\$ 2,775,508.05</u>			

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

BOROUGH OF BERLIN
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2011 and 2010

<u>ASSETS</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash -- Treasurer	SE-1	\$ 94,869.06	\$ 139,708.14
Due Water Utility Operating Fund	SE-1		7,414.62
Due Sewer Utility Capital Fund	SE-1		13,000.00
		<u>94,869.06</u>	<u>160,122.76</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	SE-4	78,476.96	83,639.04
		<u>78,476.96</u>	<u>83,639.04</u>
Total Operating Fund		<u>173,346.02</u>	<u>243,761.80</u>
Capital Fund:			
Cash -- Treasurer	SE-1	76,879.45	200,860.02
Fixed Capital	SE-6	3,565,451.65	3,565,451.65
Fixed Capital Authorized and Uncompleted	SE-7	153,230.00	153,230.00
		<u>3,795,561.10</u>	<u>3,919,541.67</u>
		<u>\$ 3,968,907.12</u>	<u>\$ 4,163,303.47</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3; SE-5	\$ 15,885.81	\$ 30,006.50
Reserve for Encumbrances	E-3; SE-5	7,734.41	6,981.19
Due to General Capital Fund	SE-1		6,189.12
Sewer Rent Overpayments	SE-11	1,327.79	882.28
Accrued Interest on Bonds and Notes	SE-8	4,682.68	5,251.85
		<u>29,630.69</u>	<u>49,310.94</u>
Reserve for Receivables	E	78,476.96	83,639.04
Fund Balance	E-1	65,238.37	110,811.82
Total Operating Fund		<u>173,346.02</u>	<u>243,761.80</u>
Capital Fund:			
Serial Bonds	SE-13	526,000.00	591,000.00
Improvement Authorizations Funded	SE-9	68,422.00	72,602.00
Due to General Capital Fund	SE-1		106,800.57
Due to Sewer Utility Operating Fund	SE-1		13,000.00
Capital Improvement Fund	E	1,721.95	1,721.95
Deferred Reserve for Amortization	SE-12	14,430.00	14,430.00
Reserve for Amortization	SE-10	3,178,251.65	3,113,251.65
Reserve for Payment of Debt	E	6,735.50	6,735.50
		<u>3,795,561.10</u>	<u>3,919,541.67</u>
Total Capital Fund		<u>\$ 3,968,907.12</u>	<u>\$ 4,163,303.47</u>

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

BOROUGH OF BERLIN
SEWER UTILITY FUND

Statements of Operations and Changes in Operating Fund Balance--Regulatory Basis
For the Years Ended December 31, 2011 and 2010

<u>Revenue and Other</u> <u>Income Realized</u>	<u>2011</u>	<u>2010</u>
Operating Surplus Anticipated	\$ 7,000.00	\$ 15,000.00
Sewer Rents	646,048.75	621,643.29
Interest on Deposits	708.85	716.71
Miscellaneous	6,034.46	40,458.53
Other Credits to Income:		
Cancellation of Overpayments	266.75	46.50
Unexpended Balance of Appropriation Reserves	<u>29,913.63</u>	<u>16,608.97</u>
 Total Income	 <u>689,972.44</u>	 <u>694,474.00</u>
 <u>Expenditures</u>		
Operating	514,394.98	536,950.00
Debt Service	87,570.33	84,924.64
Deferred Charges and Statutory Expenditures	51,533.00	46,210.00
Other Debits to Income:		
Refund of Prior Year Expenditure	<u>47.58</u>	<u> </u>
 Total Expenditures	 <u>653,545.89</u>	 <u>668,084.64</u>
 Excess (Deficit) in Revenue	 36,426.55	 26,389.36
 Adjustments to Income Before Fund Balance	 <u> -</u>	 <u> -</u>
 Statutory Excess to Fund Balance	 36,426.55	 26,389.36
 <u>Fund Balance</u>		
Balance Jan. 1	<u>110,811.82</u>	<u>99,422.46</u>
	147,238.37	125,811.82
Less:		
Utilized as Revenue in Current Fund	75,000.00	
Utilized as Revenue in Sewer Operating Budget	<u>7,000.00</u>	<u>15,000.00</u>
 Balance Dec. 31	 <u>\$ 65,238.37</u>	 <u>\$ 110,811.82</u>

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

BOROUGH OF BERLIN
SEWER UTILITY FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2011

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 7,000.00	\$ 7,000.00	
Sewer Rents	620,000.00	646,048.75	\$ 26,048.75
Interest on Investments and Deposits	500.00	708.85	208.85
Miscellaneous	<u>27,998.31</u>	<u>6,034.46</u>	<u>(21,963.85)</u>
	<u>\$ 655,498.31</u>	<u>\$ 659,792.06</u>	<u>\$ 4,293.75</u>

Analysis of Realized Revenues

Sewer Rents Receivable:

Collector:

Rents Collections

\$ 644,741.82

Lien Collections

321.21

Overpayments Applied

985.72

\$ 646,048.75

Interest on Investments and Deposits:

Treasurer:

Receipts

\$ 708.85

Miscellaneous:

Collector:

Receipts:

Interest on Delinquent Accounts

\$ 2,970.71

Refund of Prior Year Expenditures

3,063.75

\$ 6,034.46

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

BOROUGH OF BERLIN
SEWER UTILITY FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2011

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 167,194.98	\$ 167,194.98	\$ 165,950.07		\$ 1,244.91	
Other Expenses	347,200.00	347,200.00	330,637.70	\$ 7,734.41	8,827.89	
Total Operating	514,394.98	514,394.98	496,587.77	7,734.41	10,072.80	-
Debt Service:						
Payment of Bond Principal	65,000.00	65,000.00	65,000.00			
Interest on Bonds	22,570.33	22,570.33	22,570.33			
Interest on Notes	2,000.00	2,000.00				\$ 2,000.00
Total Debt Service	89,570.33	89,570.33	87,570.33	-	-	2,000.00
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	31,533.00	31,533.00	31,533.00			
Unemployment Compensation Insurance	2,000.00	2,000.00	1,473.11		526.89	
Social Security System (O.A.S.I.)	18,000.00	18,000.00	12,713.88		5,286.12	
Total Deferred Charges and Statutory Expenditures	51,533.00	51,533.00	45,719.99	-	5,813.01	-
Surplus Anticipated for Current Fund Budget	-	-	-	-	-	-
Total	\$ 655,498.31	\$ 655,498.31	\$ 629,878.09	\$ 7,734.41	\$ 15,885.81	\$ 2,000.00
Accrued Interest on Bonds and Notes			\$ 22,570.33			
Refunds			(55.00)			
Disbursed			607,362.76			
			\$ 629,878.09			

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

BOROUGH OF BERLIN
FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Account Group
For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
General Fixed Assets:				
Land	\$ 1,550,200.00			\$ 1,550,200.00
Buildings	2,078,766.54	\$ 52,619.00		2,131,385.54
Vehicles and Equipment	<u>4,924,298.82</u>	<u>250,113.80</u>	<u>\$ 25,772.75</u>	<u>5,148,639.87</u>
	<u>\$ 8,553,265.36</u>	<u>\$ 302,732.80</u>	<u>\$ 25,772.75</u>	<u>\$ 8,830,225.41</u>
Investment in General Fixed Assets:				
General Capital Fund	<u>\$ 8,553,265.36</u>	<u>\$ 302,732.80</u>	<u>\$ 25,772.75</u>	<u>\$ 8,830,225.41</u>

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

BOROUGH OF BERLIN
Notes to Financial Statements
For the Year Ended December 31, 2011

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Financial Reporting Entity - The Borough of Berlin was incorporated in 1927 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 7,588.

The Borough operates under a Mayor-Council form of government. The Mayor is the chief executive officer of the Borough and is elected by the public at the general election for a four-year term. The Council is the legislative body of the Borough and consists of six members elected by popular vote to three-year terms. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk/Administrator.

Component Units - The Borough of Berlin had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Berlin contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Berlin accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds - 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.

Water Utility Operating and Capital Funds - The Water Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Sewer Utility Operating and Capital Funds - The Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Budgets and Budgetary Accounting - The Borough of Berlin must adopt an annual budget for its current, water utility, sewer utility and open space funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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 the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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 in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to 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, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Borough of Berlin requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment and improvements and contributed capital.

Foreclosed Property - Foreclosed property, if any, is recorded in the Current Fund at the assessed valuation 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 Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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 seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

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.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Fund Balance - Fund Balances included in the current fund, water utility operating fund, and sewer utility operating fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

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 when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden, Borough of Berlin Local School District and the Eastern Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Berlin Local School District and the Eastern Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school districts for the period from July 1 to June 30, increased by the amount deferred at December 31, 2010 and decreased by the amount deferred at December 31, 2011.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is 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 is 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.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough 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, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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.

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital and Utility Capital Funds. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition.

As of December 31, 2011, none of the Borough's bank balances of \$5,283,912.97 was exposed to custodial credit risk.

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Rate	<u>\$2.630</u>	<u>\$4.838</u>	<u>\$4.627</u>	<u>\$4.393</u>	<u>\$4.328</u>
Apportionment of Tax Rate:					
Municipal	<u>\$.579</u>	<u>\$1.059</u>	<u>\$.935</u>	<u>\$.810</u>	<u>\$.742</u>
County	<u>.723</u>	<u>1.298</u>	<u>1.279</u>	<u>1.249</u>	<u>1.249</u>
Regional School	<u>.452</u>	<u>.834</u>	<u>.836</u>	<u>.766</u>	<u>.802</u>
Local School	<u>.876</u>	<u>1.647</u>	<u>1.577</u>	<u>1.568</u>	<u>1.535</u>

(A) = A revaluation was performed for 2011

Note 3: **PROPERTY TAXES (CONT'D)****Assessed
Valuation**

2011	\$776,694,478.00 (A)
2010	410,830,135.00
2009	411,175,965.00
2008	409,441,568.00
2007	404,749,492.00

(A) = A revaluation was performed for 2011

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2011	\$20,493,943.88	\$19,819,459.11	96.71%
2010	20,124,124.17	19,776,445.59	98.27%
2009	19,115,619.46	18,724,367.16	97.95%
2008	18,065,985.15	17,765,294.87	98.34%
2007	17,713,925.53	17,426,593.66	98.38%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$3,453.23	\$486,874.82	\$490,328.05	2.39%
2010	14,416.31	293,673.95	308,090.26	1.53%
2009	6,183.15	372,354.97	378,538.12	1.98%
2008	1,734.01	291,708.05	293,442.06	1.62%
2007	---	258,153.59	258,153.59	1.46%

The following comparison is made of the number of tax title liens receivable on December 31 of the last five years:

<u>Year</u>	<u>Number</u>
2011	1
2010	6
2009	3
2008	3
2007	---

Note 4: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The Borough has no property acquired by liquidation of tax title liens as of December 31, 2011 or the previous four years.

Note 5: **WATER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water utility service charges (rents) for the current and previous four years.

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2011	\$336,725.28	---	\$2,898,498.25	\$3,235,223.53	\$2,908,316.00
2010	267,463.02	---	2,840,295.51	3,107,758.53	2,769,353.86
2009	308,180.13	---	2,567,982.19	2,876,162.32	2,608,550.08
2008	350,017.04	---	3,088,107.50	3,438,124.54	3,008,925.53
2007	226,209.74	---	2,970,724.29	3,196,934.07	2,552,835.60

Note 6: **SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years.

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2011	\$83,639.04	---	\$641,633.53	\$725,272.57	\$645,727.54
2010	66,380.88	---	638,904.88	705,285.76	621,643.29
2009	71,361.58	---	633,385.50	704,747.08	638,366.20
2008	70,133.62	---	636,828.30	706,961.92	632,301.73
2007	39,093.93	---	632,695.30	671,789.23	599,751.01

Note 7: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2011	\$701,439.20	\$430,000.00	61.30%
2010	1,261,553.00	780,000.00	61.83%
2009	484,929.47	55,000.00	11.34%
2008	828,207.37	570,000.00	68.82%
2007	697,453.13	560,000.00	80.29%
<u>Water Utility Operating Fund</u>			
2011	\$511,910.85	\$108,100.00	21.12%
2010	404,786.43	363,000.00	89.68%
2009	509,764.86	476,000.00	93.37%
2008	300,000.71	74,400.00	24.80%
2007	349,243.71	49,243.00	14.10%

Note 7: **FUND BALANCES APPROPRIATED (CONT'D)**

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Sewer Utility Operating Fund</u>			
2011	\$65,238.37	\$64,374.50	98.68%
2010	110,811.82	82,000.00	80.00%
2009	99,422.46	15,000.00	15.09%
2008	137,794.59	130,000.00	94.34%
2007	72,278.59	---	---

Note 8: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$28,249.97	\$451.61
Federal and State Grant Fund		27,317.66
Trust—Open Space Fund	451.61	
Trust—Other Funds		932.31
	<u>\$28,701.58</u>	<u>\$28,701.58</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2012, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: **PENSION PLANS**

The Borough of Berlin contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, Borough employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits, however as of yet, no employees are enrolled in the DCRP. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
 Division of Pensions and Benefits
 P.O. Box 295
 Trenton, New Jersey 08625-0295

Note 9: **PENSION PLANS (CONT'D)**

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Funded by State</u>	<u>Paid by Borough</u>
2011	\$67,599.00	\$89,989.00	\$157,588.00	---	---	\$157,588.00
2010	69,700.00	68,008.00	137,708.00	---	---	137,708.00
2009	69,725.00	63,597.00	133,322.00	\$59,291.00	---	74,031.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Paid by Borough</u>
2011	\$230,954.00	\$171,728.00	\$402,682.00	---	\$402,682.00
2010	201,628.00	132,142.00	333,770.00	---	333,770.00
2009	192,418.00	124,477.00	316,895.00	\$152,189.50	164,705.50

Note 9: PENSION PLANS (CONT'D)

Pension Deferral – Public Law 2009, c.19 (S-21) was enacted on March 17, 2009 and allowed the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying the full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the PERS and PFRS obligations for payments due in the State fiscal year ending June 30, 2009. The payments were due on April 1, 2009 (with a grace period until April 30).

The amount will be repaid starting in April of 2012 over a 15 year period. The amount will fluctuate based on pension system investment earnings on the deferred amount.

The Borough applied for and received approval from the Local Finance Board to defer a portion of the 2009 liability due for both PERS and PFRS in the amount of \$59,291.00 and \$152,189.50, respectively.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 10: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN

Plan Description - The Borough 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. 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 1991 the Borough adopted Resolution R-15-1991 which authorized the participation in Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990. This law requires employers to fund post-retirement medical benefits for those employees who retire after accumulating 25 years of credited service or on a disability retirement from either the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS).

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 www.state.nj.us/treasury/pensions/.

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 are billed to the Borough on a monthly basis.

Note 10: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)

The Borough contributions to SHBP for the years ended December 31, 2011, 2010, and 2009, were \$286,581.23, \$192,113.01, and \$143,389.32, respectively, which equaled the required contributions for each year. There were approximately 19, 18, and 13 retired participants eligible at December 31, 2011, 2010, and 2009, respectively.

Note 11: COMPENSATED ABSENCES

Unused vacation may not be accumulated and carried forward to the subsequent year.

Police officers who are enrolled in the Berlin Police Association are entitled to unlimited sick days therefore, no accumulation is required and at no time is compensation paid in lieu of sick days.

Public works employees who have been employed for 6 months are entitled to 10 sick days per year. They may accumulate no more than 120 unused days and the Borough compensates employees for unused sick leave upon termination or retirement.

Borough employees who are members of AFSCME and have been employed for a minimum of six months are entitled to 10 sick days per year. Unused sick days can accumulate at a rate not to exceed 5 days per year up to a maximum of 80 days. Employees may sell back up to 5 unused sick days annually, subject to varying conditions. Also, employees may be compensated for unused sick leave upon termination or retirement.

The Police Chief is entitled to 15 sick days per year. Unused sick days can accumulate at a rate not to exceed 8 days per year up to a maximum of 85 days. The Police Chief may sell back up to 7 unused sick days annually, subject to varying conditions. Also, the Police Chief may be compensated for unused sick leave upon termination or retirement.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 201, accrued benefits for compensated absences are valued at \$154,112.81.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 13: **LEASE OBLIGATIONS**

At December 31, 2011, the Borough had lease agreements in effect for the following:

Capital:
 Two (2) 2011 Crown Victoria's
 One (1) 2010 Crown Victoria
 One (1) 2009 Crown Victoria

The following is an analysis of capital leases.

Capital Leases - The following capital fixed assets were acquired by capital lease.

	<u>B a l a n c e</u>	
	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
Vehicles	\$52,143.35	\$29,019.30

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$33,569.23
2013	22,856.14
2014	1.00

Note 14: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$9,109,349.31	\$9,176,293.46	\$9,166,586.26
Water Utility:			
Bonds and Notes	5,569,407.55	6,390,324.50	7,109,466.21
Sewer Utility:			
Bonds and Notes	526,000.00	591,000.00	651,000.00
Total Issued	<u>15,204,756.86</u>	<u>16,157,617.96</u>	<u>16,927,052.47</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	---	---	484,500.00
Water Utility:			
Bonds and Notes	950,000.00	950,000.00	950,000.00
Sewer Utility:			
Bonds and Notes	---	---	---
Total Authorized but Not Issued	<u>950,000.00</u>	<u>950,000.00</u>	<u>1,434,500.00</u>
Total Issued and Authorized but Not Issued	<u>16,154,756.86</u>	<u>17,107,617.96</u>	<u>18,361,552.47</u>
Deductions:			
Cash Pledged to Debt	---	---	3,000.00
Self-liquidating Debt	7,045,407.55	7,931,324.50	8,710,466.21
Total Deductions	<u>7,045,407.55</u>	<u>7,931,324.50</u>	<u>8,713,466.21</u>
Net Debt	<u><u>\$9,109,349.31</u></u>	<u><u>\$9,176,293.46</u></u>	<u><u>\$9,648,086.26</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 1.15%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$997,900.28	\$997,900.28	
Local School District	6,546,000.00	6,546,000.00	
Utilities	7,045,407.55	7,045,407.55	
General	9,109,349.31	---	\$9,109,349.31
	<u>\$23,698,657.14</u>	<u>\$14,589,307.83</u>	<u>\$9,109,349.31</u>

Net Debt \$9,109,349.31 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$794,752,728.00 equals 1.15%

Note 14: **CAPITAL DEBT (CONT'D)****Borrowing Power Under N.J.S.A.40A:2-6 As Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$27,816,345.48
Net Debt	<u>9,109,349.31</u>
Remaining Borrowing Power	<u><u>\$18,706,996.17</u></u>

**Calculation of "Self Liquidating Purpose,"
Water Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$3,294,610.25
Deductions:	
Operating and Maintenance Cost	\$2,167,188.81
Debt Service per Water Fund	<u>770,998.34</u>
Total Deductions	<u>2,938,187.15</u>
Excess in Revenue	<u><u>\$356,423.10</u></u>

**Calculation of "Self Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40A:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$659,792.06
Deductions:	
Operating and Maintenance Cost	\$565,927.98
Debt Service per Sewer Fund	<u>87,570.33</u>
Total Deductions	<u>653,498.31</u>
Excess in Revenue	<u><u>\$6,293.75</u></u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 14: **CAPITAL DEBT (CONT'D)****Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

<u>Year</u>	<u>General Bonds</u>		<u>Green Acres Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$675,000.00	\$305,613.85	\$25,955.57	\$6,512.47	\$1,013,081.89
2013	700,000.00	276,782.60	26,477.29	5,990.77	1,009,250.66
2014	735,000.00	246,688.85	27,009.48	5,458.57	1,014,156.90
2015	766,000.00	215,009.85	27,552.36	4,915.68	1,013,477.89
2016	800,000.00	190,512.10	28,106.17	4,361.88	1,022,980.15
2017-21	3,843,119.00	449,762.54	149,235.42	13,104.84	4,455,221.80
2022-23			47,744.02	958.04	48,702.06

<u>Year</u>	<u>Water Bonds</u>		<u>Water Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$295,000.00	\$108,802.14	\$179,395.97	\$52,749.22	\$635,947.33
2013	300,000.00	97,514.64	176,782.33	48,751.44	623,048.41
2014	300,000.00	85,889.64	182,435.75	44,753.66	613,079.05
2015	300,000.00	74,264.64	187,925.80	40,505.88	602,696.32
2016	325,000.00	62,639.64	193,252.51	36,008.09	616,900.24
2017-21	1,289,881.00	124,001.42	1,030,903.14	114,523.74	2,559,309.30
2022-26			808,831.05	31,652.05	840,483.10

<u>Year</u>	<u>Sewer Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$65,000.00	\$20,627.00	\$85,627.00
2013	65,000.00	18,114.50	83,114.50
2014	70,000.00	15,577.00	85,577.00
2015	70,000.00	12,827.00	82,827.00
2016	70,000.00	10,077.00	80,077.00
2017-19	186,000.00	13,691.00	199,691.00

Note 15: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$138,000.00	\$48,000.00

The appropriations in the 2012 Budget as adopted are not less than that required by the statutes.

Note 16: **SCHOOL TAXES**

The Berlin Local School Tax and Eastern Regional High School Tax have been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

Local School District:

	<u>Balance Dec. 31,</u>	
	<u>2011</u>	<u>2010</u>
Balance of Tax	\$3,523,361.00	\$3,483,374.00
Deferred	3,211,664.00	3,211,664.00
Payable	\$311,697.00	\$271,710.00

Regional High School District:

	<u>Balance Dec. 31,</u>	
	<u>2011</u>	<u>2010</u>
Balance of Tax	\$1,759,691.13	\$1,721,479.06
Deferred	1,720,206.54	1,720,206.54
Payable	\$39,484.59	\$1,272.52

Note 17: **JOINT INSURANCE POOL**

The Borough of Berlin is a member of the Camden County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two 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.

Note 17: **JOINT INSURANCE POOL (CONT'D)**

The Fund provides the Borough with the following coverage:

Property - Blanket Building and Grounds
Boiler and Machinery
General and Automobile Liability
Public Official Bonds
Excess Liability
Environmental and Employment Practices Liability
Workers Compensation Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2011, which can be obtained from:

Camden County Municipal Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054

Note 18: **LITIGATION**

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 19: **SUBSEQUENT EVENTS**

Subsequent to December 31, the Borough of Berlin authorized additional Bonds and Notes as follows:

	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
General Capital:			
Bonds and Notes:			
	Road Reconstruction	March 5, 2012	\$302,600.00
	Public Works Equipment	March 5, 2012	38,000.00
	Police Department Equipment	March 5, 2012	90,000.00
	Fire Department Equipment	March 5, 2012	34,000.00
	Renovations and Office Equipment	March 5, 2012	114,000.00
			<u>\$578,600.00</u>
Sewer Utility Capital:			
Bonds and Notes:			
	Sewer Utility Equipment	March 5, 2012	\$28,500.00
			<u>\$28,500.00</u>

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF BERLIN
CURRENT FUND
Statement of Current Cash
Per N.J.S.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2011

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2010	\$ 2,983,644.36	-
Increased by Receipts:		
From Tax Collector	\$ 20,213,187.28	
Consolidated Municipal Property Tax Relief Act	70,676.00	
Energy Receipts Tax	626,021.00	
Uniform Fire Safety Act Fees	62,257.12	
Sewer Operating Fund Balance	75,000.00	
Miscellaneous Revenue Not Anticipated	71,983.76	
Revenue Accounts Receivable	603,354.96	
Due from State of New Jersey:		
Senior Citizen and Veteran Deductions	99,054.02	
State Training Fees	5,207.00	
Federal and State Grants Receivable		\$ 40,497.74
Due General Capital Fund	1,727.48	
Due Trust Other Fund	6,304.31	
Due Current Fund		188,033.27
Due Animal Control Fund	31.99	
Due Library	329.00	
2011 Appropriation Refunds	51,326.80	
2010 Appropriation Reserve Refunds	7,266.82	
Contra	<u>2,287,504.64</u>	
	<u>24,181,232.18</u>	<u>\$ 228,531.01</u>
	27,164,876.54	228,531.01
Decreased by Disbursements:		
2011 Appropriations	5,898,322.70	
2010 Appropriation Reserves	41,321.32	
Due to State of New Jersey -- State Training Fees	5,177.00	
Refund of Tax Overpayments	18,513.79	
Due County for Added and Omitted Taxes	66,883.19	
County Taxes Payable	5,606,094.61	
Municipal Open Space Tax	155,789.61	
Local District School Taxes Payable	6,763,061.00	
Regional High School Taxes Payable	3,465,990.28	
Due Federal and State Grant Fund	188,033.27	
Reserve for Federal and State Grants--Appropriated		181,090.28
Due Open Space Trust Fund	696.23	
Due General Capital Fund	191,542.11	
Due Water Utility Operating Fund	221,097.84	
Due Water Utility Capital Fund	650,000.00	
Reserve for Encumbrances		3,189.00
Contracts Payable	32,507.60	44,251.73
Reserve for Revaluation of Real Property	12,931.00	
Operations -- Refund of Prior Year Revenue	3,927.61	
Contra	<u>2,287,504.64</u>	
	<u>25,609,393.80</u>	<u>228,531.01</u>
Balance Dec. 31, 2011	<u>\$ 1,555,482.74</u>	<u>-</u>

BOROUGH OF BERLIN
CURRENT FUND
 Per N.J.S.40A:5-5 -- Collector
 For the Year Ended December 31, 2011

Increased by Receipts:		
Taxes Receivable	\$ 19,805,615.25	
Tax Title Liens Receivable	11,223.45	
Prepaid Taxes	248,602.07	
Interest and Costs on Taxes	96,886.92	
Tax Overpayments	18,513.79	
Miscellaneous Revenue Not Anticipated	<u>32,345.80</u>	
		\$ 20,213,187.28
Decreased by Disbursements:		
Turnover to Treasurer		<u>\$ 20,213,187.28</u>

CURRENT FUND
Schedule of Change Funds
 For the Year Ended December 31, 2011

<u>Office</u>	<u>Amount</u>
Tax Office	\$ 100.00
Municipal Court	<u>100.00</u>
	<u>\$ 200.00</u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2011

Year	Balance	Levy	Added Taxes	Collections		Due from State of New Jersey	Transfer To Liens	Canceled	Overpayments Applied	Balance
	Dec. 31, 2010			2010	2011					Dec. 31, 2011
2007	\$ 474.20				\$ 474.20					
2008	3,820.85				3,820.85					
2009	2,629.31				2,629.31					
2010	286,749.59		\$ 354.19		286,603.68	\$ 500.00				\$ 0.10
	293,673.95	-	354.19	-	293,528.04	500.00	-	-	-	0.10
2011		\$ 20,493,943.88	15,242.31	\$ 207,522.85	19,512,087.21	\$ 99,849.05	\$ 260.37	\$ 202,591.99		486,874.72
	\$ 293,673.95	\$ 20,493,943.88	\$ 15,596.50	\$ 207,522.85	\$ 19,805,615.25	\$ 100,349.05	\$ 260.37	\$ 202,591.99	-	\$ 486,874.82

Analysis of 2011 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 20,427,064.77
Added and Omitted Taxes (54:63.1 et seq.)	66,879.11
	<u>\$ 20,493,943.88</u>

Tax Levy

Regional High School Tax	\$ 3,504,202.35
Local District School Tax	6,803,048.00
County Taxes:	
County Taxes	\$ 5,115,822.00
County Library Tax	332,262.44
County Open Space Tax	158,010.17
Due County for Added and Omitted Taxes	<u>18,317.92</u>
Total County Taxes	5,624,412.53
Municipal Open Space Taxes:	
Municipal Open Space Tax	155,338.00
Municipal Added and Omitted Taxes	<u>451.61</u>
Total Municipal Open Space Taxes	155,789.61
Local Tax for Municipal Purposes	4,356,026.90
Add: Additional Tax Levied	<u>50,464.49</u>
Local Tax for Municipal Purposes Levied	<u>4,406,491.39</u>
	<u>\$ 20,493,943.88</u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2011

	Balance Dec. 31, 2010	Accrued 2011	Miscellaneous Revenue Collected	Due From Animal Control Fund	Due From Trust Other Fund	Due From General Capital Fund	Canceled	Balance Dec. 31, 2011
Licenses:								
Alcoholic Beverages		\$ 11,440.00	\$ 11,440.00					
Other	\$ 5,069.46	58,345.50	58,865.24					\$ 4,549.72
Fees and Permits - Other:								
Clerk		8,821.00	8,821.00					
Registrar		16,970.00	16,970.00					
Planning		5,790.00	5,790.00					
Zoning		2,420.00	2,420.00					
Police		1,920.00	1,920.00					
Searches for Municipal Improvements		80.00	80.00					
Construction Code:								
Fees and Permits		83,606.00	83,606.00					
Cable TV Franchise Fees		92,218.86	92,218.86					
Municipal Court:								
Fines and Costs	8,033.41	133,425.15	131,359.76					10,098.80
Interest on Investments:								
Current Fund		9,608.35	9,608.35					
Animal Control Fund		31.99		\$ 31.99				
Trust Other Fund - Treasurer		1,406.47			\$ 1,406.47			
Trust Other Fund - Collector		507.16			507.16			
General Capital Fund		1,727.48				\$ 1,727.48		
Municipal Court		84.51	84.51					
Clerk		36.82	36.82					
Payment in Lieu of Taxes:								
Virtua Hospital		20,000.00	20,000.00					
Jet Associates		17,948.34	17,948.34					
Rentals of Borough Property:								
U.S. Post Office		6,188.37	6,188.37					
Bell Telephone / Verizon	445.35	52,397.48	51,939.62					903.21
69 S. White Horse Pike		10,800.00	10,800.00					
Cable T.C. Co. (AT&T)		20,736.00	20,736.00					
Nextel	4,468.12	52,944.62	52,522.09					4,890.65
	<u>\$ 18,016.34</u>	<u>\$ 609,454.10</u>	<u>\$ 603,354.96</u>	<u>\$ 31.99</u>	<u>\$ 1,913.63</u>	<u>\$ 1,727.48</u>	<u>-</u>	<u>\$ 20,442.38</u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Deferred Charges
N.J.S. 40A:4-55 -- Special Emergency Authorizations
For the Year Ended December 31, 2011

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2010</u>	<u>Current Year Authorization</u>	<u>Raised in 2011 Budget</u>	<u>Balance Dec. 31, 2011</u>
8/2/07	Revision of Tax Maps	\$ 15,000.00	\$ 3,000.00	\$ 6,000.00		\$ 3,000.00	\$ 3,000.00
12/29/09	Revaluation of Real Property	225,000.00	45,000.00	<u>180,000.00</u>		<u>45,000.00</u>	<u>135,000.00</u>
				<u>\$ 186,000.00</u>	<u>-</u>	<u>\$ 48,000.00</u>	<u>\$ 138,000.00</u>

BOROUGH OF BERLIN

CURRENT FUND

Statement of Due to State of New Jersey--Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 14,635.43
Increased by:		
Cash Received		<u>99,054.02</u>
		113,689.45
Decreased by:		
Deductions Allowed per Tax Billing	\$ 99,250.00	
Deductions Allowed per Tax Collector -- Current Year	4,000.00	
Deductions Allowed per Tax Collector -- Prior Year	<u>500.00</u>	
		\$ 103,750.00
Less:		
Deductions Disallowed per Tax Collector -- Current Year		3,400.95
Charge to Operations:		
Deductions Disallowed per Tax Collector -- Prior Year		<u>354.19</u>
		<u>99,994.86</u>
Balance Dec. 31, 2011		<u><u>\$ 13,694.59</u></u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance Dec. 31, 2010		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
<u>OPERATIONS--WITHIN "CAPS"</u>					
<u>General Government</u>					
Mayor and Council					
Salaries and Wages		\$ 6.24	\$ 6.24		\$ 6.24
Other Expenses	\$ 27.30	88.45	155.75	\$ 152.56	\$ 3.19
Administrative and Executive					
Salaries and Wages	1,980.00	82.22	2,062.22	1,980.00	82.22
Other Expenses	1,403.90	221.47	1,585.37	634.99	950.38
Financial Administration					
Salaries and Wages		34.40	34.40		34.40
Other Expenses	39.54	1,069.48	1,109.02	902.99	206.03
Audit Services					
Other Expenses		354.60	354.60		354.60
Engineering Services					
Other Expenses		1,932.75	1,932.75		1,932.75
Collection of Taxes					
Salaries and Wages		16.39	16.39		16.39
Other Expenses	119.12	561.39	680.51	157.57	522.94
Public Employees' Award Program (N.J.S.40A:9-8) (N.J.S.40A:5-31)					
Other Expenses		421.12	421.12		421.12
Assessment of Taxes					
Salaries and Wages		39.24	39.24		39.24
Other Expenses		292.43	292.43		292.43
Municipal Court					
Salaries and Wages		8.89	8.89		8.89
Other Expenses	554.00	149.25	703.25	557.14	146.11
Legal Services and Costs					
Other Expenses	4,197.01	9,809.32	11,806.33	11,147.30	659.03
Economic Development Committee					
Salaries and Wages		220.00	220.00		220.00
Other Expenses		16.61	16.61		16.61
Municipal Land Use Law (N.J.S.40:55D-1):					
Planning Board					
Other Expenses	750.00	343.25	1,093.25	750.00	343.25
Zoning Enforcement Officer					
Salaries and Wages		6.32	6.32		6.32
Other Expenses		250.00	250.00		250.00
Insurance					
Opt-out Payments		334.15	334.15		334.15
Other Insurance		570.96	570.96		570.96
Unemployment Compensation Insurance		1,231.81	1,231.81		1,231.81
Group Insurance for Employees		3,074.66	3,074.66		3,074.66
<u>Public Safety</u>					
Police					
Salaries and Wages		13,991.75	13,991.75	558.18	13,433.57
Other Expenses:					
Miscellaneous Other Expenses	100.00	16,462.97	16,562.97	142.64	16,420.33
Fire					
Fire Hydrant Service		176.40	176.40		176.40
Miscellaneous Other Expenses	100.00	815.78	915.78	203.20	712.58
Public Defender					
Other Expenses	491.16	6.00	497.16	491.16	6.00
Uniform Fire Safety Act (P.L. 1983 CH 383):					
Fire					
Salaries and Wages		724.38	724.38		724.38
Other Expenses	242.61	285.10	527.71	334.20	193.51

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of 2010 Appropriation Reserves
For the Year Ended December 31, 2011

	Balance Dec. 31, 2010		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>					
<u>Public Safety (Cont'd)</u>					
Emergency Management Services					
Salaries and Wages		\$ 45.50	\$ 45.50		\$ 45.50
Other Expenses		187.50	187.50		187.50
Municipal Prosecutor					
Other Expenses	\$ 1,041.66		1,041.66	\$ 1,041.66	
<u>Streets and Roads</u>					
Road Repairs and Maintenance					
Salaries and Wages		1,576.40	1,576.40		1,576.40
Other Expenses	734.68	786.09	1,520.77	1,265.12	255.65
Public Buildings and Grounds					
Salaries and Wages		304.10	304.10		304.10
Other Expenses	334.73	60.84	395.57	334.73	60.84
Garbage and Trash Collection					
Salaries and Wages		93.68	93.68		93.68
Other Expenses	230.00	96.68	326.68	230.00	96.68
Vehicle and Equipment Maintenance					
Other Expenses	216.43	5,225.11	5,441.54	3,826.87	1,614.67
Garage Operations					
Salaries and Wages		356.99	356.99		356.99
<u>Health and Welfare</u>					
Board of Health					
Salaries and Wages		47.85	47.85		47.85
Other Expenses		100.26	100.26		100.26
Senior Citizen Coordinator					
Salaries and Wages		45.26	45.26		45.26
Other Expenses		1,666.90	1,666.90		1,666.90
Animal Control					
Other Expenses	660.00	639.00	1,299.00	1,260.00	39.00
<u>Recreation and Education</u>					
Expense of Participation in Free Public Library					
Salaries and Wages		2.81	2.81		2.81
Other Expenses	855.23	1,509.62	2,364.85		2,364.85
<u>Uniform Construction Code -- Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages		105.86	105.86		105.86
Other Expenses		868.29	868.29		868.29
Sub-Code Officials:					
Fire					
Salaries and Wages		41.73	41.73		41.73
<u>Unclassified</u>					
Electricity		119.80	119.80		119.80
Water Service		82.00	82.00		82.00
Sewer Service		108.98	108.98		108.98
Telephone	885.00	2,669.08	3,554.08	885.00	2,669.08
Gas / Fuel Oil		22.76	22.76		22.76
Trash Disposal	1,275.00	7,508.55	8,783.55	1,959.14	6,824.41
Street Lighting		55.74	2,255.74	2,157.82	97.92
Gasoline / Motor Fuel		5,333.36	5,333.36	3,082.23	2,251.13

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
 Statement of 2010 Appropriation Reserves
 For the Year Ended December 31, 2011

	Balance Dec. 31, 2010		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	\$	666.31	\$ 666.31		\$ 666.31
<u>OPERATIONS-- EXCLUDED FROM "CAPS"</u>					
Solid Waste Disposal					
Recycling Tax (P.L. 2007, c. 311)		2,095.52	2,095.52		2,095.52
Storm Water Management					
Salaries and Wages		945.40	945.40		945.40
Other Expenses		2,853.35	2,853.35		2,853.35
Matching Funds for Grants		2,500.00	2,500.00		2,500.00
	<u>\$ 16,237.37</u>	<u>\$ 92,319.10</u>	<u>\$ 108,556.47</u>	<u>\$ 34,054.50</u>	<u>\$ 74,501.97</u>
				\$ 41,321.32	
Disbursed				(7,266.82)	
Refunds				<u>\$ 34,054.50</u>	

BOROUGH OF BERLIN
CURRENT FUND
Statement of Due to State of New Jersey -- State Training Fees
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	1,028.00
Increased by:		
Receipts -- Treasurer		<u>5,207.00</u>
		6,235.00
Decreased by:		
Disbursed -- Treasurer		<u>5,177.00</u>
Balance Dec. 31, 2011	\$	<u><u>1,058.00</u></u>

Exhibit SA-10

CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	14,416.31
Increased by:		
Transfers from Taxes Receivable		<u>260.37</u>
		14,676.68
Decreased by:		
Receipts -- Collector		<u>11,223.45</u>
Balance Dec. 31, 2011	\$	<u><u>3,453.23</u></u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2011

Balance Dec. 31, 2010 (2011 Taxes)	\$ 207,522.85
Increased by:	
Receipts:	
Collector -- 2012 Taxes	<u>248,602.07</u>
	456,124.92
Decreased by:	
Application to 2011 Taxes Receivable	<u>207,522.85</u>
Balance Dec. 31, 2011 (2012 Taxes)	<u><u>\$ 248,602.07</u></u>

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2011

Increased by:	
Collector Receipts:	
Overpayments Created	\$ 18,513.79
Decreased by:	
Treasurer Disbursements:	<u><u>\$ 18,513.79</u></u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$	66,883.19
Increased by:		
County Share of Added and Omitted Taxes		18,317.92
		85,201.11
Decreased by:		
Payments -- Treasurer		66,883.19
Balance Dec. 31, 2011	\$	18,317.92

CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2011

Increased by:		
2011 Levy:		
General County	\$	5,115,822.00
County Library		332,262.44
County Open Space		158,010.17
	\$	5,606,094.61
Decreased by:		
Payments -- Treasurer		5,606,094.61

BOROUGH OF BERLIN
CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		
School Tax Payable	\$ 271,710.00	
School Tax Deferred	<u>3,211,664.00</u>	
		\$ 3,483,374.00
Increased by:		
Levy -- School Year July 1, 2011 to June 30, 2012		<u>6,803,048.00</u>
		10,286,422.00
Decreased by:		
Payments -- Treasurer		<u>6,763,061.00</u>
Balance Dec. 31, 2011		
School Tax Payable	311,697.00	
School Tax Deferred	<u>3,211,664.00</u>	
		<u>\$ 3,523,361.00</u>
2011 Liability for Local District School Tax		
Tax Paid		\$ 6,763,061.00
Tax Payable Dec. 31, 2011		<u>311,697.00</u>
		7,074,758.00
Less: Tax Payable Dec. 31, 2010		<u>271,710.00</u>
Amount Charged to 2011 Operations		<u>\$ 6,803,048.00</u>

CURRENT FUND
Statement of Municipal Open Space Tax
For the Year Ended December 31, 2011

Increased by:		
Levy	\$ 155,338.00	
Open Space Share of Added and Omitted Taxes	<u>451.61</u>	
		\$ 155,789.61
Decreased by:		
Payments -- Treasurer		<u>\$ 155,789.61</u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Regional High School Tax
For the Year Ended December 31, 2011

<hr/>		
Balance Dec. 31, 2010		\$ 1,721,479.06
School Tax Payable	\$ 1,272.52	
School Tax Deferred	<u>1,720,206.54</u>	
Increased by:		
Levy -- School Year July 1, 2011 to June 30, 2012		<u>3,504,202.35</u>
Decreased by:		
Payments -- Treasurer		<u>3,465,990.28</u>
Balance Dec. 31, 2011		
School Tax Payable	39,484.59	
School Tax Deferred	<u>1,720,206.54</u>	
2011 Liability for Regional High School Tax:		
Tax Paid		\$ 3,465,990.28
Tax Payable Dec. 31, 2011		<u>39,484.59</u>
Less: Tax Payable Dec. 31, 2010		
		<u>1,272.52</u>
Amount Charged to 2011 Operations		<u><u>\$ 3,504,202.35</u></u>

CURRENT FUND
Statement of Reserve for Revaluation of Real Property
For the Year Ended December 31, 2011

<hr/>		
Balance Dec. 31, 2010		\$ 42,115.90
Decreased by:		
Disbursements		<u>12,931.00</u>
Balance Dec. 31, 2011		<u><u>\$ 29,184.90</u></u>

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
 Statement of Federal and State Grants Receivable
 For the Year Ended December 31, 2011

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Federal Grants:				
NJ DOT -- Marshall, Bishop and Pine	\$ 52,417.11	-	-	\$ 52,417.11
State Grants:				
Clean Communities Grant		\$ 12,340.02	\$ 12,340.02	
Safe and Secure Communities Program	15,000.00	46,788.00	15,000.00	46,788.00
Body Armor Grant		1,863.32	1,863.32	
Recycling Tonage Grant		8,407.20	8,407.20	
Drunk Driving Enforcement Grant		2,887.20	2,887.20	
Total State Grants	15,000.00	72,285.74	40,497.74	46,788.00
Total	\$ 67,417.11	\$ 72,285.74	\$ 40,497.74	\$ 99,205.11

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Federal Grants:				
Volunteer Firefighter Assistance Grant Over the Limit Under Arrest	\$ 7,336.00		\$ 7,336.00	
Total Federal Grants	<u>7,336.00</u>	<u>-</u>	<u>7,336.00</u>	<u>-</u>
State Grants:				
Safe and Secure Communities Program	\$7,668.00	\$ 46,788.00	54,456.00	
Body Armor Grant	1,919.25	1,863.32	1,919.25	\$ 1,863.32
Clean Communities Program		12,340.02	12,340.02	
Recycling Tonage Grant	8,129.54	8,407.20	16,536.74	
Municipal Drug Alliance Grant	7,637.00		7,637.00	
Drunk Driving Enforcement Grant	3,709.12	2,887.20	6,596.32	
Total State Grants	<u>29,062.91</u>	<u>72,285.74</u>	<u>99,485.33</u>	<u>1,863.32</u>
Total	<u>\$ 36,398.91</u>	<u>\$ 72,285.74</u>	<u>\$ 106,821.33</u>	<u>\$ 1,863.32</u>

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2011

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transferred</u> <u>2011</u> <u>Budget</u> <u>Appropriation</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Federal Grants:				
US Forest Service -- Fire Assistance	\$ 573.20			\$ 573.20
Over the Limit Under Arrest	5,100.00			5,100.00
NJ DOT -- Locust Avenue	1,711.94			1,711.94
Volunteer Firefighter Assistance Grant		\$ 7,336.00	\$ 5,291.25	2,044.75
Municipal Stormwater Regulation	2,132.40			2,132.40
Total Federal Grants	9,517.54	7,336.00	5,291.25	11,562.29
State Grants:				
Alcohol Education and Rehabilitation Grant	1,773.32		1,500.00	273.32
Body Armor Fund	2,170.17	1,919.25	4,062.50	26.92
Drunk Driving Enforcement Grant	17,372.03	6,596.32	14,418.94	9,549.41
Clean Communities Grant	21,511.26	12,340.02	7,031.32	26,819.96
Recycling Tonnage Grant	40.05	16,536.74		16,576.79
Municipal Drug Alliance	2,919.50	7,637.00	6,586.27	3,970.23
Library Teacher Grant	1,000.00		489.80	510.20
Tischler Graphic Novel Grant	172.55			172.55
Safe and Secure Communities		142,200.00	142,200.00	
Total State Grants	46,958.88	187,229.33	176,288.83	57,899.38
Local Grants:				
County Recycling Rebate Grant	72.66	-	-	72.66
Grand Total	\$ 56,549.08	\$ 194,565.33	\$ 181,580.08	\$ 69,534.33
Reserve for Encumbrances			\$ 489.80	
Disbursed			181,090.28	
			\$ 181,580.08	

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF BERLIN
TRUST FUNDS
Statement of Trust Cash
Per N.J.S.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2011

	<u>Animal Control</u>		<u>Open Space</u>		<u>Other</u>
Balance Dec. 31, 2010	\$	19.92	\$	46,442.83	\$ 932,512.38
Increased by Receipts:					
Reserve for Animal Control Expenditures	\$	20,355.95			
Due to State Department of Health		1,383.60			
Due Current Fund		31.99	\$	696.23	\$ 1,406.47
Police Outside Services Receivable					6,080.00
Reserve for Recreation Facilities					2,000.00
Reserve for Parking Offenses Adjudication Act					94.00
Reserve for Payroll Deductions Payable					1,280,838.54
Reserve for Net Payroll					2,076,707.45
Reserve for Affordable Housing					2,330.01
Reserve for Developers' Escrow Deposits					54,855.66
Reserve for Recycling Funds					34,833.34
Reserve for Public Defender					3,010.50
Reserve for Performance Bonds					52,408.20
Reserve for Investigation Fund					1,000.00
Reserve for Fire Safety					700.00
Reserve for Police Outside Services					47,351.00
Reserve for Special Law Enforcement					756.10
Due from Camden County					23,649.41
2011 Budget Revenue			155,789.61		
Non-Budget Revenue			263.36		
2011 Budget Appropriation Refunds			20,000.00		
Contra	5,000.00				751,700.00
		<u>26,771.54</u>		<u>176,749.20</u>	<u>4,339,720.68</u>
		26,791.46		223,192.03	5,272,233.06

(Continued)

BOROUGH OF BERLIN
TRUST FUNDS
Statement of Trust Cash
Per N.J.S.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2011

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other</u>
Decreased by Disbursements:			
Due State Department of Health	\$ 1,194.60		
Due Current Fund	31.99		\$ 5,797.15
Reserve for Payroll Deductions Payable			1,275,392.72
Reserve for Net Payroll			2,076,707.45
Reserve for Developers' Escrow Deposits			70,203.16
Reserve for Recycling Funds			1,964.02
Reserve for Community Development Block Grant			23,032.93
Reserve for Performance Bonds			14,943.00
Reserve for Bid Bonds			11,650.00
Reserve for Investigation Fund			1,250.00
Reserve for Police Outside Services			55,418.50
Reserve for Special Law Enforcement			1,000.00
Reserve for Animal Control Expenditures	13,090.23		
2011 Budget Appropriations		\$ 81,847.00	
Contra	<u>5,000.00</u>		<u>751,700.00</u>
	<u>\$ 19,316.82</u>	<u>\$ 81,847.00</u>	<u>\$ 4,289,058.93</u>
Balance Dec. 31, 2011	<u>\$ 7,474.64</u>	<u>\$ 141,345.03</u>	<u>\$ 983,174.13</u>

BOROUGH OF BERLIN
TRUST--OTHER FUND
 Per N.J.S.40A:5-5 -- Collector
 For the Year Ended December 31, 2011

		<u>Other</u>
Balance Dec. 31, 2010		\$ 119,076.00
Increased by Receipts:		
Due Current Fund	\$ 507.16	
Due CCMUA	61,666.72	
Reserve for Tax Title Lien Redemptions	1,250,617.40	
Reserve for Premiums Received at Tax Sale	30,500.00	
Contra	<u>413,089.05</u>	
		<u>1,756,380.33</u>
		1,875,456.33
Decreased by Disbursements:		
Due Current Fund	507.16	
Due CCMUA	61,666.72	
Reserve for Tax Title Lien Redemptions	1,250,617.40	
Reserve for Premiums Received at Tax Sale	92,976.00	
Contra	<u>413,089.05</u>	
		<u>1,818,856.33</u>
Balance Dec. 31, 2011		<u><u>\$ 56,600.00</u></u>

TRUST--OTHER FUND
Statement of Reserve For Animal Control Expenditures
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 19.92
Increased by:		
Receipts:		
Dog License Fees Collected	\$ 17,635.95	
Cat License Fees Collected	<u>2,720.00</u>	
		<u>20,355.95</u>
		20,375.87
Decreased by:		
Encumbrances	1,385.00	
Disbursements	<u>13,090.23</u>	
		<u>14,475.23</u>
Balance Dec. 31, 2011		<u><u>\$ 5,900.64</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2010	\$ 6,046.60
2009	<u>5,942.30</u>
	<u><u>\$ 11,988.90</u></u>

BOROUGH OF BERLIN
TRUST--OTHER FUND
Statement of Due from Camden County--Community Development Block Grant
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 29,117.00
Increased by:	
Allotments -- Year XXXIII	24,000.00
	53,117.00
Decreased by:	
Receipts	23,649.41
Balance Dec. 31, 2011	\$ 29,467.59
<u>Analysis of Balance</u>	
Entitlement XXXII	\$ 5,467.59
Entitlement XXXIII	24,000.00
Balance Dec. 31, 2011	\$ 29,467.59

BOROUGH OF BERLIN
TRUST--OTHER FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$	988.57
Increased by:			
Receipts:			
Treasurer:			
Interest:			
Payroll	\$ 124.21		
Trust	613.51		
Recreation	239.16		
Escrow	428.81		
Investigation Fund	<u>0.78</u>		
		\$ 1,406.47	
Collector -- Interest		507.16	
Cancellation of Reserve for:			
Recreation Facilities	1,184.00		
Ambulance Hall	2,865.42		
Elections	<u>285.00</u>		
		<u>4,334.42</u>	
			<u>6,248.05</u>
			7,236.62
Decreased by:			
Disbursements:			
Treasurer -- Interfund Loans Returned		5,797.15	
Collector -- Interfund Loans Returned		<u>507.16</u>	
			<u>6,304.31</u>
Balance Dec. 31, 2011		\$	<u><u>932.31</u></u>

BOROUGH OF BERLIN
TRUST -- OTHER FUND
Statement of Trust Other Reserves
For the Year Ended December 31, 2011

Reserve	Balance Dec. 31, 2010	Increased				Decreased			Balance Dec. 31, 2011
		Receipts	Reserve for Encumbrances	Accounts Receivable	2011 Entitlement	Disbursements	Due Current Fund	Reserve for Encumbrances	
Reserve for Recreation Facilities	\$ 79,371.73	\$ 2,000.00							\$ 81,371.73
Reserve for Student Exchange Program	1,184.00					\$ 1,184.00			
Reserve for Parking Offenses Adjudication Act	404.10	94.00							498.10
Reserve for Ambulance Hall	2,865.42						2,865.42		
Reserve for Election	285.00						285.00		
Reserve for Payroll Deductions Payable	28,077.59	1,280,838.54				\$ 1,275,392.72			33,523.41
Reserve for Net Payroll		2,076,707.45				2,076,707.45			
Reserve for Affordable Housing	586,362.61	2,330.01							588,692.62
Reserve for COAH Fees	5,017.50								5,017.50
Reserve for Developers' Escrow Deposits	120,011.86	54,855.66	\$ 2,562.50	\$ 1,466.93		70,203.16		\$ 4,131.63	104,562.16
Reserve for Tax Title Lien Redemptions		1,250,617.40				1,250,617.40			
Reserve for Premiums Received at Tax Sale	119,076.00	30,500.00				92,976.00			56,600.00
Reserve for Recycling Funds	9,467.01	34,833.34	707.00			1,964.02			43,043.33
Reserve for Community Development Block Grant	17,990.67				\$ 24,000.00	23,032.93			18,957.74
Reserve for Bid Bonds	12,120.00					11,650.00			470.00
Reserve for Security Deposits	3,340.00								3,340.00
Reserve for Encumbrances	3,269.50		(3,269.50)					(4,131.63)	4,131.63
Reserve for Public Defender	1,894.88	3,010.50							4,905.38
Reserve for Performance Bonds	86,196.52	52,408.20				14,943.00			123,661.72
Reserve for Investigation Fund	327.00	1,000.00				1,250.00			77.00
Reserve for Fire Safety	5,491.50	700.00							6,191.50
Reserve for Police Donation	1,480.00								1,480.00
Reserve for Police Outside Services		47,351.00		8,067.50		55,418.50			
Reserve for Special Law Enforcement	3,269.88	756.10				1,000.00			3,025.98
Reserve for CCMUA		61,666.72				61,666.72			
	<u>\$ 1,087,502.77</u>	<u>\$ 4,899,668.92</u>	-	\$ 9,534.43	\$ 24,000.00	<u>\$ 4,936,821.90</u>	\$ 4,334.42	-	<u>\$ 1,079,549.80</u>
Treasurer		\$ 3,556,884.80				\$ 3,593,228.50			
Collector		1,342,784.12				1,343,593.40			
		<u>\$ 4,899,668.92</u>				<u>\$ 4,936,821.90</u>			

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
 Statement of General Capital Cash
 Per N.J.S.40A:5-5 -- Chief Financial Officer
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 642,711.63
Increased by Receipts:		
Due Current Fund	\$ 193,269.59	
Due Sewer Utility Operating Fund	6,189.12	
Due Sewer Utility Capital Fund	106,800.57	
Due from State of New Jersey	280,000.00	
Capital Improvement Fund	70,000.00	
Contra	213,016.74	
Bond Anticipation Notes	<u>1,258,150.00</u>	
		<u>2,127,426.02</u>
		2,770,137.65
Decreased by Disbursements:		
Improvement Authorizations	492,615.52	
Reserve for Encumbrances	7,906.25	
Contracts Payable	294,319.44	
Bond Anticipation Notes	652,650.00	
Due Current Fund	1,727.48	
Due Water Utility Capital Fund	308,868.50	
Contra	<u>213,016.74</u>	
		<u>1,971,103.93</u>
Balance Dec. 31, 2011		<u><u>\$ 799,033.72</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
 Statement of General Capital Cash and Investments
 For the Year Ended December 31, 2011

	Balance (Deficit) Dec. 31, 2010	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2011
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Capital Improvement Fund	\$ 20,346.00		\$ 70,000.00					\$ 31,900.00		\$ 58,446.00
Fund Balance	317.00									317.00
Due Current Fund	(191,542.11)			\$ 193,269.59						
Due Water Utility Capital Fund	308,868.50						\$ 1,727.48			
Due Sewer Utility Operating Fund	(6,189.12)			6,189.12			308,868.50			
Due Sewer Utility Capital Fund	(106,800.57)			106,800.57						
Improvement Authorizations:										
04-09.4 Recreation Complex Building and Site Work										
04-09.13 Reforestation	9,540.00				\$ 1,025.00					8,515.00
04-16;04-22.3 Municipal Facilities Lighting and Security	21,446.46									21,446.46
05-18.3; 08-09 Reconstruction of Municipal Facilities	168,381.86				67,985.00			385.00		100,011.86
06-11.3 Recreation Center Improvements	14,861.70				4,490.00					10,371.70
06-14.3 Municipal Facility Improvements	14,044.18									14,044.18
07-17.1 Road Reconstruction	144,794.97				21,896.20			8,246.98	\$ 19,759.54	134,411.33
07-17.2 Improvements to Public Buildings	138,365.40				1,739.10					136,626.30
08-12.1 Purchase of Technology Equipment	2,059.25	\$ 52,250.00			2,059.25	\$ 52,250.00				
08-12.2 Purchase of Fire Truck Apparatus	0.28	28,500.00				28,500.00				0.28
09-15.1 Purchase of Recycling and Trash Truck	57,630.01	394,250.00			5,828.10	394,250.00				51,801.91
09-15.2 Purchase of Street Signage		9,500.00				9,500.00				
10-8.1 Acquisition of Emergency Vehicle	3,653.18	152,000.00				152,000.00				3,653.18
10-8.2 Acquisition of Fire Rescue Equipment	543.16	16,150.00				16,150.00				543.16
11-5.1 Improvement to Various Roads		425,000.00			331,958.20			281,441.80	188,400.00	
11-5.2 Acquisition of Public Works Equipment		38,000.00							2,000.00	40,000.00
11-5.3 Acquisition of Public Works Equipment		28,500.00						29,269.00	1,500.00	731.00
11-5.4 Acquisition of Fire Rescue Equipment		52,250.00			53,435.68				2,750.00	1,564.32
11-5.5 Acquisition of Office Equipment		4,750.00			2,198.99				250.00	2,801.01
11-5.6 Acquisition of Senior Bus		57,000.00							3,000.00	60,000.00
Reserve for Encumbrances	13,137.50						7,906.25	4,825.00	38,288.80	38,695.05
Due from State of New Jersey	(280,000.00)			280,000.00				166,000.00		(166,000.00)
Contra				213,016.74			213,016.74			
Contracts Payable	309,253.98						294,319.44	14,934.54	281,053.98	281,053.98
	<u>\$ 642,711.63</u>	<u>\$ 1,258,150.00</u>	<u>\$ 70,000.00</u>	<u>\$ 799,276.02</u>	<u>\$ 492,615.52</u>	<u>\$ 652,650.00</u>	<u>\$ 825,838.41</u>	<u>\$ 537,002.32</u>	<u>\$ 537,002.32</u>	<u>\$ 799,033.72</u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 8,523,643.46
Decreased by:		
2011 Budget Appropriations:		
Serial Bonds	\$ 647,000.00	
Green Acres Loan Payable	<u>25,444.15</u>	
		<u>672,444.15</u>
Balance Dec. 31, 2011		<u><u>\$ 7,851,199.31</u></u>

Exhibit SC-4

GENERAL CAPITAL FUND
Statement of Due from State of New Jersey
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 280,000.00
Increased by:		
Entitlement -- Improvement Authorization 11-05.1		<u>166,000.00</u>
		446,000.00
Decreased by:		
Receipts		<u>280,000.00</u>
Balance Dec. 31, 2011		<u><u>\$ 166,000.00</u></u>
 <u>Analysis of Balance</u>		
Due from Department of Transportation (Ord. No. 11-05.1)		<u><u>\$ 166,000.00</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Deferred Charges To Future Taxation--Unfunded
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Balance Dec. 31, 2011	Analysis of Balance Dec. 31, 2011		
					Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations
<u>General Improvements:</u>							
08-12.1	Purchase of Technology Equipment	\$ 52,250.00		\$ 52,250.00		\$ 52,250.00	
08-12.2	Purchase of Fire Truck Apparatus	28,500.00		28,500.00		28,500.00	
09-15.1	Purchase of Recycling and Trash Truck	394,250.00		394,250.00		394,250.00	
09-15.2	Purchase of Street Signage	9,500.00		9,500.00		9,500.00	
10-8.1	Acquisition of Emergency Vehicle	152,000.00		152,000.00		152,000.00	
10-8.2	Acquisition of Fire Rescue Equipment	16,150.00		16,150.00		16,150.00	
11-5.1	Improvement to Various Roads		\$ 425,000.00	425,000.00		425,000.00	
11-5.2	Acquisition of Public Works Equipment		38,000.00	38,000.00		38,000.00	
11-5.3	Acquisition of Public Works Equipment		28,500.00	28,500.00		28,500.00	
11-5.4	Acquisition of Fire Rescue Equipment		52,250.00	52,250.00		52,250.00	
11-5.5	Acquisition of Office Equipment		4,750.00	4,750.00		4,750.00	
11-5.6	Acquisition of Senior Bus		57,000.00	57,000.00		57,000.00	
		<u>\$ 652,650.00</u>	<u>\$ 605,500.00</u>	<u>\$ 1,258,150.00</u>	<u>-</u>	<u>\$ 1,258,150.00</u>	<u>-</u>
Balance of Unfunded Improvement Authorizations							\$ 156,094.86
Less Unexpended Proceeds of Bond Anticipation Notes:							
Ordinance Number:							
08-12.2						\$ 0.28	
09-15.1						51,801.91	
10-8.1						3,653.18	
10-8.2						543.16	
11-5.2						38,000.00	
11-5.3						731.00	
11-5.4						1,564.32	
11-5.5						2,801.01	
11-5.6						57,000.00	
							<u>156,094.86</u>
							<u>-</u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 20,346.00
Increased by:	
Receipt from Current Fund -- Budget Appropriation	<u>70,000.00</u>
	90,346.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>31,900.00</u>
Balance Dec. 31, 2011	<u><u>\$ 58,446.00</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2010		2011 Authorizations			Paid or Charged	Adjustments	Balance Dec. 31, 2011	
				Funded	Unfunded	Capital Improvement Fund	Due From NJ Department of Transportation	Deferred Charges To Future Taxation-- Unfunded			Funded	Unfunded
General Improvements												
04-09.13	Reforestation	6-03-04; 10-04-07	\$ 288,800.00	\$ 9,540.00					\$ 1,025.00		\$ 8,515.00	
04-16; 04-22.3	Municipal Facilities Lighting and Security	4-18-06	50,400.00	21,446.46							21,446.46	
05-18.3; 08-09	Reconstruction of Municipal Facilities	6-20-05; 9-08-08	250,000.00	168,381.86				68,370.00			100,011.86	
06-11.3	Recreation Center Improvements	7-17-06	750,000.00	14,861.70				4,490.00			10,371.70	
06-14.3	Municipal Facility Improvements	8-21-06	127,000.00	14,044.18							14,044.18	
07-17.1	Road Reconstruction	9-17-07	328,250.00	144,794.97				30,143.18	\$ 19,759.54		134,411.33	
07-17.2	Improvements to Public Buildings	9-17-07	222,200.00	138,365.40				1,739.10			136,626.30	
08-12.1	Purchase of Technology Equipment	10-06-08	55,000.00	\$ 2,059.25				2,059.25				
08-12.2	Purchase of Fire Truck Apparatus	10-06-08	30,000.00	0.28							\$ 0.28	
09-15.1	Purchase of Recycling and Trash Truck	10-05-09	415,000.00	57,630.01				5,828.10			51,801.91	
10-8.1	Acquisition of Emergency Vehicle	8-2-10	160,000.00	3,653.18							3,653.18	
10-8.2	Acquisition of Fire Rescue Equipment	8-2-10	17,000.00	543.16							543.16	
11-5.1	Improvement to Various Roads	5-2-11	613,400.00			\$ 22,400.00	\$ 166,000.00	\$ 425,000.00	613,400.00			
11-5.2	Acquisition of Public Works Equipment	5-2-11	40,000.00			2,000.00		38,000.00			2,000.00	38,000.00
11-5.3	Acquisition of Public Works Equipment	5-2-11	30,000.00			1,500.00		28,500.00	29,269.00			731.00
11-5.4	Acquisition of Fire Rescue Equipment	5-2-11	55,000.00			2,750.00		52,250.00	53,435.68			1,564.32
11-5.5	Acquisition of Office Equipment	5-2-11	5,000.00			250.00		4,750.00	2,198.99			2,801.01
11-5.6	Acquisition of Senior Bus	5-2-11	60,000.00			3,000.00		57,000.00			3,000.00	57,000.00
				<u>\$ 511,434.57</u>	<u>\$ 63,885.88</u>	<u>\$ 31,900.00</u>	<u>\$ 166,000.00</u>	<u>\$ 605,500.00</u>	<u>\$ 811,958.30</u>	<u>\$ 19,759.54</u>	<u>\$ 430,426.83</u>	<u>\$ 156,094.86</u>
Disbursements									\$ 492,615.52			
Reserve for Encumbrances									38,288.80			
Contracts Payable									281,053.98			
									<u>\$ 811,958.30</u>			
Contracts Payable Canceled									\$ 14,934.54			
Encumbrances Canceled									4,825.00			
									<u>\$ 19,759.54</u>			

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
 Statement of Contracts Payable
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 309,253.98
Increased by:		
Charges to Improvement Authorizations		281,053.98
		590,307.96
Decreased by:		
Disbursed	\$ 294,319.44	
Cancelled	14,934.54	
		309,253.98
Balance Dec. 31, 2011		\$ 281,053.98

Schedule of Contracts Payable Dec. 31, 2011

<u>Vendor</u>	<u>Ordinance #</u>	<u>Amount</u>
Arawak Paving Co., Inc.	11-5.1	\$ 251,784.98
Flemington Chevrolet	11-5.3	29,269.00
		\$ 281,053.98

GENERAL CAPITAL FUND
Statement of Due From Current Fund
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 191,542.11
Increased by:		
Disbursed:		
Interest Earned on Deposits		1,727.48
		193,269.59
Decreased by:		
Receipts		
Interest Earned on Deposits	\$ 1,727.48	
Interfund Loan	191,542.11	
		193,269.59
		\$ 193,269.59

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2011</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Issued for Cash</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2011</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	12-1-98	\$ 1,277,000.00	N/A	N/A	N/A	\$ 122,000.00		\$ 122,000.00	
General Improvement Bonds	4-1-02	2,326,000.00	4/1/12	\$ 275,000.00	4.55%				
			4/1/13	300,000.00	4.55%				
			4/1/14	325,000.00	4.55%				
			4/1/15	351,000.00	4.55%	1,501,000.00		250,000.00	\$ 1,251,000.00
General Improvement Bonds	10-15-05	3,846,000.00	10/15/12	250,000.00	3.75%				
			10/15/13-15	250,000.00	3.80%				
			10/15/16-19	500,000.00	3.80%				
			10/15/20	521,000.00	3.80%	3,696,000.00		175,000.00	3,521,000.00
General Improvement Bonds	10-6-08	3,047,119.00	10/1/12-13	150,000.00	4.25%				
			10/1/14	160,000.00	4.25%				
			10/1/15	165,000.00	4.25%				
			10/1/16	300,000.00	4.38%				
			10/1/17	325,000.00	4.38%				
			10/1/18-20	350,000.00	4.50%				
			10/15/21	447,119.00	4.50%	2,847,119.00		100,000.00	2,747,119.00
						<u>2,847,119.00</u>		<u>100,000.00</u>	<u>2,747,119.00</u>
						<u>\$ 8,166,119.00</u>	<u>-</u>	<u>\$ 647,000.00</u>	<u>\$ 7,519,119.00</u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Notes Issued for Cash	Decreased	Balance Dec. 31, 2011
08-12.1	Purchase of Recycling and Trash Truck	11/23/2010	11/23/2010	11/22/2011	2.00%	\$ 52,250.00		\$ 52,250.00	
08-12.1	Purchase of Recycling and Trash Truck	11/23/2010	11/21/2011	11/20/2012	1.28%		\$ 52,250.00		\$ 52,250.00
08-12.2	Purchase of Street Signage	11/23/2010	11/23/2010	11/22/2011	2.00%	28,500.00		28,500.00	
08-12.2	Purchase of Street Signage	11/23/2010	11/21/2011	11/20/2012	1.28%		28,500.00		28,500.00
09-15.1	Acquisition of Emergency Vehicle	11/23/2010	11/23/2010	11/22/2011	2.00%	394,250.00		394,250.00	
09-15.1	Acquisition of Emergency Vehicle	11/23/2010	11/21/2011	11/20/2012	1.28%		394,250.00		394,250.00
09-15.2	Acquisition of Fire Rescue Equipment	11/23/2010	11/23/2010	11/22/2011	2.00%	9,500.00		9,500.00	
09-15.2	Acquisition of Fire Rescue Equipment	11/23/2010	11/21/2011	11/20/2012	1.28%		9,500.00		9,500.00
10-8.1	Acquisition of Emergency Vehicle	11/23/2010	11/23/2010	11/22/2011	2.00%	152,000.00		152,000.00	
10-8.1	Acquisition of Emergency Vehicle	11/23/2010	11/21/2011	11/20/2012	1.28%		152,000.00		152,000.00
10-8.2	Acquisition of Fire Rescue Equipment	11/23/2010	11/23/2010	11/22/2011	2.00%	16,150.00		16,150.00	
10-8.2	Acquisition of Fire Rescue Equipment	11/23/2010	11/21/2011	11/20/2012	1.28%		16,150.00		16,150.00
11-5.1	Improvement to Various Roads	11/21/2011	11/21/2011	11/20/2012	1.28%		425,000.00		425,000.00
11-5.2	Acquisition of Public Works Equipment	11/21/2011	11/21/2011	11/20/2012	1.28%		38,000.00		38,000.00
11-5.3	Acquisition of Public Works Equipment	11/21/2011	11/21/2011	11/20/2012	1.28%		28,500.00		28,500.00
11-5.4	Acquisition of Fire Rescue Equipment	11/21/2011	11/21/2011	11/20/2012	1.28%		52,250.00		52,250.00
11-5.5	Acquisition of Office Equipment	11/21/2011	11/21/2011	11/20/2012	1.28%		4,750.00		4,750.00
11-5.6	Acquisition of Senior Bus	11/21/2011	11/21/2011	11/20/2012	1.28%		57,000.00		57,000.00
						<u>\$ 652,650.00</u>	<u>\$ 1,258,150.00</u>	<u>652,650.00</u>	<u>\$ 1,258,150.00</u>
Renewals							\$ 652,650.00	\$ 652,650.00	
Notes Issued for Cash							605,500.00		
							<u>\$ 1,258,150.00</u>	<u>\$ 652,650.00</u>	

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Open Space Green Acres Loan
For the Year Ended December 31, 2011

<u>Purpose</u>	Loan <u>Amount</u>	<u>Payment Schedule</u>		Interest <u>Rate</u>	Balance <u>Dec. 31, 2010</u>	Paid By Budget <u>Appropriation</u>	Balance <u>Dec. 31, 2011</u>
		<u>Date</u>	<u>Amount</u>				
Franklin Avenue Recreation Fields	\$ 500,000.00	6/13/2012	\$ 12,913.22				
		12/13/2012	13,042.35				
		6/13/2013	13,172.78				
		12/13/2013	13,304.51				
		6/13/2014	13,437.55				
		12/13/2014	13,571.93				
		6/13/2015	13,707.64				
		12/13/2015	13,844.72				
		6/13/2016	13,983.17				
		12/13/2016	14,123.00				
		6/13/2017	14,264.23				
		12/13/2017	14,406.87				
		6/13/2018	14,550.94				
		12/13/2018	14,696.45				
		6/13/2019	14,843.42				
		12/13/2019	14,991.85				
		6/13/2020	15,141.77				
		12/13/2020	15,293.19				
		6/13/2021	15,446.12				
		12/13/2021	15,600.58				
		6/13/2022	15,756.58				
		12/13/2022	15,914.15				
		6/13/2023	16,073.29	2.00%			
					<u>\$ 357,524.46</u>	<u>\$ 25,444.15</u>	<u>\$ 332,080.31</u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2011</u>
<u>General Improvements:</u>					
11-5.1	Improvement to Various Roads		\$ 425,000.00	\$ 425,000.00	
11-5.2	Acquisition of Public Works Equipment		38,000.00	38,000.00	
11-5.3	Acquisition of Public Works Equipment		28,500.00	28,500.00	
11-5.4	Acquisition of Fire Rescue Equipment		52,250.00	52,250.00	
11-5.5	Acquisition of Office Equipment		4,750.00	4,750.00	
11-5.6	Acquisition of Senior Bus		57,000.00	57,000.00	
		<u>-</u>	<u>\$ 605,500.00</u>	<u>\$ 605,500.00</u>	<u>-</u>

SUPPLEMENTAL EXHIBITS

WATER UTILITY FUND

BOROUGH OF BERLIN
WATER UTILITY FUND
 Statement of Water Utility Cash
 Per N.J.S.40A:5-5 -- Chief Financial Officer
 For the Year Ended December 31, 2011

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2010	\$ 49,379.23	\$ 254,901.87
Increased by Receipts:		
Turnover from Collector	\$ 2,929,805.44	
Due Current Fund	221,097.84	\$ 650,000.00
Due General Capital Fund		308,868.50
Due Water Capital Operating Fund	395,652.84	
Miscellaneous Revenue	1,820.26	
2011 Appropriation Refunds	1,210.00	
2010 Appropriation Reserves Refunds	629.01	
	3,550,215.39	958,868.50
	3,599,594.62	1,213,770.37
Decreased by Disbursements:		
2011 Budget Appropriations	2,604,298.92	
2010 Appropriation Reserves	70,885.57	
Water Rent Overpayments	1,069.78	
Improvement Authorizations		28,323.36
Due Sewer Utility Operating Fund	7,414.62	
Due Water Utility Operating Fund		395,652.84
Accrued Interest on Bonds and Notes	179,119.41	
Reserve for Encumbrances		12,915.91
	2,862,788.30	436,892.11
Balance Dec. 31, 2011	\$ 736,806.32	\$ 776,878.26

Exhibit SD-2

WATER UTILITY OPERATING FUND
 Statement of Water Utility Operating Cash
 Per N.J.S.40A:5-5 -- Collector
 For the Year Ended December 31, 2011

Increased by Receipts:	
Water Rents Receivable	\$ 2,503,634.91
Water Rent Overpayments	9,220.51
Water Liens Receivable	174.09
Fire Hydrant and Sprinkler Rents Receivable	395,163.29
Fire Hydrant and Sprinkler Rent Overpayments	312.74
Miscellaneous Revenue	21,299.90
	2,929,805.44
Decreased by Disbursements:	
Payments to Treasurer	\$ 2,929,805.44

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
 Analysis of Water Capital Cash and Investments
 For the Year Ended December 31, 2011

	Balance (Deficit) Dec. 31, 2010	Receipts		Expenditures		Transfers		Balance (Deficit) Dec. 31, 2011
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 2,530.71							\$ 2,530.71
Reserve for Payment of Debt	116,273.13						\$ 316,601.40	432,874.53
Improvement Authorizations:								
04-09.1 Route 73 Water Main Extension	6,200.00							6,200.00
06-12.1 Repainting of Chestnut Ave Water Tank	132,627.02					\$ 134,840.60	2,213.58	
06-12.2 Acquisition and Installation of Water Meters	457,950.65					457,950.65		
06-12.3 Purchase of Generator	85,096.95					103,027.15	17,930.20	
06-14.1 Purchase of Computer Software	5,790.39							5,790.39
06-14.2 Equipment and System Improvements	81,725.71			\$ 28,323.36				53,402.35
07-17.1 Plant Improvements and Controls	58,063.49							58,063.49
07-17.2 Main Improvements	282,498.67							282,498.67
09-08.1 Redrilling of Well #10	(529,330.96)							(529,330.96)
09-08.2 Repair of Filters in Plant No. 1	(65,824.51)							(65,824.51)
Due Current Fund	(650,000.00)	\$ 650,000.00						
Due General Capital Fund	(308,868.50)	308,868.50						
Due Water Utility Operating Fund	395,652.84				\$ 395,652.84			
Due from NJ Environmental Infrastructure	(379,217.00)						379,217.00	
Contracts Payable	521,344.00							521,344.00
Reserve for Encumbrances	42,389.28				12,915.91	20,143.78		9,329.59
	<u>\$ 254,901.87</u>	<u>\$ 958,868.50</u>		<u>\$ 28,323.36</u>	<u>\$ 408,568.75</u>	<u>\$ 715,962.18</u>	<u>\$ 715,962.18</u>	<u>\$ 776,878.26</u>

BOROUGH OF BERLIN
 WATER UTILITY OPERATING FUND
 Statement of Water Rents Receivable
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 314,718.48
Increased by:		
Water Rents Levied		2,491,647.32
		2,806,365.80
Decreased by:		
Transferred to Liens	\$ 174.09	
Overpayments Applied	9,326.05	
Collections -- Collector	2,503,634.91	
		2,513,135.05
Balance Dec. 31, 2011		\$ 293,230.75

Exhibit SD-5

WATER UTILITY OPERATING FUND
 Statement of Fire Hydrants and Sprinkler Rents Receivable
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 22,006.80
Increased by:		
Fire Hydrant and Sprinkler Rents Levied		406,850.93
		428,857.73
Decreased by:		
Overpayments Applied	\$ 191.75	
Collections -- Collector	395,163.29	
		395,355.04
Balance Dec. 31, 2011		\$ 33,502.69

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Water Overpayments
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 9,380.04
Increased by:		
Receipts -- Collector		<u>9,533.25</u>
		18,913.29
Decreased by:		
Applied to Water Rents Receivable	\$ 9,517.80	
Cancellations	1,000.83	
Refunds -- Treasurer	<u>1,069.78</u>	
		<u>11,588.41</u>
Balance Dec. 31, 2011		<u><u>\$ 7,324.88</u></u>

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>		<u>Balance After</u> <u>Transfers</u>	<u>Decreased</u>	<u>Lapsed to</u> <u>Fund Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>			
Operations:					
Salaries and Wages		\$ 10,342.00	\$ 10,342.00		\$ 10,342.00
Other Expenses	\$ 68,345.61	102,917.45	171,263.06	\$ 70,256.56	101,006.50
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation Insurance		471.92	471.92		471.92
Social Security System (O.A.S.I.)		880.07	880.07		880.07
	<u>\$ 68,345.61</u>	<u>114,611.44</u>	<u>\$ 182,957.05</u>	<u>\$ 70,256.56</u>	<u>\$ 112,700.49</u>
Disbursed				\$ 70,885.57	
Refunds				(629.01)	
				<u>\$ 70,256.56</u>	

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2010</u>	<u>Authorized Fixed Capital</u>	<u>Transferred To Fixed Capital</u>	<u>Balance Dec. 31, 2011</u>
04-09.1	Route 73 Water Main Extension	6-3-04	\$ 1,000,000.00	\$ 1,000,000.00			\$ 1,000,000.00
06-12.1	Repainting of Chestnut Ave Water Tank	7-17-06	965,000.00	928,115.00		\$ 928,115.00	
06-12.2	Acquisition and Installation of Water Meters	7-17-06	2,583,600.00	2,509,200.00		2,509,200.00	
06-12.3	Purchase of Generator	7-17-06	268,600.00	261,200.00		261,200.00	
06-14.1	Purchase of Computer Software	8-21-06	18,000.00	18,000.00			18,000.00
06-14.2	Equipment and System Improvements	8-21-06	105,000.00	105,000.00			105,000.00
07-17.1	Plant Improvements and Controls	9-6-07	63,630.00	63,630.00			63,630.00
07-17.2	Main Improvements	9-6-07	292,900.00	292,900.00			292,900.00
09-08.1	Redrilling of Well #10	7-6-09	900,000.00	900,000.00			900,000.00
09-08.2	Repair of Filters in Plant No. 1	7-6-09	100,000.00	100,000.00			100,000.00
				<u>\$ 6,178,045.00</u>	<u>-</u>	<u>\$ 3,698,515.00</u>	<u>\$ 2,479,530.00</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2011

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Balance Prior to Jan. 1, 1931 (No Detail Available)	\$ 247,217.88		\$ 247,217.88
Springs, Wells and Filtration System	4,009,892.01		4,009,892.01
Electric Power Pumping Equipment	114,117.12		114,117.12
Transmission Mains	1,286,511.71		1,286,511.71
Tanks and Standpipes	2,816,769.62	\$ 928,115.00	3,744,884.62
Distribution Mains	357,663.81		357,663.81
Service Pipe and Stops	8,229.29		8,229.29
Meters, Meter Boxes and Vaults	487,448.34	2,509,200.00	2,996,648.34
Fire Hydrants	124,827.07		124,827.07
General Equipment	317,540.48		317,540.48
Office Equipment	17,371.13		17,371.13
Garage	26,088.81		26,088.81
Motorized Equipment	14,425.41		14,425.41
Engineering Fees	265,894.56		265,894.56
Site	1,160.00		1,160.00
Legal and Accounting	137,577.82		137,577.82
Fence and Shrubbery	5,554.00		5,554.00
Other Costs	24,958.30		24,958.30
Interest on Notes	6,537.33		6,537.33
Base Station Equipment	628.50		628.50
Spreader	790.00		790.00
Alarm System	2,343.50		2,343.50
Chlorinator	7,155.00		7,155.00
Modulating Flow Valve	2,811.95		2,811.95
Backhoe	11,231.62		11,231.62
Tank	68,000.00		68,000.00
Trailer	8,030.00		8,030.00
Water Testing Equipment	338.02		338.02
Radio Telemetry Equipment	29,525.00		29,525.00
Safety Equipment	425.00		425.00
Meter Testing Equipment	601.79		601.79
Vehicles	82,748.77		82,748.77
Improvements to Plant, Wells and Mains	2,967,601.09		2,967,601.09
Purchase of Computer Equipment	59,500.00		59,500.00
Construction of Test Wells	228,788.00		228,788.00
Mechanics Garage	200,000.00		200,000.00
Generator		261,200.00	261,200.00
Removal of Contaminated Soil and Installation of Above Ground Tank	15,000.00		15,000.00
	<u>\$ 13,955,302.93</u>	<u>3,698,515.00</u>	<u>\$ 17,653,817.93</u>

BOROUGH OF BERLIN
WATER UTILITY FUND
Statement of Accrued Interest on Bonds, Loans and Notes and Analysis of Balance
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 61,591.77
Increased by:	
Charged to Operating Fund Budget Appropriations	172,419.13
	234,010.90
Decreased by:	
Paid by Operating Fund	179,119.41
Balance Dec. 31, 2011	\$ 54,891.49

Analysis of Accrued Interest Dec. 31, 2011

<u>Principal Outstanding Dec. 31, 2011</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 2,415,000.00	Various	10-15-11	12-31-11	78 Days	19,856.42
394,881.00	Various	10-1-11	12-31-11	92 Days	4,384.60
N.J. Environmental Infrastructure Trust Loan:					
1,536,528.26	Various	8-1-11	12-31-11	153 Days	30,650.47
					\$ 54,891.49

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2010		2011 Authorizations			Balance Dec. 31, 2011		
				Funded	Unfunded	Funded	Deferred Charges to Future Revenue	Disbursed	Adjustments	Funded	Unfunded
04-09.1	Route 73 Water Main Extension	6-3-04	\$ 1,000,000.00	\$ 6,200.00						\$ 6,200.00	
06-12.1	Repainting of Chestnut Ave Water Tank	7-17-06	965,000.00	132,627.02					\$ 132,627.02		
06-12.2	Acquisition and Installation of Water Meters	7-17-06	2,583,600.00	457,950.65					457,950.65		
06-12.3	Purchase of Generator	7-17-06	268,600.00	85,096.95					85,096.95		
06-14.1	Purchase of Computer Software	8-21-06	18,000.00	5790.39						5,790.39	
06-14.2	Equipment and System Improvements	8-21-06	105,000.00	81,725.71				\$ 28,323.36		53,402.35	
07-17.1	Plant Improvements and Controls	9-6-07	63,630.00	58063.49						58,063.49	
07-17.2	Main Improvements	9-6-07	292,900.00	282498.67						282,498.67	
09-08.1	Redrilling of Well #10	7-6-09	900,000.00		\$ 325,669.04						\$ 325,669.04
09-08.2	Repair of Filters in Plant No. 1	7-6-09	100,000.00		29,175.49						29,175.49
				<u>\$ 1,109,952.88</u>	<u>\$ 354,844.53</u>	<u>-</u>	<u>-</u>	<u>\$ 28,323.36</u>	<u>\$ 675,674.62</u>	<u>\$ 405,954.90</u>	<u>\$ 354,844.53</u>
Encumbrances Canceled									(20,143.78)		
Improvement Authorization Canceled - Reserve for Payment of Debt									316,601.40		
Improvement Authorization Canceled - Due from NJ Environmental Infrastructure									<u>379,217.00</u>		
									<u>\$ 675,674.62</u>		

BOROUGH OF BERLIN
 WATER UTILITY CAPITAL FUND
 Statement of Reserve for Amortization
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 12,670,174.43
Increased by:		
Paid by Operating Budget:		
Serial Bonds	\$ 425,000.00	
New Jersey Environmental Infrastructure Loan	173,579.21	
New Jersey Environmental Infrastructure Loan Canceled	<u>222,337.74</u>	
		<u>820,916.95</u>
Balance Dec. 31, 2011		<u><u>\$ 13,491,091.38</u></u>

WATER UTILITY CAPITAL FUND
 Schedule of Deferred Reserve for Amortization
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2010</u>	<u>Fixed Capital Authorized</u>	<u>Transferred To Reserve For Amortization</u>	<u>Balance Dec. 31, 2011</u>
04-09.1	Route 73 Water Main Extension	6-3-04	\$ 50,000.00			\$ 50,000.00
06-14.1	Purchase of Computer Software	8-21-06	858.00			858.00
06-14.2	Equipment and System Improvements	8-21-06	5,001.00			5,001.00
07-17.1	Plant Improvements and Controls	9-6-07	3,040.00			3,040.00
07-17.2	Main Improvements	9-6-07	13,950.00			13,950.00
09-08.1	Redrilling of Well #10	7-6-09	45,000.00			45,000.00
09-08.2	Repair of Filters in Plant No. 1	7-6-09	5,000.00			5,000.00
			<u>\$ 122,849.00</u>	<u>-</u>	<u>-</u>	<u>\$ 122,849.00</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Water Serial Bonds
For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding Dec. 31, 2011</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2011</u>
			<u>Date</u>	<u>Amount</u>					
General Water Bonds	9-15-95	\$ 2,390,000.00	N/A	N/A	N/A	\$ 200,000.00		\$ 200,000.00	
General Water Bonds	10-15-05	3,040,000.00	10/15/12	\$ 250,000.00	3.75%				
			10/15/13-15	250,000.00	3.80%				
			10/15/16-19	275,000.00	3.80%				
			10/15/20	315,000.00	3.80%	2,615,000.00		200,000.00	\$ 2,415,000.00
General Water Bonds	10-1-08	469,881.00	10/1/2012	45,000.00	4.25%				
			10/1/13-15	50,000.00	4.25%				
			10/1/16-17	50,000.00	4.375%				
			10/1/18	50,000.00	4.50%				
			10/1/19	49,881.00	4.50%	419,881.00		25,000.00	394,881.00
						<u>\$ 3,234,881.00</u>	<u>-</u>	<u>\$ 425,000.00</u>	<u>\$ 2,809,881.00</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
 Statement of New Jersey Environmental Infrastructure Trust Loan Payable
 For the Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Date	Maturities Outstanding Dec. 31, 2011			Interest Rate(A)	Balance Dec. 31, 2010	Loans Issued	Decreased	Balance Dec. 31, 2011		
				Trust Loan	Fund Loan	Total							
Improvement to Chestnut Avenue Water Tank, Acquisition and Installation of Water Meters, and Generator Improvements	11-9-06	\$ 3,817,200.00	2/1/2012		\$ 23,561.57	\$ 23,561.57							
			8/1/2012	\$ 80,000.00	75,834.40	155,834.40	5.000%						
			2/1/2013		22,254.75	22,254.75							
			8/1/2013	80,000.00	74,527.58	154,527.58	5.000%						
			2/1/2014		20,947.93	20,947.93							
			8/1/2014	85,000.00	76,487.82	161,487.82	5.000%						
			2/1/2015		19,559.43	19,559.43							
			8/1/2015	90,000.00	78,366.37	168,366.37	5.000%						
			2/1/2016		18,089.26	18,089.26							
			8/1/2016	95,000.00	80,163.25	175,163.25	5.000%						
			2/1/2017		16,537.41	16,537.41							
			8/1/2017	100,000.00	81,878.45	181,878.45	4.000%						
			2/1/2018		15,230.58	15,230.58							
			8/1/2018	105,000.00	83,838.68	188,838.68	4.000%						
			2/1/2019		13,858.42	13,858.42							
			8/1/2019	110,000.00	85,733.57	195,733.57	4.000%						
			2/1/2020		12,420.92	12,420.92							
			8/1/2020	110,000.00	84,296.07	194,296.07	4.000%						
			2/1/2021		10,983.42	10,983.42							
			8/1/2021	115,000.00	86,125.62	201,125.62	4.125%						
			2/1/2022		9,433.61	9,433.61							
			8/1/2022	120,000.00	87,842.86	207,842.86	4.125%						
			2/1/2023		7,816.42	7,816.42							
			8/1/2023	125,000.00	89,492.73	214,492.73	4.250%						
			2/1/2024		6,080.80	6,080.80							
			8/1/2024	36,528.26	41,636.37	78,164.63	5.000%						
8/1/2025	140,000.00		140,000.00	4.250%									
(A) Interest applicable to Trust Loan only.			8/1/2026	145,000.00		145,000.00	4.250%	\$ 3,155,443.50		\$ 395,916.95	\$ 2,759,526.55		
								<u>\$ 3,155,443.50</u>	<u>-</u>	<u>\$ 395,916.95</u>	<u>\$ 2,759,526.55</u>		
Paid by Budget Appropriation										\$ 173,579.21			
Canceled										<u>222,337.74</u>			
										<u>\$ 395,916.95</u>			

BOROUGH OF BERLIN
 WATER UTILITY CAPITAL FUND
 Statement of Water Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Authorizations</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2011</u>
09-08.1	Redrilling of Well #10	\$ 855,000.00			\$ 855,000.00
09-08.2	Repair of Filters in Plant No. 1	95,000.00			95,000.00
		<u>\$ 950,000.00</u>	<u>-</u>	<u>-</u>	<u>\$ 950,000.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF BERLIN
SEWER UTILITY FUND
Statement of Sewer Utility Cash
Per N.J.S.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2011

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2010	\$ 139,708.14	\$ 200,860.02
Increased by Receipts:		
Turnover from Collector	\$ 652,982.35	
Interest on Deposits	708.85	
Appropriation Refunds	55.00	
Due Water Utility Operating Fund	7,414.62	
Due Sewer Capital Fund	<u>13,000.00</u>	
	<u>674,160.82</u>	<u>-</u>
	813,868.96	200,860.02
Decreased by Disbursements:		
2011 Budget Appropriations	607,362.76	
2010 Appropriation Reserves	7,074.06	
Accrued Interest on Bonds and Notes	23,139.50	
Improvement Authorizations		\$ 4,180.00
Refund of Prior Year Revenue	47.58	
Sewer Rent Overpayments	186.88	
Due Current Fund -- Fund Balance as Revenue	75,000.00	
Due Sewer Operating Fund		13,000.00
Due General Capital Fund	<u>6,189.12</u>	<u>106,800.57</u>
	<u>718,999.90</u>	<u>123,980.57</u>
Balance Dec. 31, 2011	<u><u>\$ 94,869.06</u></u>	<u><u>\$ 76,879.45</u></u>

Exhibit SE-2

SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Operating Cash
Per N.J.S.40A:5-5 -- Collector
For the Year Ended December 31, 2011

Increased by Receipts:	
Sewer Rents Receivable	\$ 644,741.82
Sewer Liens Receivable	321.21
Sewer Overpayments	1,884.86
Miscellaneous Revenue	<u>6,034.46</u>
	652,982.35
Decreased by Disbursements:	
Payments to Treasurer	<u><u>\$ 652,982.35</u></u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash and Investments
 For the Year Ended December 31, 2011

	Balance Dec. 31, 2010	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 1,721.95							\$ 1,721.95
Reserve to Pay Debt Service	6,735.50							6,735.50
Improvement Authorizations:								
06-14.1 Purchase of Computer Software	5,790.39							5,790.39
06-14.2 Facility Improvements	28,917.61			\$ 4,180.00				24,737.61
07-17 Purchase of Submersible Wells	37,894.00							37,894.00
Due General Capital Fund	106,800.57				\$ 106,800.57			
Due Sewer Utility Operating Fund	13,000.00				13,000.00			
	<u>\$ 200,860.02</u>	<u>-</u>	<u>-</u>	<u>\$ 4,180.00</u>	<u>\$ 119,800.57</u>	<u>-</u>	<u>-</u>	<u>\$ 76,879.45</u>

BOROUGH OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2011

Balance Dec. 31, 2010		\$ 83,639.04
Increased by:		
Sewer Rents Levied		<u>641,633.53</u>
		725,272.57
Decreased by:		
Collections -- Collector	\$ 644,741.82	
Overpayments Applied	985.72	
Transfer to Liens	321.21	
Canceled	<u>746.86</u>	
		<u>646,795.61</u>
Balance Dec. 31, 2011		<u><u>\$ 78,476.96</u></u>

Exhibit SE-5

SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2011

	Balance Dec. 31, 2010		Balance After	Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>		
Operating:					
Salaries		\$ 15,010.77	\$ 15,010.77		\$ 15,010.77
Other Expenses	\$ 6,981.19	13,275.86	20,257.05	\$ 7,074.06	13,182.99
Statutory Expenditures:					
Contribution to					
Unemployment Compensation Insurance		505.41	505.41		505.41
Social Security System (O.A.S.I.)		<u>1,214.46</u>	<u>1,214.46</u>		<u>1,214.46</u>
Total	<u>\$ 6,981.19</u>	<u>\$ 30,006.50</u>	<u>\$ 36,987.69</u>	<u>\$ 7,074.06</u>	<u>\$ 29,913.63</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2011

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Facility Improvements	\$ 287,110.77		\$ 287,110.77
Oxygen Analyzer	1,177.36		1,177.36
Chevrolet Truck	1,952.00		1,952.00
Installation of Laterals	2,390.00		2,390.00
Chlorinator	1,787.00		1,787.00
Mobile Unit for Truck	551.92		551.92
Refrigerator	169.00		169.00
Dump Truck	57,660.50		57,660.50
Tank Truck	2,450.00		2,450.00
Construction of Utility Room	1,065.00		1,065.00
Air Compressor	163.16		163.16
Mobile Pump	1,092.00		1,092.00
Welding Unit	917.70		917.70
Sewer Cleaner	12,000.00		12,000.00
Digester Lid	7,895.00		7,895.00
Construction of Sanitary Sewer System:			
Construction Contracts	707,310.21		707,310.21
Collection System	1,028,362.05		1,028,362.05
Street Paving	164,047.75		164,047.75
Sidewalk Construction	29,944.31		29,944.31
Engineering	121,048.87		121,048.87
Other Costs	93,618.80		93,618.80
Addition to Sewer Plant:			
Construction Contracts	34,389.45		34,389.45
Engineering	3,216.46		3,216.46
Other Costs	4,151.07		4,151.07
Alterations to Wet Well	970.00		970.00
Fencing	9,679.39		9,679.39
Base Station Equipment	1,363.70		1,363.70
Pipe and Drain Cleaner	1,199.00		1,199.00
Pipe Saddles	50.94		50.94
Curb Boxes	263.87		263.87
Office Equipment	7,553.00		7,553.00
Spreader	790.00		790.00
Street Sweeper	65,002.50		65,002.50
Stake Body Truck	57,861.00		57,861.00
Pick-up Truck	23,667.00		23,667.00
Falk Reducer	5,918.00		5,918.00
Equipment Repairs	8,868.46		8,868.46
Freight Charges	39.18		39.18
Electrical Gear Motor	1,147.90		1,147.90
Tractor and Backhoe	19,500.00		19,500.00
Pumping Stations	374,185.93		374,185.93
Garage	70,000.00		70,000.00
Computer Equipment	33,136.50		33,136.50
Air Ventilator	2,500.00		2,500.00
Gas Detector	1,500.00		1,500.00
Above Ground Tank	15,000.00		15,000.00
Mechanics Garage	200,000.00		200,000.00
Pick-up Truck	15,639.13		15,639.13
Dump Truck with Plow	13,145.77		13,145.77
Sewer Jetter	72,000.00		72,000.00
	<u>\$ 3,565,451.65</u>	<u>-</u>	<u>\$ 3,565,451.65</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2010	2011 Authorization		To Fixed Capital	Balance Dec. 31, 2011
					Deferred Reserve For Amortization	Deferred Charges to Future Revenue		
General Improvements:								
06-14.1	Purchase of Computer Software	8/21/06	\$ 18,000.00	\$ 18,000.00				\$ 18,000.00
06-14.2	Facility Improvements	8/21/06	235,000.00	85,250.00				85,250.00
07-17	Purchase of Submersible Wells	9/06/07	49,980.00	49,980.00				49,980.00
				<u>\$ 153,230.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 153,230.00</u>

BOROUGH OF BERLIN
SEWER UTILITY FUND
 Statement of Accrued Interest on Bonds
 For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 5,251.85
Increased by:	
Charges to Operating Budget	22,570.33
	27,822.18
Decreased by:	
Paid by Sewer Utility Operating Fund	23,139.50
Balance Dec. 31, 2011	\$ 4,682.68

Analysis of Accrued Interest Dec. 31, 2011

<u>Principal Outstanding Dec. 31, 2011</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 399,000.00	Various	10/15/2011	12/31/2011	78 Days	\$ 3,279.68
127,000.00	Various	10/1/2011	12/31/2011	92 Days	1,403.00
					\$ 4,682.68

BOROUGH OF BERLIN
 SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2010		2011 Authorizations			Balance Dec. 31, 2011	
			Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Disbursed	Adjustments	Funded	Unfunded
06-14.1	Purchase of Computer Software	8/21/06	\$ 18,000.00	\$ 5,790.39						\$ 5,790.39	
06-14.2	Facility Improvements	8/21/06	235,000.00	28,917.61				\$ 4,180.00		24,737.61	
07-17	Purchase of Submersible Wells	9/06/07	49,980.00	37,894.00						37,894.00	
				<u>\$ 72,602.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 4,180.00</u>	<u>-</u>	<u>\$ 68,422.00</u>	<u>-</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 3,113,251.65
Increased by:	
Serial Bonds Paid by Operating Budget	65,000.00
Balance Dec. 31, 2011	\$ 3,178,251.65

Exhibit SE-11

SEWER UTILITY OPERATING FUND
Statement of Sewer Overpayments
For the Year Ended December 31, 2011

Balance Dec. 31, 2010	\$ 882.28
Increased by:	
Collections	1,884.86
	2,767.14
Decreased by:	
Applied to Sewer Rents Receivable	\$ 985.72
Refunds -- Treasurer	186.88
Cancellations	266.75
	1,439.35
Balance Dec. 31, 2011	\$ 1,327.79

Exhibit SE-12

SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2010	Transferred to Reserve for Amortization	Cancelled	Balance Dec. 31, 2011
06-14.1	Purchase of Computer Software	08/21/06	\$ 858.00			\$ 858.00
06-14.2	Facility Improvements	08/21/06	11,192.00			11,192.00
07-17	Purchase of Submersible Wells	09/06/07	2,380.00			2,380.00
			\$ 14,430.00	-	-	\$ 14,430.00

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Sewer Serial Bonds
For the Year Ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding Dec. 31, 2011</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Increased</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2011</u>
			<u>Date</u>	<u>Amount</u>					
Sewer Bonds of 2005	10-15-05	\$ 614,000.00	10/15/12	\$ 50,000.00	3.75%				
			10/15/13-18	50,000.00	3.80%				
			10/15/19	49,000.00	3.80%	\$ 449,000.00		\$ 50,000.00	\$ 399,000.00
General Sewer Bonds	10-01-08	162,000.00	10/1/12-13	15,000.00	4.25%				
			10/1/14-15	20,000.00	4.25%				
			10/1/16-17	20,000.00	4.375%				
			10/1/18	17,000.00	4.50%	142,000.00		15,000.00	127,000.00
						<u>\$ 591,000.00</u>	<u>-</u>	<u>\$ 65,000.00</u>	<u>\$ 526,000.00</u>

BOROUGH OF BERLIN
PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

BOROUGH OF BERLIN
Schedule of Findings and Recommendations
For the Year Ended December 31, 2011

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

NONE.

BOROUGH OF BERLIN
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

NONE.

BOROUGH OF BERLIN
Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
John J. Armano	Mayor	\$1,000,000.00(A)
Nicholas Maccaroni	President of Council	1,000,000.00(A)
James Bilella	Councilman	1,000,000.00(A)
Dennis Chance	Councilman	1,000,000.00(A)
Lynn Kupchik	Councilman	1,000,000.00(A)
James Pearce	Councilman	1,000,000.00(A)
Scott Scelso	Councilman	1,000,000.00(A)
Stephen Miller	Chief Financial Officer	
Lisa Eggert	Tax Collector , Water Clerk, Sewer Clerk, and Tax Search Officer	1,000,000.00(A)
Stacey DiVello	Treasurer	1,000,000.00(A)
Charleen Santora	Administrator, Borough Clerk, Municipal Improvement Search Officer, Dog License Official, and Registrar	1,000,000.00(A)
Sharon Van Dyke	Tax Clerk	1,000,000.00(A)
Dawn Lattanzi	Payroll Clerk	1,000,000.00(A)
Kelly Foster	Court Administrator	1,000,000.00(A)
Heather Iannarella	Deputy Court Administrator	1,000,000.00(A)
Craig S. Larsen, Esq.	Judge of the Municipal Court	1,000,000.00(A)
Theresa Stagliano	Assessor	1,000,000.00(A)
Michael DePalma	Construction Code Official, Building Inspector, Fire Sub-Code Inspector, Consultant of Licenses and Inspections, Zoning Official, and Zoning Enforcement Officer	1,000,000.00(A)
Stephen Buchhofer	Electrical Inspector	1,000,000.00(A)
Kenneth Snuffin	Plumbing Inspector	1,000,000.00(A)
Richard Nadier	Fire Sub-Code Official	1,000,000.00(A)
George Singley	Prosecutor	1,000,000.00(A)
Thomas Shusted	Public Defender	1,000,000.00(A)
Robert Carrara	Chief of Police	1,000,000.00(A)
George Botcheos	Solicitor	
Birdsall Group	General Engineer	
Environmental Resolutions	Water and Sewer Engineer	

(A) Public Employees' Dishonesty Blanket Position Bond, Aggregate Coverage, with a \$1,000.00 per loss deductible through the Camden County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.

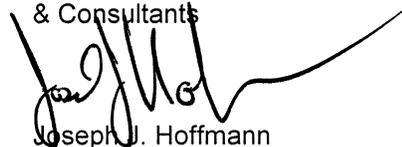
All of the bonds were examined and were properly executed.

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read 'J. Hoffmann', with a long, sweeping flourish extending to the right.

Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

