

**BOROUGH OF BERLIN
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR 2020**

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BOROUGH OF BERLIN

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR 2020

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020 and 2019, 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 asset group of accounts - regulatory basis for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance 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, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously 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, 2020 and 2019, 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 and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2020, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, 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 supplemental statements and schedules 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2021 on our consideration of the Borough of Berlin, in the County of Camden, State of New Jersey, 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 solely 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 effectiveness of the Borough of Berlin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Berlin's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
September 2, 2021

**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**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Berlin, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated September 2, 2021. That report indicated that the Borough of Berlin's 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Berlin's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Berlin's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Berlin's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Berlin's financial statements are free from 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 financial statements. 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees New Jersey
September 2, 2021

BOROUGH OF BERLIN
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Regular Fund:			
Cash - Treasurer	SA-1	\$ 5,032,725.32	\$ 3,941,525.44
Cash - Collector	SA-2	359,901.42	587,044.02
Cash--Change Funds	SA-3	600.00	600.00
		<u>5,393,226.74</u>	<u>4,529,169.46</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	427,344.02	348,320.70
Tax Title Liens Receivable	SA-9	78,594.90	64,315.09
Revenue Accounts Receivable	SA-5	41,484.47	43,770.43
Due from Sewer Operating Fund	E	27,399.18	27,399.18
		<u>574,822.57</u>	<u>483,805.40</u>
Deferred Charges:			
Special Emergency Authorizations	SA-18	17,000.00	34,000.00
		<u>5,985,049.31</u>	<u>5,046,974.86</u>
Federal and State Grant Fund:			
Cash	SA-1	208,462.70	355,120.96
Federal and State Grants Receivable	SA-20	238,433.91	231,448.91
		<u>446,896.61</u>	<u>586,569.87</u>
		<u>\$ 6,431,945.92</u>	<u>\$ 5,633,544.73</u>

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-7	\$ 892,043.30	\$ 629,363.78
Reserve for Encumbrances	SA-14	147,318.13	91,692.76
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-6	14,420.39	14,420.39
State Training Fees	SA-8	8,894.00	1,674.00
Prepaid Taxes	SA-10	333,281.86	341,883.70
Accounts Payable	SA-7	3,186.64	
Reserve for Preparation of Master Plan	SA-19	25,116.46	26,671.58
Due County for Added and Omitted Taxes	SA-12	156,610.02	27,063.65
Local District School Taxes Payable	SA-15	728,199.94	660,163.46
Regional High School Taxes Payable	SA-17	347,925.85	474,505.42
Due to Water Utility Operating Fund	D	20,563.36	20,563.36
Due to Open Space Trust Fund	SA-16	224,678.75	110,949.16
Due to Trust Other Fund	B	73,730.61	75,498.65
Due to General Capital Fund	C	65,808.00	65,808.00
		<u>3,041,777.31</u>	<u>2,540,257.91</u>
Reserves for Receivables and Other Assets	A	574,822.57	483,805.40
Fund Balance	A-1	<u>2,368,449.43</u>	<u>2,022,911.55</u>
		<u>5,985,049.31</u>	<u>5,046,974.86</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-21	12,421.51	18,116.21
Appropriated Reserves	SA-22	416,832.18	264,017.52
Due to Trust Other Fund	B	236.07	236.07
Reserve for Encumbrances	SA-23	17,406.85	4,200.07
Contracts Payable	SA-24		300,000.00
		<u>446,896.61</u>	<u>586,569.87</u>
		<u>\$ 6,431,945.92</u>	<u>\$ 5,633,544.73</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BERLIN
CURRENT FUND
 Statements of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 987,000.00	\$ 857,000.00
Miscellaneous Revenues Anticipated	2,161,791.56	2,567,438.40
Receipts from Delinquent Taxes	350,826.28	318,133.75
Receipts from Current Taxes	24,490,181.94	24,132,622.29
Non-Budget Revenue	251,937.04	239,541.87
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	585,507.36	496,855.22
Liquidation of Reserve for:		
Due Federal & State Grant Fund		130,574.45
Total Income	28,827,244.18	28,742,165.98
Expenditures		
Budget Appropriations:		
Within "CAPS":		
Operations -- Salaries and Wages	2,887,305.92	2,796,766.00
Operations -- Other Expenses	2,557,293.97	2,523,489.00
Deferred Charges and Statutory Expenditures	836,905.00	803,039.00
Excluded from "CAPS":		
Operations -- Salaries and Wages	180,400.00	178,200.00
Operations -- Other Expenses	652,572.53	643,417.66
Capital Improvements--Excluded from "CAPS"	125,000.00	50,000.00
Municipal Debt Service--Excluded from "CAPS"	1,725,208.58	1,724,896.11
Deferred Charges--Municipal--Excluded from "CAPS"	17,000.00	17,000.00
Transfer to Local School Districts	44,599.00	44,207.00
Regional High School Tax	4,136,262.00	4,374,096.00
Local District School Tax	8,199,728.00	8,034,773.00
Municipal Open Space Tax	110,780.00	110,900.00
Due Municipal Open Space for Added and Omitted Taxes	2,949.59	49.16
County Taxes	5,860,341.69	6,108,989.48
Due County for Added and Omitted Taxes	156,610.02	2,709.95
Other Debits to Expenditures:		
Prior Year Senior and Veteran Deductions Disallowed	1,750.00	250.00
Creation of Reserve for:		
Due Sewer Operating Fund		27,399.18
Total Expenditures	27,494,706.30	27,440,181.54
Excess in Revenues	1,332,537.88	1,301,984.44
Fund Balance		
Balance Jan. 1	2,022,911.55	1,577,927.11
	3,355,449.43	2,879,911.55
Decreased by:		
Utilized as Revenue	987,000.00	857,000.00
Balance Dec. 31	\$ 2,368,449.43	\$ 2,022,911.55

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BERLIN
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2020

	<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	\$ 987,000.00	-	\$ 987,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	11,000.00		11,904.00	\$ 904.00
Other	52,000.00		59,182.00	7,182.00
Fees and Permits	25,000.00		60,858.32	35,858.32
Fines and Costs -- Municipal Court	265,000.00		197,849.22	(67,150.78)
Interest and Costs on Taxes	74,000.00		104,001.82	30,001.82
Interest on Investments and Deposits	11,000.00		28,643.20	17,643.20
Payment in Lieu of Taxes -- Virtua Hospital	40,000.00		43,000.00	3,000.00
Payment in Lieu of Taxes -- Jet Associates	12,000.00		12,607.23	607.23
Cable TV Franchise Fee	110,000.00		111,815.57	1,815.57
Rental of Borough Property:				
U.S. Post Office	15,000.00		15,000.00	
Bell Telephone / Verizon Rental	58,000.00		70,815.84	12,815.84
Cable T.C. Co. (AT&T)	23,000.00		27,423.36	4,423.36
69 South White Horse Pike	12,000.00		12,041.04	41.04
Energy Receipts Taxes	696,697.00		696,697.01	0.01
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	264,000.00		135,556.00	(128,444.00)
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:				
Recycling Tonnage Grant	10,221.51		10,221.51	
Drunk Driving Enforcement Fund	5,132.08		5,132.08	
Clean Communities Grant		\$ 15,185.45	15,185.45	
Safe and Secure Communities Program-P.L. 1993, Chapter 220	60,000.00		60,000.00	
Body Armor Replacement Grant	2,178.69		2,178.69	
FEMA Safer Grant	101,680.00		101,680.00	
Alcohol Education and Rehabilitation Grant	562.62		562.62	
New Jersey Department of Transportation	245,000.00		245,000.00	
Community Development Block Grant		5,000.00	5,000.00	
County DWI Grant	2,200.00		2,200.00	
Other Special Items:				
Uniform Fire Safety Act	71,500.00		66,866.60	(4,633.40)
Rental and Inspection Fees	31,000.00		60,370.00	29,370.00
	<u>2,198,171.90</u>	<u>20,185.45</u>	<u>2,161,791.56</u>	<u>(56,565.79)</u>
Receipts from Delinquent Taxes	<u>293,000.00</u>	<u>-</u>	<u>350,826.28</u>	<u>57,826.28</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	5,743,975.78		6,238,318.41	494,342.63
Minimum Library Tax	244,362.18		244,362.18	
	<u>5,988,337.96</u>	<u>-</u>	<u>6,482,680.59</u>	<u>494,342.63</u>
Budget Totals	<u>9,466,509.86</u>	<u>20,185.45</u>	<u>9,982,298.43</u>	<u>495,603.12</u>
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>251,937.04</u>	<u>251,937.04</u>
	<u>\$ 9,466,509.86</u>	<u>\$ 20,185.45</u>	<u>\$ 10,234,235.47</u>	<u>\$ 747,540.16</u>

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2020

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 24,490,181.94	
Allocated to County, School, and Open Space Taxes	18,466,671.30	
Amount for Support of Municipal Budget Appropriations	6,023,510.64	
Add: Appropriation "Reserve for Uncollected Taxes"	459,169.95	
Amount for Support of Municipal Budget Appropriations	\$ 6,482,680.59	

Receipts from Delinquent Taxes:

Receipts:

Delinquent Tax	\$ 344,374.44	
Tax Title Liens	6,451.84	
	\$ 350,826.28	

Revenue Accounts Receivable

Fees and Permits--Other:

Clerk	\$ 17,753.77	
Searches for Municipal Improvements	150.00	
Planning	3,600.00	
Zoning	27,458.00	
Police	7,126.55	
Registrar of Vital Statistics	4,770.00	
	\$ 60,858.32	

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Receipts -- Treasurer:

Senior Citizen and Veteran Administrative Fee	\$ 1,137.57	
MVC Inspection Fees	185.00	
Police Outside Service Administrative Fees	23,885.24	
Sale of Municipal Assets	3,441.00	
CARES Act	9,903.74	
Insurance Refunds	20,731.42	
Community Center Fees	2,440.00	
Refund of Prior Year Expenditures	16,146.39	
Property Registration	42,600.00	
Hotel Tax	8,515.41	
Miscellaneous	60,836.42	
Revenue Accounts Receivable:		
Rental of Borough Property -- 93 Clementon Rd.	19,800.00	
Rental of Borough Property -- PNC	11,954.35	
	\$ 221,576.54	

Receipts -- Collector:

Tax Sale Advertising Fees	4,104.45	
PILOT Program -- Lonaconing	25,996.05	
Miscellaneous	260.00	
	30,360.50	
	\$ 251,937.04	

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, 2020

	<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	\$ 7,575.00	\$ 7,575.00	\$ 7,551.72		\$ 23.28	
Other Expenses	6,850.00	6,850.00	3,260.94	\$ 755.00	2,834.06	
Administrative and Executive						
Salaries and Wages	70,047.92	70,047.92	48,403.82		21,644.10	
Other Expenses	71,400.00	71,400.00	50,208.96	2,078.06	19,112.98	
Financial Administration						
Salaries and Wages	41,500.00	41,500.00	37,820.74		3,679.26	
Other Expenses	42,393.00	42,393.00	19,292.64	1,120.66	21,979.70	
Audit Services						
Other Expenses	26,000.00	26,000.00	26,000.00			
Engineering Services						
Other Expenses	45,000.00	45,000.00	20,666.96	2,794.00	21,539.04	
Collection of Taxes						
Salaries and Wages	36,900.00	36,900.00	34,642.67		2,257.33	
Other Expenses	10,525.00	10,525.00	8,811.46	924.10	789.44	
Public Employees' Award Program (NJSA 40A:9-8) (NJSA 40A:5-31)						
Other Expenses	1,500.00	1,500.00	404.45		1,095.55	
Assessment of Taxes						
Salaries and Wages	12,300.00	12,300.00	12,258.27		41.73	
Other Expenses	4,500.00	4,500.00	3,722.99		777.01	
Municipal Court						
Salaries and Wages	134,600.00	134,600.00	112,703.61		21,896.39	
Other Expenses	16,245.00	16,245.00	9,049.26	571.75	6,623.99	
Legal Services and Costs						
Other Expenses	145,000.00	145,000.00	59,717.16	1,602.94	83,679.90	
Economic Development Committee						
Redevelopment Other Expenses	5,000.00	5,000.00	1,050.00		3,950.00	
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board						
Salaries and Wages	2,000.00	2,000.00	750.00		1,250.00	
Other Expenses	14,700.00	22,300.00	17,321.09	2,794.80	2,184.11	
Zoning Enforcement Officer						
Salaries and Wages	3,000.00	3,000.00	2,942.19		57.81	
Other Expenses	650.00	650.00	442.01		207.99	
Historic Committee						
Other Expenses	4,500.00	4,500.00	546.00		3,954.00	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2020

	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						
Health Benefit Waiver	\$ 30,000.00	\$ 30,000.00	\$ 25,921.75		\$ 4,078.25	
Workers Compensation	65,623.50	65,623.50	65,623.50			
Other Insurance	96,682.47	96,682.47	94,660.86		2,021.61	
Unemployment Compensation Insurance	13,000.00	13,000.00	9,395.02		3,604.98	
Group Insurance for Employees	625,400.00	625,400.00	543,769.08		81,630.92	
<u>Public Safety</u>						
Police						
Salaries and Wages	1,772,400.00	1,772,400.00	1,628,385.03		144,014.97	
Other Expenses:						
Miscellaneous Other Expenses	100,900.00	98,900.00	57,953.54	\$ 38,914.52	2,031.94	
Fire						
Aid to Volunteer Fire Company	29,000.00	29,000.00	29,000.00			
Miscellaneous Other Expenses	78,900.00	78,900.00	53,639.36	12,802.69	12,457.95	
Aid to Volunteer Ambulance/Emergency Squad						
Other Expenses	36,000.00	36,000.00	31,000.00		5,000.00	
Public Defender						
Other Expenses	7,000.00	7,000.00	3,499.98		3,500.02	
Uniform Fire Safety Act (P.L. 1983 CH 383):						
Fire						
Salaries and Wages	65,000.00	65,000.00	56,841.32		8,158.68	
Other Expenses	8,125.00	8,125.00	4,810.00	763.38	2,551.62	
Emergency Management Services						
Salaries and Wages	5,500.00	5,501.00	5,500.08		0.92	
Other Expenses	1,500.00	1,500.00	487.04		1,012.96	
Municipal Prosecutor						
Other Expenses	16,000.00	16,000.00	16,000.00			
<u>Streets and Roads</u>						
Road Repairs and Maintenance						
Salaries and Wages	138,000.00	138,000.00	91,911.12		46,088.88	
Other Expenses	32,750.00	32,750.00	14,508.63	3,678.47	14,562.90	
Public Buildings and Grounds						
Salaries and Wages	93,600.00	93,600.00	91,704.59		1,895.41	
Other Expenses	59,000.00	64,000.00	45,497.63	17,894.39	607.98	
Garbage and Trash Collection						
Salaries and Wages	283,000.00	283,000.00	269,841.02		13,158.98	
Other Expenses	19,000.00	19,000.00	18,843.83		156.17	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2020

	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 (Cont'd)</u>						
Vehicle and Equipment Maintenance						
Salaries and Wages	\$ 65,450.00	\$ 65,450.00	\$ 53,923.66		\$ 11,526.34	
Other Expenses	141,000.00	143,000.00	98,836.06	\$ 29,052.56	15,111.38	
<u>Recreation and Education</u>						
Senior Citizen Coordinator						
Salaries and Wages	1.00	1.00			1.00	
Other Expenses	10,000.00	10,000.00	1,833.26		8,166.74	
Animal Control						
Other Expenses	1.00	1.00			1.00	
Parks and Playgrounds						
Salaries and Wages	25,500.00	25,500.00	2,583.36		22,916.64	
Other Expenses	44,250.00	44,250.00	18,048.50	1,717.00	24,484.50	
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	5,000.00	5,000.00			5,000.00	
<u>Uniform Construction Code -- Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Official						
Salaries and Wages	65,430.00	65,430.00	54,948.19	150.00	10,331.81	
Other Expenses	8,900.00	8,900.00	2,606.64	391.96	5,901.40	
Other Code Enforcement						
Salaries and Wages	30,000.00	30,000.00	19,244.03		10,755.97	
Sub-Code Officials:						
Fire						
Salaries and Wages	5,500.00	5,500.00	5,076.00		424.00	
<u>Unclassified</u>						
Electricity	58,000.00	58,000.00	47,989.93		10,010.07	
Water Service	16,000.00	16,500.00	16,137.04		362.96	
Sewer Service	14,500.00	14,500.00	7,317.23	619.08	6,563.69	
Telephone	40,000.00	42,000.00	36,000.33	2,253.64	3,746.03	
Gas / Fuel Oil	25,000.00	25,000.00	18,292.71		6,707.29	
Trash Disposal	350,000.00	348,000.00	279,515.67	24,537.50	43,946.83	
Street Lighting	153,000.00	140,399.00	122,446.48	595.50	17,357.02	
Gasoline / Motor Fuel	108,000.00	108,000.00	70,950.91	179.55	36,869.54	
Accumulated Sickleave	1.00	1.00			1.00	
	<u>5,444,099.89</u>	<u>5,444,599.89</u>	<u>4,492,110.32</u>	<u>146,191.55</u>	<u>806,298.02</u>	<u>-</u>
Detail:						
Salaries and Wages	2,887,304.92	2,887,305.92	2,562,953.17	150.00	324,202.75	
Other Expenses	<u>2,556,794.97</u>	<u>2,557,293.97</u>	<u>1,929,157.15</u>	<u>146,041.55</u>	<u>482,095.27</u>	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY						
EXPENDITURES --MUNICIPAL--WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Police and Firemen's Retirement System of N.J.	\$ 474,481.00	\$ 474,481.00	\$ 474,481.00			
Public Employees Retirement System	114,924.00	114,924.00	114,924.00			
Defined Contribution Retirement Program	5,000.00	5,000.00			\$ 5,000.00	
Social Security System (O.A.S.I.)	245,000.00	242,500.00	217,358.73		25,141.27	
Total Deferred Charges and Statutory						
Expenditures Within--"CAPS"	839,405.00	836,905.00	806,763.73	-	30,141.27	-
Total General Appropriations for Municipal						
Purposes Within--"CAPS"	6,283,504.89	6,281,504.89	5,298,874.05	\$ 146,191.55	836,439.29	-
OPERATIONS-- EXCLUDED FROM "CAPS"						
Solid Waste Disposal						
Recycling Tax (P.L. 2007, c. 311)	12,000.00	14,000.00	9,808.62	910.17	3,281.21	
Maintenance of Free Public Library						
Contribution	244,362.18	244,362.18	244,362.18			
Storm Water Management						
Salaries and Wages	36,000.00	36,000.00	34,271.11		1,728.89	
Other Expenses	9,250.00	9,250.00	3,038.68	216.41	5,994.91	
State and Federal Programs Off-set by Revenues:						
Recycling Tonnage Grant						
Other Expenses	10,221.51	10,221.51	10,221.51			
Clean Communities Grant						
Other Expenses (NJSA 40A:4-87 \$15,185.45)		15,185.45	15,185.45			
FEMA SAFER Grant						
Other Expenses	101,680.00	101,680.00	101,680.00			
Alcohol Education and Rehabilitation						
Salaries and Wages	562.62	562.62	562.62			
Drunk Driving Enforcement Grant						
Other Expenses	5,132.08	5,132.08	5,132.08			
Body Armor Replacement Grant						
Other Expenses	2,178.69	2,178.69	2,178.69			
New Jersey Department of Transportation						
Other Expenses	245,000.00	245,000.00	245,000.00			
Camden County DWI Grant						
Other Expenses	2,200.00	2,200.00	2,200.00			
County Development Block Grant						
Other Expenses (NJSA 40A:4-87 \$5,000.00)		5,000.00	5,000.00			
Safe and Secure Communities Program						
Salaries and Wages	142,200.00	142,200.00	142,200.00			
Total Operations--Excluded from "CAPS"	810,787.08	832,972.53	820,840.94	1,126.58	11,005.01	-

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2020

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS-- EXCLUDED FROM "CAPS" (CONT'D)						
Detail:						
Salaries and Wages	\$ 180,400.00	\$ 180,400.00	\$ 178,671.11		\$ 1,728.89	
Other Expenses	630,387.08	652,572.53	642,169.83	\$ 1,126.58	9,276.12	
CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"						
Capital Improvement Fund	125,000.00	125,000.00	125,000.00	-	-	-
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"						
Payment of Bond Principal	1,331,000.00	1,331,000.00	1,331,000.00			
Interest on Bonds	362,980.88	362,980.88	361,740.52			\$ 1,240.36
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	32,468.06	32,468.06	32,468.06			
Total Municipal Debt Service--Excluded from "CAPS"	1,726,448.94	1,726,448.94	1,725,208.58	-	-	1,240.36
DEFERRED CHARGES--MUNICIPAL-- EXCLUDED FROM "CAPS"						
Special Emergency Authorizations--5 Year	17,000.00	17,000.00	17,000.00	-	-	-
TRANSFERRED TO BOARD OF EDUCATION FOR USE OF LOCAL SCHOOLS (NJSA 40:48-17.1 & 17.3)						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	44,599.00	44,599.00	-	-	44,599.00	-
Subtotal General Appropriations	9,007,339.91	9,027,525.36	7,986,923.57	147,318.13	892,043.30	1,240.36
Reserve for Uncollected Taxes	459,169.95	459,169.95	459,169.95	-	-	-
Total	<u>\$ 9,466,509.86</u>	<u>\$ 9,486,695.31</u>	<u>\$ 8,446,093.52</u>	<u>\$ 147,318.13</u>	<u>\$ 892,043.30</u>	<u>\$ 1,240.36</u>
Adopted Budget		\$ 9,466,509.86				
Appropriation by NJSA 40A:4-87		20,185.45				
		<u>\$ 9,486,695.31</u>				
Disbursed			\$ 7,586,469.81			
Refunds			(145,906.59)			
Reserve for Uncollected Taxes			459,169.95			
Reserve for Federal and State Grants Appropriated			529,360.35			
Deferred Charges -- Special Emergency Appropriations			17,000.00			
			<u>\$ 8,446,093.52</u>			

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

BOROUGH OF BERLIN
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Cash	SB-1	\$ 2,615.24	\$ 9,232.46
Open Space Fund:			
Cash	SB-1	246,998.07	312,434.41
Due from Current Fund	B-2;SB-1	224,678.75	110,949.16
		<u>471,676.82</u>	<u>423,383.57</u>
Other Funds:			
Cash -- Treasurer	SB-1	1,996,393.59	2,329,677.93
Cash -- Collector	SB-2	276,737.80	314,437.80
Due from Federal and State Grant Fund	A	236.07	236.07
Police Outside Services Receivable	SB-7	26,007.26	18,515.00
Due from Developers	SB-1	11,945.66	4,437.36
Due from Camden County Municipal Drug Alliance	SB-4	955.89	3,250.41
Due from Current Fund	SB-6	73,730.61	75,498.65
		<u>2,386,006.88</u>	<u>2,746,053.22</u>
		<u>\$ 2,860,298.94</u>	<u>\$ 3,178,669.25</u>

(Continued)

BOROUGH OF BERLIN
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Fund:			
Due to State of New Jersey	SB-5	\$ 7.20	\$ 27.60
Reserve for Encumbrances	SB-1;SB-3	350.00	1,205.33
Due Municipal Clerk	B	138.60	138.60
Reserve for Animal Control Fund Expenditures	SB-3	2,119.44	7,860.93
		<u>2,615.24</u>	<u>9,232.46</u>
Open Space Fund:			
Reserve for Future Use	B-1	421,676.82	373,383.57
Due to General Capital Fund	C	50,000.00	50,000.00
		<u>471,676.82</u>	<u>423,383.57</u>
Other Funds:			
Reserve for Recreation Facilities	SB-7	67,482.98	67,482.98
Reserve for Parking Offenses Adjudication Act	SB-7	850.10	848.10
Reserve for Accumulated Leave	SB-7	130,000.00	100,000.00
Reserve for Celebration	SB-7	4,329.17	4,329.17
Reserve for Payroll Deductions Payable	SB-7	72,084.23	62,296.22
Reserve for Affordable Housing	SB-7	630,106.34	581,714.35
Reserve for COAH Fees	SB-7	5,037.38	5,037.31
Reserve for Developers' Escrow Deposits	SB-7	507,767.94	498,438.45
Reserve for Municipal Alliance	SB-7	9,237.45	9,996.45
Reserve for Tax Title Lien Redemptions	SB-7	37.80	37.80
Reserve for Premiums Received at Tax Sale	SB-7	276,700.00	314,400.00
Reserve for Recycling Funds	SB-7	7,876.43	5,408.28
Reserve for Community Development Block Grant	SB-7	2,329.16	4,564.57
Reserve for Bid Bonds	SB-7	470.00	470.00
Reserve for Security Deposits	SB-7	6,043.85	6,043.85
Reserve for Encumbrances	SB-7	8,673.13	8,673.13
Reserve for Public Defender	SB-7	8,937.55	8,750.00
Reserve for Performance Bonds	SB-7	552,328.77	979,480.09
Reserve for Storm Recovery	SB-7	18,433.00	18,433.00
Reserve for Investigation Fund	SB-7	45.00	45.00
Reserve for Fire Safety	SB-7	2,762.10	2,762.10
Reserve for Police Donation	SB-7	5,986.24	11,507.50
Reserve for Police Outside Services	SB-7	3,724.70	3,724.70
Reserve for Special Law Enforcement	SB-7	19,427.46	4,883.57
Due State of NJ - VCCB	SB-7	54,009.23	50,451.30
		<u>2,386,006.88</u>	<u>2,746,053.22</u>
		<u>\$ 2,860,298.94</u>	<u>\$ 3,178,669.25</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statements of Operations and Changes in Reserve for Future Use --Regulatory Basis
For the Years Ended December 31, 2020 and 2019

<u>Revenue and Other</u>	<u>2020</u>	<u>2019</u>
<u>Income Realized</u>		
Reserve for Future Use	\$ 120.00	
Amount to be Raised by Taxation	113,729.59	\$ 110,949.16
Interest Income	965.15	1,360.65
	<u>114,814.74</u>	<u>112,309.81</u>
Total Income		
<u>Expenditures</u>		
Operating	66,401.49	65,462.14
	<u>66,401.49</u>	<u>65,462.14</u>
Total Expenditures		
Excess (Deficit) in Revenue	48,413.25	46,847.67
Statutory Excess to Reserve	48,413.25	46,847.67
<u>Reserve for Future Use</u>		
Balance Jan. 1	373,383.57	326,535.90
	<u>421,796.82</u>	<u>373,383.57</u>
Utilized as Revenue:		
Reserve for Future Use	120.00	-
	<u>120.00</u>	<u>-</u>
Balance Dec. 31	<u>\$ 421,676.82</u>	<u>\$ 373,383.57</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2020

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess <u>(Deficit)</u>
Amount to be Raised by Taxation	\$ 110,780.00	\$ 113,729.59	\$ 2,949.59
Interest Income	50.00	965.15	915.15
Reserve for Future Use	<u>120.00</u>	<u>120.00</u>	
Budget Totals	<u>\$ 110,950.00</u>	<u>\$ 114,814.74</u>	<u>\$ 3,864.74</u>

Analysis of Realized Revenues

Analysis of Current Tax Collections:

Due Current Fund:

Open Space Tax Levy
 Added / Omitted Taxes

\$ 110,780.00
2,949.59

\$ 113,729.59

Analysis of Miscellaneous Revenue:

Receipts:

Interest on Deposits

\$ 965.15

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, 2020

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operating:						
Salaries and Wages	\$ 83,421.00	\$ 83,421.00	\$ 61,658.26			\$ 21,762.74
Other Expenses	<u>27,529.00</u>	<u>27,529.00</u>	<u>4,743.23</u>			<u>22,785.77</u>
Total Operating	<u>110,950.00</u>	<u>110,950.00</u>	<u>66,401.49</u>	<u>-</u>	<u>-</u>	<u>44,548.51</u>
Total Open Space Appropriations	<u><u>\$ 110,950.00</u></u>	<u><u>\$ 110,950.00</u></u>	<u><u>\$ 66,401.49</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>\$ 44,548.51</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
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash	SC-1	\$ 198,080.42	\$ 1,015,924.99
Due from State of New Jersey	C	23,531.40	23,531.40
Due from Current Fund	SC-9	65,808.00	65,808.00
Due from Open Space Trust Fund	B	50,000.00	50,000.00
Deferred Charges to Future Taxation:			
Funded	SC-3	9,799,909.72	11,161,344.68
Unfunded	SC-4	2,007,814.00	604,450.00
		<u>\$ 12,145,143.54</u>	<u>\$ 12,921,059.07</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Capital Improvement Fund	SC-5	\$ 85,503.00	\$ 34,364.00
Improvement Authorizations:			
Funded	SC-6	861,446.74	1,009,267.35
Unfunded	SC-6	842,450.50	217,987.45
Contracts Payable	SC-7	4,030.76	181,809.40
Reserve For Encumbrances	SC-8	484,136.70	248,620.07
General Serial Bonds	SC-10	9,721,119.00	11,052,119.00
Green Acres Loan Payable	SC-11	78,790.72	109,225.68
Fund Balance	C	67,666.12	67,666.12
		<u>\$ 12,145,143.54</u>	<u>\$ 12,921,059.07</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BERLIN
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2020 and 2019

<u>ASSETS</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Cash -- Treasurer	SD-1	\$ 1,813,224.68	\$ 979,676.83
Cash -- Collector	SD-2		700,459.21
Due From Current Fund	D	<u>20,563.36</u>	<u>20,563.36</u>
		<u>1,833,788.04</u>	<u>1,700,699.40</u>
Receivables with Full Reserves:			
Water Rents Receivable	SD-4	319,597.00	264,133.59
Fire Hydrant and Sprinkler Rents Receivable	SD-5	<u>30,834.31</u>	<u>23,733.25</u>
		<u>350,431.31</u>	<u>287,866.84</u>
Total Operating Fund		<u>2,184,219.35</u>	<u>1,988,566.24</u>
Capital Fund:			
Cash -- Treasurer	SD-1	331,682.60	464,484.92
Fixed Capital	SD-8	17,779,642.44	17,779,642.44
Fixed Capital Authorized and Uncompleted	SD-9	<u>5,228,705.49</u>	<u>4,173,705.49</u>
Total Capital Fund		<u>23,340,030.53</u>	<u>22,417,832.85</u>
		<u>\$ 25,524,249.88</u>	<u>\$ 24,406,399.09</u>

(Continued)

BOROUGH OF BERLIN
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2020 and 2019

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Operating Fund:			
Liabilities:			
Water Overpayments	SD-6	\$ 7,748.46	\$ 10,573.59
Reserve for Encumbrances	D-3;SD-7	15,660.14	19,510.25
Appropriation Reserves	D-3;SD-7	284,351.79	375,514.40
Accrued Interest on Bonds and Loans	SD-10	19,042.68	24,012.90
		<u>326,803.07</u>	<u>429,611.14</u>
Reserve for Receivables	D	350,431.31	287,866.84
Fund Balance	D-1	1,506,984.97	1,271,088.26
		<u>2,184,219.35</u>	<u>1,988,566.24</u>
Total Operating Fund			
		<u>2,184,219.35</u>	<u>1,988,566.24</u>
Capital Fund:			
Capital Improvement Fund	SD-1	160,115.71	106,915.71
Improvement Authorizations:			
Funded	SD-11	110,433.00	159,258.00
Unfunded	SD-11	926,126.94	217,085.94
Contracts Payable	SD-1;SD-11	35,580.59	166,415.19
Reserve for Amortization	SD-12	18,548,418.89	17,926,904.39
Deferred Reserve for Amortization	SD-13	162,192.77	162,192.77
Reserve for Encumbrances	SD-14	345,571.21	5,954.93
Serial Bonds	SD-15	1,773,000.00	2,193,000.00
New Jersey Environmental Trust Loan	SD-16	988,351.27	1,189,865.77
Reserve for Payment of Debt	D	273,274.53	273,274.53
Fund Balance	D	16,965.62	16,965.62
		<u>23,340,030.53</u>	<u>22,417,832.85</u>
Total Capital Fund		<u>\$ 25,524,249.88</u>	<u>\$ 24,406,399.09</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Revenue and Other</u>		
<u>Income Realized</u>		
Operating Surplus Anticipated	\$ 690,000.00	\$ 697,011.00
Water Rents	2,705,994.77	2,606,956.99
Fire Hydrant and Sprinkler Service	455,546.85	478,760.77
Miscellaneous	124,570.77	141,513.22
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	385,095.92	334,845.80
	<u>4,361,208.31</u>	<u>4,259,087.78</u>
Total Income		
<u>Expenditures</u>		
Operating	2,562,300.00	2,562,800.00
Debt Service	699,311.60	732,456.46
Deferred Charges and Statutory Expenditures	120,500.00	114,040.00
Capital Improvements	53,200.00	25,000.00
	<u>3,435,311.60</u>	<u>3,434,296.46</u>
Total Expenditures		
Statutory Excess to Fund Balance	925,896.71	824,791.32
<u>Fund Balance</u>		
Balance Jan. 1	<u>1,271,088.26</u>	<u>1,143,307.94</u>
	2,196,984.97	1,968,099.26
Decreased by:		
Utilized as Revenue in Water Utility Fund	<u>690,000.00</u>	<u>697,011.00</u>
Balance Dec. 31	<u>\$ 1,506,984.97</u>	<u>\$ 1,271,088.26</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 690,000.00	\$ 690,000.00	
Water Rents	2,270,000.00	2,705,994.77	\$ 435,994.77
Fire Hydrant and Sprinkler Service	420,000.00	455,546.85	35,546.85
Miscellaneous	70,000.00	124,570.77	54,570.77
	<u>\$ 3,450,000.00</u>	<u>\$ 3,976,112.39</u>	<u>\$ 526,112.39</u>

Analysis of Realized Revenues

Water Rents Receivable:

Receipts - Collector	\$ 2,705,814.89
Overpayments Applied	179.88
	<u>\$ 2,705,994.77</u>

Fire Hydrant and Sprinkler Service:

Receipts - Collector	\$ 452,644.95
Overpayments Applied	2,901.90
	<u>\$ 455,546.85</u>

Miscellaneous:

Receipts:

Treasurer:

Interest on Deposits	\$ 5,290.24
Miscellaneous	2,812.04
	<u>8,102.28</u>

\$ 8,102.28

Collector:

New Meter Fee - Connections	88,626.29
Interest on Delinquent Accounts	11,823.90
Turn-On Charges	6,924.45
Radio Read Charges	9,093.85
	<u>116,468.49</u>

116,468.49

\$ 124,570.77

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, 2020

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</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	\$ 622,800.00	\$ 622,800.00	\$ 518,142.62		\$ 104,657.38	
Other Expenses	1,939,500.00	1,939,500.00	1,756,106.96	\$ 15,660.14	167,732.90	
Total Operating	<u>2,562,300.00</u>	<u>2,562,300.00</u>	<u>2,274,249.58</u>	<u>15,660.14</u>	<u>272,390.28</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	<u>53,200.00</u>	<u>53,200.00</u>	<u>53,200.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	420,000.00	420,000.00	420,000.00			
Interest on Bonds	68,000.00	68,000.00	65,767.55			\$ 2,232.45
Interest on Notes	10,000.00	10,000.00				10,000.00
New Jersey Environmental Infrastructure Loan	<u>216,000.00</u>	<u>216,000.00</u>	<u>213,544.05</u>			<u>2,455.95</u>
Total Debt Service	<u>714,000.00</u>	<u>714,000.00</u>	<u>699,311.60</u>	<u>-</u>	<u>-</u>	<u>14,688.40</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Unemployment Compensation Insurance	4,000.00	4,000.00	2,324.14		1,675.86	
Public Employees Retirement System	68,954.40	68,954.40	68,954.40			
Social Security System (O.A.S.I.)	<u>47,545.60</u>	<u>47,545.60</u>	<u>37,259.95</u>		<u>10,285.65</u>	
Total Deferred Charges and Statutory Expenditures	<u>120,500.00</u>	<u>120,500.00</u>	<u>108,538.49</u>	<u>-</u>	<u>11,961.51</u>	<u>-</u>
	<u>\$ 3,450,000.00</u>	<u>\$ 3,450,000.00</u>	<u>\$ 3,135,299.67</u>	<u>\$ 15,660.14</u>	<u>\$ 284,351.79</u>	<u>\$ 14,688.40</u>
Accrued Interest on Bonds and Notes			\$ 77,797.10			
Refunds			(75,864.83)			
Disbursed			<u>3,133,367.40</u>			
			<u>\$ 3,135,299.67</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
 As of December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Operating Fund:			
Cash -- Treasurer	SE-1	\$ 621,711.48	\$ 242,422.44
Cash -- Collector	SE-2		235,756.53
		<u>621,711.48</u>	<u>478,178.97</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	SE-4	90,794.39	87,908.90
Sewer Liens Receivable	SE-9	1,437.60	1,020.00
		<u>92,231.99</u>	<u>88,928.90</u>
Total Operating Fund		<u>713,943.47</u>	<u>567,107.87</u>
Capital Fund:			
Cash -- Treasurer	SE-1	407,403.53	781,303.40
Fixed Capital	SE-6	3,998,701.65	3,668,701.65
Fixed Capital Authorized and Uncompleted	SE-7	2,214,980.00	2,014,980.00
Total Capital Fund		<u>6,621,085.18</u>	<u>6,464,985.05</u>
		<u>\$ 7,335,028.65</u>	<u>\$ 7,032,092.92</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3;SE-5	\$ 132,419.11	\$ 98,069.35
Reserve for Encumbrances	E-3;SE-5	5,055.75	2,412.39
Due to Current Fund	E	27,399.18	27,399.18
Sewer Rent Overpayments	SE-13	1,089.85	24,300.64
Accrued Interest on Bonds	SE-8	10,415.07	10,849.24
		<u>176,378.96</u>	<u>163,030.80</u>
Reserve for Receivables	E	92,231.99	88,928.90
Fund Balance	E-1	445,332.52	315,148.17
Total Operating Fund		<u>713,943.47</u>	<u>567,107.87</u>
Capital Fund:			
Serial Bonds	SE-15	1,238,000.00	1,298,000.00
Improvement Authorizations Funded	SE-11	731,944.37	789,924.78
Improvement Authorizations Unfunded	SE-11	343,319.72	15,975.00
Contracts Payable	E	50,000.00	50,000.00
Reserve for Encumbrances	SE-10	231,646.98	344,911.16
Capital Improvement Fund	E	696.95	696.95
Deferred Reserve for Amortization	SE-14	78,405.00	78,405.00
Reserve for Amortization	SE-12	3,946,301.65	3,886,301.65
Fund Balance	E	770.51	770.51
Total Capital Fund		<u>6,621,085.18</u>	<u>6,464,985.05</u>
		<u>\$ 7,335,028.65</u>	<u>\$ 7,032,092.92</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BERLIN
SEWER UTILITY FUND
 Statements of Operations and Changes in Operating Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2020 and 2019

<u>Revenue and Other</u>	<u>2020</u>	<u>2019</u>
<u>Income Realized</u>		
Operating Surplus Anticipated	\$ 87,100.00	\$ 74,571.00
Sewer Rents	898,029.88	857,425.16
Interest on Deposits	2,621.43	11,932.13
Miscellaneous	33,271.68	29,113.96
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>99,427.18</u>	<u>75,091.69</u>
Total Income	<u>1,120,450.17</u>	<u>1,048,133.94</u>
 <u>Expenditures</u>		
Operating	736,410.40	665,000.00
Debt Service	101,785.82	153,814.51
Deferred Charges and Statutory Expenditures	<u>64,969.60</u>	<u>61,360.00</u>
Total Expenditures	<u>903,165.82</u>	<u>880,174.51</u>
Statutory Excess to Fund Balance	217,284.35	167,959.43
 <u>Fund Balance</u>		
Balance Jan. 1	<u>315,148.17</u>	<u>221,759.74</u>
	532,432.52	389,719.17
Less:		
Utilized as Revenue in Sewer Operating Budget	<u>87,100.00</u>	<u>74,571.00</u>
Balance Dec. 31	<u>\$ 445,332.52</u>	<u>\$ 315,148.17</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF BERLIN
SEWER UTILITY FUND
 Statement of Revenues--Regulatory Basis
 For the Year Ended December 31, 2020

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 87,100.00	\$ 87,100.00	
Sewer Rents	814,000.00	898,029.88	\$ 84,029.88
Interest on Investments and Deposits	500.00	2,621.43	2,121.43
Miscellaneous	<u>7,000.00</u>	<u>33,271.68</u>	<u>26,271.68</u>
	<u>\$ 908,600.00</u>	<u>\$ 1,021,022.99</u>	<u>\$ 112,422.99</u>

Analysis of Realized Revenues

Sewer Rents Receivable:		
Receipts - Collector		\$ 873,729.24
Overpayments Applied		<u>24,300.64</u>
		<u>\$ 898,029.88</u>
Interest on Investments and Deposits:		
Treasurer:		
Receipts		<u>\$ 2,621.43</u>
Miscellaneous:		
Collector:		
Receipts:		
Interest on Delinquent Accounts	\$ 5,968.32	
Connection Fees	<u>27,303.36</u>	
		<u>\$ 33,271.68</u>

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, 2020

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 293,010.00	\$ 293,010.00	\$ 252,412.74		\$ 40,597.26	
Other Expenses	443,400.40	443,400.40	346,880.15	\$ 5,055.75	91,464.50	
Total Operating	<u>736,410.40</u>	<u>736,410.40</u>	<u>599,292.89</u>	<u>5,055.75</u>	<u>132,061.76</u>	-
Debt Service:						
Payment of Bond Principal	60,000.00	60,000.00	60,000.00			
Interest on Bonds	42,220.00	42,220.00	41,785.82			\$ 434.18
Interest on Notes	5,000.00	5,000.00				5,000.00
Total Debt Service	<u>107,220.00</u>	<u>107,220.00</u>	<u>101,785.82</u>	<u>-</u>	<u>-</u>	<u>5,434.18</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	45,969.60	45,969.60	45,969.60			
Social Security System (O.A.S.I.)	17,500.00	17,500.00	17,500.00			
Unemployment Compensation Insurance	1,500.00	1,500.00	1,142.65		357.35	
Total Deferred Charges and Statutory Expenditures	<u>64,969.60</u>	<u>64,969.60</u>	<u>64,612.25</u>	<u>-</u>	<u>357.35</u>	<u>-</u>
Total	<u>\$ 908,600.00</u>	<u>\$ 908,600.00</u>	<u>\$ 765,690.96</u>	<u>\$ 5,055.75</u>	<u>\$ 132,419.11</u>	<u>\$ 5,434.18</u>
Accrued Interest on Bonds and Notes			\$ 41,785.82			
Refunds			(35,313.88)			
Disbursed			<u>759,219.02</u>			
			<u>\$ 765,690.96</u>			

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

BOROUGH OF BERLIN
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
General Fixed Assets:				
Land	\$ 3,309,282.64			\$ 3,309,282.64
Buildings	4,571,309.41	\$ 54,821.00		4,626,130.41
Vehicles and Equipment	<u>6,809,715.82</u>	<u>363,697.35</u>		<u>7,173,413.17</u>
	<u>\$ 14,690,307.87</u>	<u>\$ 418,518.35</u>	<u>-</u>	<u>\$ 15,108,826.22</u>
Investment in General Fixed Assets:				
General Capital Fund	<u>\$ 14,690,307.87</u>	<u>\$ 418,518.35</u>	<u>-</u>	<u>\$ 15,108,826.22</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, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Berlin was incorporated in January, 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 Administrator.

Component Units - The financial statements of the component unit of the Borough is not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Marie Fleche Memorial Library
49 South White Horse Pike
Berlin, New Jersey 08009

Annual financial reports may be inspected directly at the office of the component unit during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") 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* 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 accounts for its financial transactions through the use of separate funds and an account group 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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 operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current, municipal open space, water utility and sewer utility 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; therefore, unrealized gains or losses on investments have not been recorded.

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.

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

Cash, Cash Equivalents and Investments (Cont'd) - 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 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.

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's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, 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 acquisition value as of the date of the transaction. 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 asset group of accounts, 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 include 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.

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

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, improvements, and contributed capital.

Foreclosed Property - Foreclosed property 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 asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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.

Fund Balance - Fund balances included in the current fund and utility operating funds 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 is 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 to 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, the Marie Fleche Memorial Library, the Borough of Berlin 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 Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Berlin Local School District and the Eastern Regional High School District. For the local school district and the regional high school district, operations is charged for the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2019 and decreased by the amount deferred at December 31, 2020.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to 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.

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

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Marie Fleche Memorial Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

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.

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 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 \$250,000.00 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 agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

Custodial Credit Risk Related to Deposits (Cont'd) - As of December 31, 2020, the Borough's bank balances of \$10,919,970.17 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 10,065,206.82
Uninsured and Uncollateralized	<u>854,763.35</u>
Total	<u>\$ 10,919,970.17</u>

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 calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 3.290</u>	<u>\$ 3.317</u>	<u>\$ 3.256</u>	<u>\$ 3.134</u>	<u>\$ 3.054</u>
Apportionment of Tax Rate:					
Municipal	\$.826	\$.809	\$.784	\$.749	\$.709
County	.794	.827	.836	.834	.815
Regional School	.560	.593	.567	.562	.514
Local School	1.110	1.088	1.069	.989	1.016

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2020	\$ 738,536,794.00
2019	738,474,300.00
2018	739,391,168.00
2017	738,449,655.00
2016	741,771,947.00

Note 3: PROPERTY TAXES

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2020	\$ 24,950,759.95	\$ 24,490,181.11	98.15%
2019	24,506,063.14	24,132,622.29	98.48%
2018	24,198,849.83	23,841,027.85	98.52%
2017	23,200,841.85	22,868,020.63	98.57%
2016	22,665,122.16	22,253,703.90	98.18%

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>
2020	\$ 78,594.90	\$ 427,344.02	\$ 505,938.92	2.03%
2019	64,315.09	348,320.70	412,635.79	1.68%
2018	34,179.32	324,714.83	358,894.15	1.48%
2017	16,915.37	305,241.24	322,156.61	1.39%
2016	-	362,685.03	362,685.03	1.60%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2020	3
2019	3
2018	2
2017	1
2016	-

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, 2020 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</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2020	\$ 287,866.84	-	\$ 3,235,424.57	\$ 3,523,291.41	\$ 3,161,541.62
2019	257,855.31	-	3,117,063.80	3,374,919.11	3,085,717.76
2018	306,166.69	-	2,932,240.68	3,238,407.37	2,980,196.75
2017	266,966.41	-	2,765,766.33	3,032,732.74	2,726,248.25
2016	305,179.11	-	2,904,989.04	3,210,168.15	2,942,871.24

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</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2020	\$ 87,908.90	\$ 1,020.00	\$ 901,247.28	\$ 990,176.18	\$ 898,029.88
2019	85,144.43	746.49	860,561.63	946,452.55	857,425.16
2018	98,337.90	-	861,363.66	959,701.56	870,013.43
2017	91,145.01	-	860,169.00	951,314.01	851,882.82
2016	91,310.66	-	788,589.64	879,900.30	784,234.01

Note 7: FUND BALANCES APPROPRIATED

The following schedules detail 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:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 2,368,449.43	\$ 987,000.00	41.67%
2019	2,022,911.55	987,000.00	48.79%
2018	1,577,927.11	857,000.00	54.31%
2017	1,150,639.55	840,000.00	73.00%
2016	857,893.69	740,000.00	86.26%

Note 7: FUND BALANCES APPROPRIATED (CONT'D)

The following schedules detail 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 (cont'd):

Water Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2020	\$ 1,506,984.97	\$ 582,058.00	38.62%
2019	1,271,088.26	690,000.00	54.28%
2018	1,143,307.94	697,011.00	60.96%
2017	1,038,806.80	542,700.00	52.24%
2016	1,178,544.76	344,191.00	29.20%

Sewer Utility Fund

2020	\$ 445,332.52	\$ 88,166.00	19.80%
2019	315,148.17	87,100.00	27.64%
2018	221,759.74	74,571.00	33.63%
2017	125,557.00	44,270.00	35.26%
2016	69,915.21	25,136.00	35.95%

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, 2020:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 27,399.18	\$ 384,780.72
Federal and State Grant		236.07
Trust - Open Space	224,678.75	50,000.00
Trust - Other	73,966.68	
General Capital	115,808.00	
Water Utility Operating	20,563.36	
Sewer Utility Operating		27,399.18
	<u>\$ 462,415.97</u>	<u>\$ 462,415.97</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2021, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: PENSION PLANS

A substantial number of the Borough's employees participate in one of the following 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, certain Borough employees may be eligible to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. 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, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2020 was 17.09% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$237,219.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$219,564.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$109,486.62.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Fireman's Retirement System (Cont'd) - *Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2020 was 29.22% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$470,882.00, and is payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$450,887.00, which was paid on April 1, 2020.

Employee contributions to the Plan for the year ended December 31, 2020 were \$161,134.84.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2020 was 4.04% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2020 was \$65,040.00, and is payable by April 1, 2021. For the prior year measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2019 was \$58,119.00, which was paid on April 1, 2020.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. 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. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Borough did not have any employees enrolled in the DCRP for the year ended December 31, 2020.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Public Employees' Retirement System - As of December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$3,536,197.00. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Borough's proportion was .0216846378%, which was a decrease of .0008878689% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$100,895.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Borough's contribution to PERS was \$219,564.00, and was paid on April 1, 2020.

Police and Firemen's Retirement System - As of December 31, 2020, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 5,446,272.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>845,237.00</u>
	<u>\$ 6,291,509.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Borough's proportion was .0421495063%, which was a decrease of .0024878831% from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Borough, was .0421495063%, which was a decrease of .0024878831% from its proportion, on-behalf of the Borough, measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$369,620.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Borough's contribution to PFRS was \$450,887.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2020 measurement date, was \$95,791.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2020, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 64,388.00	\$ 54,908.00	\$ 119,296.00	\$ 12,506.00	\$ 19,546.00	\$ 32,052.00
Changes of Assumptions	114,718.00	13,706.00	128,424.00	1,480,639.00	1,460,113.00	2,940,752.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	120,870.00	319,340.00	440,210.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	258,695.00	360,957.00	619,652.00	253,669.00	328,809.00	582,478.00
Borough Contributions Subsequent to the Measurement Date	118,610.00	235,441.00	354,051.00	-	-	-
	<u>\$ 677,281.00</u>	<u>\$ 984,352.00</u>	<u>\$ 1,661,633.00</u>	<u>\$ 1,746,814.00</u>	<u>\$ 1,808,468.00</u>	<u>\$ 3,555,282.00</u>

Deferred outflows of resources in the amounts of \$118,610.00 and \$235,441.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Borough's year end of December 31, 2020.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Borough will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (431,986.00)	\$ (416,203.00)	\$ (848,189.00)
2022	(399,508.00)	(291,725.00)	(691,233.00)
2023	(214,333.00)	(141,367.00)	(355,700.00)
2024	(115,899.00)	(104,297.00)	(220,196.00)
2025	(26,417.00)	(105,965.00)	(132,382.00)
	<u>\$ (1,188,143.00)</u>	<u>\$ (1,059,557.00)</u>	<u>\$ (2,247,700.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2020 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 4,451,483.00	\$ 3,536,197.00	\$ 2,759,553.00

Note 9: PENSION PLANS (CONT'D)**Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of the June 30, 2020 measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	PFRS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 7,242,421.00	\$ 5,446,272.00	\$ 3,954,433.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	1,123,991.00	845,237.00	613,710.00
	<u>\$ 8,366,412.00</u>	<u>\$ 6,291,509.00</u>	<u>\$ 4,568,143.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary Pension Information

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0216846378%	0.0225725067%	0.0207840351%	0.0216620761%
Borough's Proportionate Share of the Net Pension Liability	\$ 3,536,197.00	\$ 4,067,223.00	\$ 4,092,273.00	\$ 5,042,585.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,512,420.00	\$ 1,567,188.00	\$ 1,459,976.00	\$ 1,504,996.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	233.81%	259.52%	280.30%	335.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0216620761%	0.0213332808%	0.0212087650%	0.0213959350%
Borough's Proportionate Share of the Net Pension Liability	\$ 6,397,157.00	\$ 4,788,894.00	\$ 3,970,861.00	\$ 4,089,188.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,473,228.00	\$ 1,472,736.00	\$ 1,452,744.00	\$ 1,468,828.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	434.23%	325.17%	273.34%	278.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 237,219.00	\$ 219,564.00	\$ 206,734.00	\$ 200,676.00
Borough's Contribution in Relation to the Contractually Required Contribution	\$ (237,219.00)	\$ (219,564.00)	(206,734.00)	(200,676.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,388,229.00	\$ 1,523,621.00	\$ 1,560,763.00	\$ 1,484,565.00
Borough's Contributions as a Percentage of Covered Payroll	17.09%	14.41%	13.25%	13.52%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 191,887.00	\$ 183,409.00	\$ 174,842.00	\$ 161,214.00
Borough's Contribution in Relation to the Contractually Required Contribution	(191,887.00)	(183,409.00)	(174,842.00)	(161,214.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,454,363.00	\$ 1,478,185.00	\$ 1,486,366.00	\$ 1,457,961.00
Borough's Contributions as a Percentage of Covered Payroll	13.19%	12.41%	11.76%	11.06%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0421495063%	0.0446373894%	0.0439998132%	0.0415760820%
Borough's Proportionate Share of the Net Pension Liability	\$ 5,446,272.00	\$ 5,462,643.00	\$ 5,953,900.00	\$ 6,418,543.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>845,237.00</u>	<u>862,562.00</u>	<u>808,739.00</u>	<u>718,931.00</u>
Total	<u>\$ 6,291,509.00</u>	<u>\$ 6,325,205.00</u>	<u>\$ 6,762,639.00</u>	<u>\$ 7,137,474.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,454,364.00	\$ 1,512,900.00	\$ 1,459,716.00	\$ 1,416,340.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	374.48%	361.07%	407.88%	453.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0393696822%	0.0382377656%	0.0415476959%	0.0400302780%
Borough's Proportionate Share of the Net Pension Liability	\$ 752,616.00	\$ 6,369,079.00	\$ 5,226,315.00	\$ 5,321,664.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>631,545.00</u>	<u>558,547.00</u>	<u>562,786.00</u>	<u>496,044.00</u>
Total	<u>\$ 1,384,161.00</u>	<u>\$ 6,927,626.00</u>	<u>\$ 5,789,101.00</u>	<u>\$ 5,817,708.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,314,808.00	\$ 1,210,920.00	\$ 1,248,724.00	\$ 1,256,288.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	57.24%	525.97%	418.53%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Eight Years)***

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 470,882.00	\$ 450,887.00	\$ 430,163.00	\$ 267,956.00
Borough's Contribution in Relation to the Contractually Required Contribution	(470,882.00)	(450,887.00)	(430,163.00)	(267,956.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,611,325.00	\$ 1,511,852.00	\$ 1,482,918.00	\$ 1,444,950.00
Borough's Contributions as a Percentage of Covered Payroll	29.22%	29.82%	29.01%	18.54%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 320,997.00	\$ 310,816.00	\$ 319,115.00	\$ 292,052.00
Borough's Contribution in Relation to the Contractually Required Contribution	(320,997.00)	(310,816.00)	(319,115.00)	(292,052.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,392,017.00	\$ 1,319,038.00	\$ 1,238,509.00	\$ 1,204,055.00
Borough's Contributions as a Percentage of Covered Payroll	23.06%	23.56%	25.77%	24.26%

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%
2017	6.14%		

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS) (Cont'd)*****Changes in Assumptions (Cont'd)**

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Note 10: ON-BEHALF PAYMENTS FOR PENSION COSTS

Certain Marie Fleche Memorial Library employees are members of the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. The Library participates in PERS as part of the Borough of Berlin. The Borough does not require the Library to pay any portion of required employer contributions.

Payments made by the Borough of Berlin, on-behalf of the Library, for the Library's share of employer contributions during the year ended December 31, 2020 totaled \$8,467.49. Due to the basis of accounting described in note 1, revenues and expenses for this on-behalf payment have not been recorded in the financial statements of the Library.

Note 11: COMPENSATED ABSENCES

Unused vacation may not be accumulated and carried forward to the subsequent year for any employees except for police officers.

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. Police officers may be compensated for unused vacation and holiday time upon retirement.

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 be compensated for unused sick leave upon termination or retirement.

The Police Chief is entitled to 25 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 be compensated for unused sick leave upon termination or retirement.

Note 11: COMPENSATED ABSENCES (CONT'D)

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2020, accrued benefits for compensated absences are valued at \$360,238.55.

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, 2020, the Borough had lease agreements in effect for the following:

Operating:
One (1) Posting Machine

Operating Leases - Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 3,816.00
2022	3,816.00
2023	3,816.00
2024	3,816.00
2025	3,180.00

Rental payments under operating leases for the year 2020 were \$636.00.

Note 14: CAPITAL DEBT**General , Water, and Sewer Improvement Bonds**

General, Water and Sewer Improvement Bonds, Series 2005 - On October 15, 2005, the Borough issued \$3,846,000.00 of general improvement bonds, \$3,040,000.00 of water improvement bonds and \$614,000.00 of sewer improvement bonds, with interest rates ranging from 3.75% to 3.8%. The purpose of the bonds is to fund various general, water and sewer capital projects. The final maturity of the bonds is October 15, 2020.

Note 14: CAPITAL DEBT (CONT'D)**General , Water, and Sewer Improvement Bonds (Cont'd)**

General, Water and Sewer Improvement Bonds, Series 2008 - On October 6, 2008, the Borough issued \$3,047,119.00 of general improvement bonds, \$469,881.00 of water improvement bonds and \$162,000.00 of sewer improvement bonds, with interest rates ranging from 4.25% to 4.5%. The purpose of the bonds is to fund various capital ordinances, specifically 2006-03, 2006-11, 2006-14, 2007-8, 2007-16 and 2007-17. The final maturity of the bonds is October 15, 2021.

General, Water and Sewer Improvement Bonds, Series 2013 - On October 15, 2013, the Borough issued \$3,854,000.00 of general improvement bonds, \$973,000.00 of water improvement bonds and \$503,000.00 of sewer improvement bonds, with interest rates ranging from 3.0% to 4.0%. The purpose of the bonds is to fund various capital ordinances, specifically 2008-12, 2009-08, 2009-15, 2010-08, 2011-05, 2012-06 and 2013-03. The final maturity of the bonds is November 1, 2032.

General, Water and Sewer Improvement Bonds, Series 2018 – On August 29, 2018, the Borough issued \$9,523,000.00 of general improvement bonds, \$7,288,000.00 of general improvement bonds, \$1,270,000.00 of water improvement bonds and \$965,000.00 of sewer improvement bonds, with interest rates ranging from 3.00% to 3.25%. The purpose of the bonds is to fund various capital ordinances, specifically 2014-02, 2014-06, 2014-12, 2015-10, 2015-17, 2016-05, 2017-06, 2017-07, 2017-10 and 2018-12. The final maturity of the bonds is September 15, 2037.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>General</u>		<u>Water Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,112,119.00	\$ 313,632.88	\$ 110,000.00	\$ 56,050.02
2022	690,000.00	273,562.52	125,000.00	52,750.02
2023	690,000.00	252,343.76	125,000.00	48,931.26
2024	715,000.00	231,125.02	125,000.00	45,112.52
2025	735,000.00	209,156.26	130,000.00	41,293.76
2026-2030	2,979,000.00	711,312.52	583,000.00	142,175.02
2031-2035	2,000,000.00	325,000.00	395,000.00	68,575.00
2036-2037	800,000.00	39,000.00	180,000.00	8,775.00
	<u>\$ 9,721,119.00</u>	<u>\$ 2,355,132.96</u>	<u>\$ 1,773,000.00</u>	<u>\$ 463,662.60</u>
	<u>Sewer Utility</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2021	\$ 60,000.00	\$ 40,420.00	\$ 1,692,221.90	
2022	65,000.00	38,620.00	1,244,932.54	
2023	65,000.00	36,620.00	1,217,895.02	
2024	70,000.00	34,620.00	1,220,857.54	
2025	75,000.00	32,463.76	1,222,913.78	
2026-2030	405,000.00	124,900.00	4,945,387.54	
2031-2035	363,000.00	55,677.50	3,207,252.50	
2036-2037	135,000.00	6,662.50	1,169,437.50	
	<u>\$ 1,238,000.00</u>	<u>\$ 369,983.76</u>	<u>\$ 15,920,898.32</u>	

Note 14: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Environmental Infrastructure Loans**

On November 9, 2006, the Borough entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,907,200.00, at no interest, from the fund loan, and \$1,910,000.00 at interest rates ranging from 4.0% to 5.0% from the trust loan. The proceeds were used to fund the upgrading of water utility system. Semiannual debt payments are due February 1st and August 1st through 2026.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 206,677.54	\$ 11,646.90	\$ 218,324.44
2022	211,477.80	7,266.38	218,744.18
2023	216,106.53	2,700.53	218,807.06
2024	84,245.43	7,622.03	91,867.46
2025	132,703.66	10,793.78	143,497.44
2026	137,140.31	5,485.62	142,625.93
	<u>\$ 988,351.27</u>	<u>\$ 45,515.24</u>	<u>\$ 1,033,866.51</u>

General Debt - New Jersey Green Acres Loans

In 2005, the Borough entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$500,000.00, at an interest rate of 2.0%. The proceeds were used to fund the Franklin Avenue Recreation Fields. Semiannual debt payments are due June 1st and December 1st through 2023.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 31,046.70	\$ 1,421.36	\$ 32,468.06
2022	31,670.73	797.31	32,468.04
2023	16,073.29	160.73	16,234.02
	<u>\$ 78,790.72</u>	<u>\$ 2,379.40</u>	<u>\$ 81,170.12</u>

Note 14: CAPITAL DEBT (CONT'D)

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 9,799,909.72	\$ 11,161,344.68	\$ 12,474,179.95
Water Utility:			
Bonds, Loans and Notes	3,309,385.00	3,382,865.77	4,017,103.84
Sewer Utility:			
Bonds and Notes	<u>1,238,000.00</u>	<u>1,298,000.00</u>	<u>1,407,000.00</u>
Total Issued	<u>14,347,294.72</u>	<u>15,842,210.45</u>	<u>17,898,283.79</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	2,007,814.00	604,450.00	250.00
Water Utility:			
Bonds and Notes	988,351.27	481,385.00	1,385.00
Sewer Utility:			
Bonds and Notes	<u>950,975.00</u>	<u>420,975.00</u>	<u>975.00</u>
Total Authorized but not Issued	<u>3,947,140.27</u>	<u>1,506,810.00</u>	<u>2,610.00</u>
Total Issued and Authorized but not Issued	<u>18,294,434.99</u>	<u>17,349,020.45</u>	<u>17,900,893.79</u>
<u>Deductions</u>			
Self-Liquidating Debt	<u>6,486,711.27</u>	<u>5,583,225.77</u>	<u>5,426,463.84</u>
Net Debt	<u>\$ 11,807,723.72</u>	<u>\$ 11,765,794.68</u>	<u>\$ 12,474,429.95</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 1.603%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 1,475,000.00	\$ 1,475,000.00	
Water Utility	4,297,736.27	4,297,736.27	
Sewer Utility	2,188,975.00	2,188,975.00	
General	<u>11,807,723.72</u>		<u>\$ 11,807,723.72</u>
	<u>\$ 19,769,434.99</u>	<u>\$ 7,961,711.27</u>	<u>\$ 11,807,723.72</u>

Net debt \$11,807,723.72 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$736,519,616.33, equals 1.603%.

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)	\$ 25,778,186.57
Less: Net Debt	<u>11,807,723.72</u>
Remaining Borrowing Power	<u><u>\$ 13,970,462.85</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 3,976,112.39
Deductions:	
Operating and Maintenance Costs	\$ 2,682,800.00
Debt Service per Water Fund	<u>699,311.60</u>
Total Deductions	<u>3,382,111.60</u>
Excess in Revenue	<u><u>\$ 594,000.79</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 1,021,022.99
Deductions:	
Operating and Maintenance Costs	\$ 801,380.00
Debt Service per Sewer Fund	<u>101,785.82</u>
Total Deductions	<u>903,165.82</u>
Excess in Revenue	<u><u>\$ 117,857.17</u></u>

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

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, 2020, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2020</u>	<u>2021 Budget Appropriation</u>
Current Fund:		
Emergency Authorization	\$ 17,000.00	\$ 17,000.00

The appropriations in the 2021 Budget as adopted are not less than that required by the statutes.

Note 16: SCHOOL TAXES

The Borough of 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 December 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 4,099,863.94	\$ 4,031,827.46
Deferred	<u>3,371,664.00</u>	<u>3,371,664.00</u>
	<u>\$ 728,199.94</u>	<u>\$ 660,163.46</u>

Regional School District:

	<u>Balance December 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 2,068,132.39	\$ 2,194,711.96
Deferred	<u>1,720,206.54</u>	<u>1,720,206.54</u>
	<u>\$ 347,925.85</u>	<u>\$ 474,505.42</u>

Note 17: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Joint Insurance Pool - The Borough of Berlin is a member of the Camden County Municipal Insurance 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.

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 \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2020, which can be obtained from:

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

Note 18: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 4, 2008, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Borough authorized the establishment of the Borough of Berlin Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2010, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the Borough levies a tax not to exceed two cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Borough of Berlin Open Space, Recreation and Farmland Preservation Trust Funds.

Note 19: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

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 20: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Note 21: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Authorization</u>
Water Utility Improvements	May 13, 2021	\$1,023,000.00
General Improvements	May 13, 2021	1,525,700.00

COVID-19 - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2021.

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2020 was not available; therefore, the information from the measurement period June 30, 2019 is disclosed below.

General Information about the OPEB Plan

Plan Description and Benefits Provided - The Borough contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Borough was billed monthly by the Plan and paid \$340,011.20 for the year ended December 31, 2019, representing 11.11% of the Borough's covered payroll. During the year ended December 31, 2019, retirees were required to contribute \$4,610.76.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The Borough does not have a Special Funding Situation within the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2019 the Borough's proportionate share of the net OPEB liability was \$8,218,599.00.

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

The Borough's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. For the June 30, 2019 measurement date, the Borough's proportion was .060671% which was a decrease of .005794% from its proportion measured as of the June 30, 2018 measurement date.

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

OPEB Expense - At December 31, 2019, the Borough's proportionate share of the OPEB expense, calculated by the Plan as of the June 30, 2019 measurement date is (\$176,934.00). This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2019, the Borough made contributions to the Plan totaling \$340,011.20.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2019, the Borough had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 2,403,438.00
Changes of Assumptions	-	2,912,489.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	6,770.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	627,761.00	1,351,000.00
Borough Contributions Subsequent to the Measurement Date	<u>172,420.60</u>	<u>-</u>
	<u>\$ 806,951.60</u>	<u>\$ 6,666,927.00</u>

\$172,420.60 reported as deferred outflows of resources resulting from the Borough's contributions subsequent to the measurement date will be included as a reduction of the Borough's net OPEB liability during the year ending December 31, 2020.

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
June 30, 2017	-	-
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,		
2020	\$	(965,295.00)
2021		(965,295.00)
2022		(965,826.00)
2023		(966,684.00)
2024		(967,468.00)
Thereafter		<u>(1,203,528.00)</u>
	\$	<u>(6,034,096.00)</u>

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate Through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Years	3.25% to 15.25%

* Salary Increases are Based on Years of Service
Within the Respective Plan

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

The Borough's proportionate share of the net OPEB liability as of June 30, 2019, the Plan's measurement date, calculated using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 9,502,791.00</u>	<u>\$ 8,218,599.00</u>	<u>\$ 7,175,023.00</u>

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The Borough's proportionate share of the net OPEB Liability as of June 30, 2019, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 6,935,485.00</u>	<u>\$ 8,218,599.00</u>	<u>\$ 9,855,427.00</u>

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Borough's Proportionate Share of the net OPEB Liability (Last Three Plan Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.060671%	0.066465%	0.062795%
Borough's Proportionate Share of the Net OPEB Liability	\$ 8,218,599.00	\$ 10,412,856.00	\$ 12,820,187.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 2,971,169.00	\$ 2,959,667.00	\$ 2,779,848.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	276.61%	351.83%	461.18%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

Schedule of the Borough's Contributions (Last Three Years)

	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Required Contributions	\$ 340,011.20	\$ 551,208.88	\$ 564,559.91
Borough's Contributions in Relation to the Required Contribution	(340,011.20)	(551,208.88)	(564,559.91)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 3,060,404.00	\$ 2,985,933.00	\$ 2,874,527.00
Borough's Contributions as a Percentage of Covered Payroll	11.11%	18.46%	19.64%

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

In 2019, there were slight changes to the Chapter 48 provisions.

Changes in Assumptions

In 2019, the discount rate changed to 3.50% from 3.87%, and there were changes in the assumed health care cost trend, PPO/HMO future retiree elections, and excise tax assumptions. Further, decrements, salary scale, and mortality assumptions were updated based on the July 1, 2013 - June 30, 2018 PFRS and July 1, 2014 - June 30, 2018 PERS experience studies. For mortality related to PFRS members and retirees, the Pub-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used. For mortality related to PERS members and retirees, the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019 was used.

In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

In 2017, the discount rate changed to 3.58% from 2.85%.

B. BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The Borough provides postretirement health care benefits through a health plan for three retirees, which includes a Medicare Part B reimbursement, supplemental retiree insurance, health insurance and prescription insurance. The Borough provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: three individual retirees that have separate contractually negotiated agreements with the Borough which provide the aforementioned retirement benefits. The plan is administered by the individual retirees; therefore, premium payments are reimbursed to the individual beneficiaries on a monthly basis after a detailed accounting of costs is provided to the Borough by the individual retiree.

Employees Covered by Benefit Terms - As of January 1, 2020, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	3
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	-
	3

Total OPEB Liability

The Borough's total OPEB liability of \$1,088,730.00 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	3.00% Annually
Discount Rate	1.93%
Healthcare Cost Trend Rates	8.00% Decreasing to 5.00% Ultimate
Retirees' Share of Benefit-Related Costs	None

The discount rate was based on the S&P Municipal Bond 20 year High Grade Bond index rate.

Mortality rates were based on the RP-2006 Mortality Table with MP-2019 Projection.

An experience study was not performed on the actuarial assumptions used in the January 1, 2020 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

Changes in Total OPEB Liability

Balance at December 31, 2019		\$ 859,613.00
Changes for the Year:		
Service Cost	\$ -	
Interest Cost	27,523.00	
Benefit Payments	(30,686.00)	
Changes in Assumptions	232,280.00	
Difference between Expected and Actual Experience	-	
Net Changes		<u>229,117.00</u>
Balance at December 31, 2020		<u>\$ 1,088,730.00</u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.26% at December 31, 2019 to 1.93% at December 31, 2020.

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>December 31, 2020</u>		
	1.00% Decrease <u>(0.936%)</u>	Current Discount Rate <u>(1.93%)</u>	1.00% Increase <u>(2.93%)</u>
Total OPEB Liability	<u>\$ 1,220,074.00</u>	<u>\$ 1,088,730.00</u>	<u>\$ 957,387.00</u>

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>December 31, 2020</u>		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	<u>\$ 962,437.00</u>	<u>\$ 1,088,730.00</u>	<u>\$ 1,223,733.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2020, the Borough recognized OPEB expense of 215,194.00. As of December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ -
Difference Between Expected and Actual Experience	-	-
	<u>\$ -</u>	<u>\$ -</u>

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Year Ending <u>Dec 31,</u>	
2021	
2022	
2023	
2024	
2025	
Thereafter	_____
	<u>\$ -</u>

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the Borough's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of Changes in the Borough's Total OPEB Liability and Related Ratios (Last Three Years)

	<u>Plan Measurement Date December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ -	\$ -	\$ -
Interest Cost	27,523.00	32,208.00	31,501.00
Benefit Payments	(30,686.00)	(25,662.00)	(15,180.00)
Changes in Assumptions	232,280.00	(44,609.00)	8,341.00
Difference Between Expected and Actual Experience	-	-	-
Net Change in Total OPEB Liability	229,117.00	(38,063.00)	24,662.00
Total OPEB Liability - Beginning of Fiscal Year	859,613.00	897,676.00	873,014.00
Total OPEB Liability - End of Fiscal Year	<u>\$ 1,088,730.00</u>	<u>\$ 859,613.00</u>	<u>\$ 897,676.00</u>
Covered-Employee Payroll	\$ 3,551,617.33	\$ 3,567,968.25	\$ 3,388,701.19
Total OPEB Liability as a Percentage of Covered Payroll	30.65%	24.09%	26.49%

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Other Notes to Supplementary OPEB Information**Changes in Benefit Terms

None

Changes in Assumptions

The discount rate changed from 3.26% as of December 31, 2019 to 1.93% as of December 31, 2020.

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, 2020

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2019	\$ 3,941,525.44	\$ 355,120.96
Increased by Receipts:		
From Tax Collector	\$ 25,232,232.39	
Energy Receipts Tax	696,697.01	
Uniform Fire Safety Act Fees	66,866.60	
Rental and Inspection Fees	60,370.00	
Miscellaneous Revenue Not Anticipated	221,576.54	
Revenue Accounts Receivable	726,761.12	
Due from State of New Jersey:		
Senior Citizen and Veteran Deductions	56,878.42	
State Training Fees	20,041.00	
Federal and State Grants Receivable		\$ 434,480.65
Due General Capital Fund	958.41	
Due Trust Other Fund - Treasurer	626.69	
Due Trust Other Fund - Collector	974.29	
Due Current Fund		82,200.00
2020 Appropriation Refunds	145,906.59	
Contra	<u>424,918.64</u>	
	<u>27,654,807.70</u>	<u>516,680.65</u>
	31,596,333.14	871,801.61
Decreased by Disbursements:		
2020 Appropriations	7,586,469.81	
2019 Appropriation Reserves	132,362.54	
Due to State of New Jersey -- State Training Fees	12,821.00	
Refund of Tax Overpayments	41,342.28	
Due County for Added and Omitted Taxes	27,063.65	
County Taxes Payable	5,860,341.69	
Local District School Taxes Payable	8,131,691.52	
Regional High School Taxes Payable	4,262,841.57	
Reserve for Federal and State Grants--Appropriated		361,644.84
Reserve for Encumbrances		1,694.07
Contracts Payable		300,000.00
Due Federal & State Grant Fund	82,200.00	
Reserve for Preparation of Master Plan	1,555.12	
Contra	<u>424,918.64</u>	
	<u>26,563,607.82</u>	<u>663,338.91</u>
Balance Dec. 31, 2020	<u>\$ 5,032,725.32</u>	<u>\$ 208,462.70</u>

BOROUGH OF BERLIN
CURRENT FUND
 Statement of Current Cash
 Per N.J.S.40A:5-5 -- Collector
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$	587,044.02
Increased by Receipts:			
Taxes Receivable	\$ 24,434,044.26		
Tax Title Liens Receivable	6,451.84		
Tax Overpayments	41,342.28		
Prepaid Taxes	333,281.86		
Interest and Costs on Taxes	104,001.82		
Due CCMUA	33,335.00		
Revenue Accounts Receivable:			
Miscellaneous Revenue	55,607.23		
Miscellaneous Revenue Not Anticipated	<u>30,360.50</u>		
			<u>25,038,424.79</u>
			25,625,468.81
Decreased by Disbursements:			
Turnover to Treasurer	25,232,232.39		
Due CCMUA	<u>33,335.00</u>		
			<u>25,265,567.39</u>
Balance Dec. 31, 2020		\$	<u><u>359,901.42</u></u>

CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2020

<u>Office</u>	<u>Amount</u>
Tax Office	\$ 500.00
Municipal Court	<u>100.00</u>
	<u><u>\$ 600.00</u></u>

BOROUGH OF BERLIN
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2020

Year	Balance Dec. 31, 2019	Levy	Added Taxes	2019 Collections	2020 Collections	Due from State of New Jersey	Appeals	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2020
2019	\$ 348,320.70		\$ 1,750.00		\$ 344,374.44			\$ 29.46	\$ 168.85	\$ 5,497.95
2020		\$ 24,950,759.95		\$ 341,883.70	24,089,669.82	\$ 58,628.42	\$ 11,892.40	7,158.03	19,681.51	421,846.07
	<u>\$ 348,320.70</u>	<u>\$ 24,950,759.95</u>	<u>\$ 1,750.00</u>	<u>\$ 341,883.70</u>	<u>\$ 24,434,044.26</u>	<u>\$ 58,628.42</u>	<u>\$ 11,892.40</u>	<u>\$ 7,187.49</u>	<u>\$ 19,850.36</u>	<u>\$ 427,344.02</u>

Analysis of 2020 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 24,297,860.52
Added and Omitted Taxes (54:63.1 et seq.)	<u>652,899.43</u>
	<u>\$ 24,950,759.95</u>

Tax Levy

Regional High School Tax	\$ 4,136,262.00
Local District School Tax	8,199,728.00
County Taxes:	
County Taxes	\$ 5,713,583.00
County Open Space Tax	146,758.69
Due County for Added and Omitted Taxes	<u>156,610.02</u>
Total County Taxes	6,016,951.71
Municipal Open Space Taxes:	
Municipal Open Space Tax	110,780.00
Municipal Added and Omitted Taxes	<u>2,949.59</u>
Total Municipal Open Space Taxes	113,729.59
Local Tax for Municipal Purposes	5,743,984.78
Municipal Library Tax	244,362.18
Add: Additional Tax Levied	7,973.71
Add: Added and Omitted Taxes	<u>487,767.98</u>
Local Tax for Municipal Purposes Levied	<u>6,484,088.65</u>
	<u>\$ 24,950,759.95</u>

BOROUGH OF BERLIN
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2020

	Balance <u>Dec. 31, 2019</u>	Accrued <u>2020</u>	<u>Decreased</u>		Due From Trust <u>Other Fund</u>	Due From General <u>Capital Fund</u>	Balance <u>Dec. 31, 2020</u>
			<u>Collector</u>	<u>Treasurer</u>			
Licenses:							
Alcoholic Beverages		\$ 11,904.00		\$ 11,904.00			
Other	\$ 12,684.72	61,635.00		59,182.00			\$ 15,137.72
Fees and Permits - Other:							
Clerk		17,753.77		17,753.77			
Searches for Municipal Improvements		150.00		150.00			
Planning		3,600.00		3,600.00			
Zoning		27,458.00		27,458.00			
Police		7,126.55		7,126.55			
Registrar of Vital Statistics		4,770.00		4,770.00			
Construction Code:							
Fees and Permits		135,556.00		135,556.00			
Cable TV Franchise Fees		111,815.57		111,815.57			
Municipal Court:							
Fines and Costs	16,681.07	192,386.26		197,849.22			11,218.11
Interest on Investments:							
Current Fund		22,702.32		22,702.32			
Trust Other Fund - Treasurer		2,394.73			\$ 2,394.73		
Trust Other Fund - Collector		974.29			974.29		
General Capital Fund		2,448.41				\$ 2,448.41	
Municipal Court		123.45		123.45			
Payment in Lieu of Taxes:							
Virtua Hospital		43,000.00	\$ 43,000.00				
Jet Associates		12,607.23	12,607.23				
Property Maintenance Charges	1,490.00			1,490.00			
Rentals of Borough Property:							
U.S. Post Office	1,250.00	15,000.00		15,000.00			1,250.00
Bell Telephone / Verizon Rental	11,664.64	71,229.84		70,815.84			12,078.64
Cable T.C. Co. (AT&T)		27,423.36		27,423.36			
69 South White Horse Pike		12,041.04		12,041.04			
93 Clementon Rd.		21,600.00		19,800.00			1,800.00
PNC Bank		11,954.35		11,954.35			
	<u>\$ 43,770.43</u>	<u>\$ 817,654.17</u>	<u>\$ 55,607.23</u>	<u>\$ 758,515.47</u>	<u>\$ 3,369.02</u>	<u>\$ 2,448.41</u>	<u>\$ 41,484.47</u>
Collections:							
Miscellaneous Revenue			\$ 55,607.23	\$ 726,761.12			
Miscellaneous Revenue Not Anticipated				31,754.35			
			<u>\$ 55,607.23</u>	<u>\$ 758,515.47</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, 2020

Balance Dec. 31, 2019		\$ 14,420.39
Increased by:		
Deductions Disallowed per Tax Collector -- Prior Year	\$ 1,750.00	
Cash Received	<u>56,878.42</u>	
		<u>58,628.42</u>
		73,048.81
Decreased by:		
Deductions Allowed per Tax Billing	\$ 58,750.00	
Deductions Allowed per Tax Collector -- Current Year	<u>1,250.00</u>	
	60,000.00	
Less:		
Deductions Disallowed per Tax Collector -- Current Year	<u>1,371.58</u>	
		<u>58,628.42</u>
		<u>58,628.42</u>
Balance Dec. 31, 2020		<u>\$ 14,420.39</u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of 2019 Appropriation Reserves
For the Year Ended December 31, 2020

	Balance Dec. 31, 2019		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
OPERATIONS--WITHIN "CAPS"					
<u>General Government</u>					
Mayor and Council					
Salaries and Wages		\$ 129.83	\$ 129.83		\$ 129.83
Other Expenses	\$ 278.00	1,818.61	2,096.61	\$ 278.00	1,818.61
Administrative and Executive					
Salaries and Wages		6,135.87	6,135.87		6,135.87
Other Expenses	4,740.51	16,209.09	20,949.60	4,311.51	16,638.09
Financial Administration					
Salaries and Wages		5,960.25	5,960.25		5,960.25
Other Expenses	5,252.13	15,000.76	20,252.89	7,056.44	13,196.45
Engineering Services					
Other Expenses	3,314.64	7,704.26	11,018.90	3,345.64	7,673.26
Collection of Taxes					
Salaries and Wages		6,149.59	6,149.59	2,432.43	3,717.16
Other Expenses	415.97	1,701.68	2,117.65	692.37	1,425.28
Public Employees' Award Program (N.J.S.40A:9-8) (N.J.S.40A:5-31)					
Other Expenses		1,000.00	1,000.00		1,000.00
Assessment of Taxes					
Salaries and Wages		32.50	32.50		32.50
Other Expenses	431.40	288.38	719.78	431.40	288.38
Municipal Court					
Salaries and Wages		12,836.45	12,836.45	1,108.57	11,727.88
Other Expenses	1,747.94	4,002.53	5,750.47	1,547.94	4,202.53
Legal Services and Costs					
Other Expenses	5,485.33	55,664.54	61,149.87	7,637.66	53,512.21
Economic Development Committee					
Salaries and Wages		23,925.00	23,925.00		23,925.00
Municipal Land Use Law (N.J.S.40:55D-1):					
Planning Board					
Salaries and Wages		950.00	950.00		950.00
Other Expenses	684.06	6,936.73	7,620.79	2,631.06	4,989.73
Zoning Enforcement Officer					
Salaries and Wages		9.04	9.04		9.04
Other Expenses		2,008.66	2,008.66		2,008.66
Historic Committee					
Other Expenses	320.00	1,079.52	1,399.52	320.00	1,079.52
Insurance					
Health Benefit Waiver		648.71	648.71		648.71
Workers Compensation		6,332.44	6,332.44		6,332.44
Other Insurance		6,535.27	6,535.27		6,535.27
Unemployment Compensation Insurance		2,415.59	2,415.59		2,415.59
Group Insurance for Employees		27,310.71	27,310.71		27,310.71
<u>Public Safety</u>					
Police					
Salaries and Wages		51,440.39	51,440.39	2,922.82	48,517.57
Other Expenses:					
Miscellaneous Other Expenses	18,392.44	1,719.94	20,112.38	19,390.68	721.70
Fire					
Miscellaneous Other Expenses	11,681.76	5,181.71	16,863.47	14,333.86	2,529.61
Aid to Volunteer Ambulance/Emergency Squad					
Other Expenses		5,000.00	5,000.00		5,000.00
Public Defender					
Other Expenses		3,500.02	3,500.02		3,500.02
Uniform Fire Safety Act (P.L. 1983 CH 383):					
Fire					
Salaries and Wages		8,106.15	8,106.15		8,106.15
Other Expenses	948.21	1,667.57	2,615.78	948.21	1,667.57
Emergency Management Services					
Salaries and Wages		1,833.28	1,833.28		1,833.28
Other Expenses		232.28	232.28		232.28
<u>Streets and Roads</u>					
Road Repairs and Maintenance					
Salaries and Wages		22,246.54	22,246.54		22,246.54
Other Expenses	3,426.46	8,555.75	11,982.21	4,844.35	7,137.86

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
 Statement of 2019 Appropriation Reserves
 For the Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>		<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>					
<u>Streets and Roads (Cont'd)</u>					
Public Buildings and Grounds					
Salaries and Wages		\$ 6,670.50	\$ 6,670.50		\$ 6,670.50
Other Expenses	\$ 13,888.34	1,184.63	15,072.97	\$ 13,771.46	1,301.51
Garbage and Trash Collection					
Salaries and Wages		11,206.66	11,206.66		11,206.66
Other Expenses	1,925.27	702.92	2,628.19	2,104.82	523.37
Vehicle and Equipment Maintenance					
Salaries and Wages		4,276.26	4,276.26		4,276.26
Other Expenses	10,822.17	4,207.67	15,029.84	13,851.99	1,177.85
<u>Health and Welfare</u>					
Senior Citizen Coordinator					
Salaries and Wages		1.00	1.00		1.00
Other Expenses		7,433.39	7,433.39		7,433.39
Animal Control					
Other Expenses		1.00	1.00		1.00
<u>Recreation and Education</u>					
Parks and Playgrounds					
Salaries and Wages		556.67	556.67	38.46	518.21
Other Expenses	3,743.85	3,408.40	7,152.25	3,505.84	3,646.41
<u>Uniform Construction Code -- Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages		33,641.64	33,641.64	2,162.16	31,479.48
Other Expenses	132.24	1,828.64	1,960.88	147.24	1,813.64
Other Code Enforcement					
Salaries and Wages		14,103.80	14,103.80		14,103.80
Sub-Code Officials:					
Fire					
Salaries and Wages		4,299.68	4,299.68		4,299.68
<u>Unclassified</u>					
Electricity		9,882.15	9,882.15		9,882.15
Water Service		514.55	514.55		514.55
Sewer Service		7,549.96	7,549.96		7,549.96
Telephone	1,050.00	8,986.38	10,036.38	850.00	9,186.38
Gas / Fuel Oil		4,809.32	4,809.32		4,809.32
Trash Disposal	2,580.04	96,800.18	99,380.22	23,457.04	75,923.18
Street Lighting	432.00	32,474.34	32,906.34	432.00	32,474.34
Gasoline / Motor Fuel		14,884.49	14,884.49	140.00	14,744.49
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Defined Contribution Retirement System		1,000.00	1,000.00		1,000.00
Social Security System (O.A.S.I.)		26,483.92	26,483.92		26,483.92
<u>OPERATIONS-- EXCLUDED FROM "CAPS"</u>					
Solid Waste Disposal					
Recycling Tax (P.L. 2007, c. 311)		2,172.72	2,172.72	835.08	1,337.64
Storm Water Management					
Salaries and Wages		3,695.43	3,695.43		3,695.43
Other Expenses		4,317.84	4,317.84	20.15	4,297.69
	<u>\$ 91,692.76</u>	<u>\$ 629,363.78</u>	<u>\$ 721,056.54</u>	<u>\$ 135,549.18</u>	<u>\$ 585,507.36</u>
				Disbursed	\$ 132,362.54
				Transferred to Accounts Payable	3,186.64
				<u>\$ 135,549.18</u>	

BOROUGH OF BERLIN
CURRENT FUND
 Statement of Due to State of New Jersey -- State Training Fees
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 1,674.00
Increased by:		
Receipts -- Treasurer		20,041.00
		21,715.00
Decreased by:		
Disbursed -- Treasurer		12,821.00
		8,894.00
Balance Dec. 31, 2020		\$ 8,894.00

CURRENT FUND
 Statement of Tax Title Liens Receivable
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 64,315.09
Increased by:		
Transferred from Taxes Receivable	\$ 19,850.36	
Interest and Costs from Tax Sale	200.32	
Year End Penalty Added	680.97	
		20,731.65
		85,046.74
Decreased by:		
Receipts -- Collector		6,451.84
		6,451.84
Balance Dec. 31, 2020		\$ 78,594.90

BOROUGH OF BERLIN
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2020

Balance Dec. 31, 2019 (2020 Taxes)	\$ 341,883.70
Increased by:	
Receipts:	
Collector -- 2021 Taxes	<u>333,281.86</u>
	675,165.56
Decreased by:	
Application to 2020 Taxes Receivable	<u>341,883.70</u>
Balance Dec. 31, 2020 (2021 Taxes)	<u><u>\$ 333,281.86</u></u>

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2020

Increased by:	
Collector Receipts:	
Overpayments Created	\$ 41,342.28
Decreased by:	
Treasurer Disbursements	<u><u>\$ 41,342.28</u></u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	27,063.65
Increased by:		
County Share of Added and Omitted Taxes		156,610.02
		183,673.67
Decreased by:		
Payments -- Treasurer		27,063.65
Balance Dec. 31, 2020	\$	156,610.02

Exhibit SA-13

CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2020

Increased by:			
2020 Levy:			
General County	\$	5,713,583.00	
County Open Space		146,758.69	
	\$		5,860,341.69
Decreased by:			
Payments -- Treasurer			\$ 5,860,341.69

Exhibit SA-14

CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	91,692.76
Increased by:		
Transferred from 2020 Budget Appropriations		147,318.13
		239,010.89
Decreased by:		
Transferred to Appropriation Reserves		91,692.76
Balance Dec. 31, 2020	\$	147,318.13

BOROUGH OF BERLIN
CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2020

<hr/>		
Balance Dec. 31, 2019:		
School Tax Payable	\$ 660,163.46	
School Tax Deferred	<u>3,371,664.00</u>	
		\$ 4,031,827.46
Increased by:		
Levy -- School Year July 1, 2020 to June 30, 2021		<u>8,199,728.00</u>
		12,231,555.46
Decreased by:		
Payments -- Treasurer		8,131,691.52
Balance Dec. 31, 2020:		
School Tax Payable	\$ 728,199.94	
School Tax Deferred	<u>3,371,664.00</u>	
		<u>\$ 4,099,863.94</u>
2020 Liability for Local District School Tax:		
Tax Paid		\$ 8,131,691.52
Tax Payable Dec. 31, 2020		<u>728,199.94</u>
		8,859,891.46
Less: Tax Payable Dec. 31, 2019		<u>660,163.46</u>
Amount Charged to 2020 Operations		<u>\$ 8,199,728.00</u>

CURRENT FUND
Statement of Due to Municipal Open Space Fund
For the Year Ended December 31, 2020

<hr/>		
Balance Dec. 31, 2019		\$ 110,949.16
Increased by:		
Levy	\$ 110,780.00	
Open Space Share of Added and Omitted Taxes	<u>2,949.59</u>	
		<u>113,729.59</u>
Balance Dec. 31, 2020		<u>\$ 224,678.75</u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Regional High School Tax
For the Year Ended December 31, 2020

<hr/>		
Balance Dec. 31, 2019:		
School Tax Payable	\$ 474,505.42	
School Tax Deferred	<u>1,720,206.54</u>	
		\$ 2,194,711.96
Increased by:		
Levy -- School Year July 1, 2020 to June 30, 2021		<u>4,136,262.00</u>
		6,330,973.96
Decreased by:		
Payments -- Treasurer		4,262,841.57
Balance Dec. 31, 2020:		
School Tax Payable	\$ 347,925.85	
School Tax Deferred	<u>1,720,206.54</u>	
		<u>\$ 2,068,132.39</u>
2020 Liability for Regional High School Tax:		
Tax Paid	\$ 4,262,841.57	
Tax Payable Dec. 31, 2020	<u>347,925.85</u>	
		4,610,767.42
Less: Tax Payable Dec. 31, 2019		<u>474,505.42</u>
Amount Charged to 2020 Operations		<u>\$ 4,136,262.00</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, 2020

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2019</u>	<u>Raised in 2020 Budget</u>	<u>Balance Dec. 31, 2020</u>
10-13-2016	Preparation of Master Plan	\$ 85,000.00	\$ 17,000.00	<u>\$ 34,000.00</u>	<u>\$ 17,000.00</u>	<u>\$ 17,000.00</u>

CURRENT FUND
 Statement of Reserve for Preparation of Master Plan
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 26,671.58
Decreased by: Disbursements	<u>1,555.12</u>
Balance Dec. 31, 2020	<u>\$ 25,116.46</u>

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
 Statement of Federal and State Grants Receivable
 For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Federal Grants:				
Drive Sober or Get Pulled Over	\$ 3,800.00			\$ 3,800.00
Community Development Block Grant		\$ 5,000.00	\$ 5,000.00	
Seatbelt Click-it-or-Ticket Grant	775.00			775.00
Certified Local Government Grant	24,999.00			24,999.00
County Historic Preservation	90,088.00		65,000.00	25,088.00
FEMA Safer Grant		101,680.00	29,695.00	71,985.00
	<u>119,662.00</u>	<u>106,680.00</u>	<u>99,695.00</u>	<u>126,647.00</u>
Total Federal Grants	<u>119,662.00</u>	<u>106,680.00</u>	<u>99,695.00</u>	<u>126,647.00</u>
State Grants:				
Clean Communities Grant		15,185.45	15,185.45	
Safe and Secure Communities Program	35,000.00	60,000.00	60,000.00	35,000.00
Body Armor Grant		2,178.69	2,178.69	
Bulletproof Vest Grant	1,786.91			1,786.91
Recycling Tonnage Grant		10,221.51	10,221.51	
New Jersey Department of Transportation - 2019	75,000.00			75,000.00
New Jersey Department of Transportation - 2020		245,000.00	245,000.00	
	<u>111,786.91</u>	<u>332,585.65</u>	<u>332,585.65</u>	<u>111,786.91</u>
Total State Grants	<u>111,786.91</u>	<u>332,585.65</u>	<u>332,585.65</u>	<u>111,786.91</u>
Local Grants:				
County DWI Grant	-	2,200.00	2,200.00	-
	<u>-</u>	<u>2,200.00</u>	<u>2,200.00</u>	<u>-</u>
Total	<u>\$ 231,448.91</u>	<u>\$ 441,465.65</u>	<u>\$ 434,480.65</u>	<u>\$ 238,433.91</u>

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Federal Grants:				
Community Development Block Grant		\$ 5,000.00	\$ 5,000.00	
FEMA Safer Grant		101,680.00	101,680.00	
Total Federal Grants	-	106,680.00	106,680.00	-
State Grants:				
Clean Communities Program		15,185.45	15,185.45	
Safe and Secure Communities Program		60,000.00	60,000.00	
Body Armor Grant		2,178.69	2,178.69	
Recycling Tonnage Grant	\$ 10,221.51	10,221.51	10,221.51	\$ 10,221.51
Alcohol Education and Rehabilitation Grant	562.62		562.62	
New Jersey Department of Transportation - 2020		245,000.00	245,000.00	
Drunk Driving Enforcement Grant	5,132.08		5,132.08	
Total State Grants	15,916.21	332,585.65	338,280.35	10,221.51
Local Grants:				
County DWI Grant	2,200.00	2,200.00	2,200.00	2,200.00
Total	<u>\$ 18,116.21</u>	<u>\$ 441,465.65</u>	<u>\$ 447,160.35</u>	<u>\$ 12,421.51</u>

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2020

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Transferred</u> <u>From 2020</u> <u>Budget</u> <u>Appropriation</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Federal Grants:				
US Forest Service -- Fire Assistance	\$ 573.20			\$ 573.20
Drive Sober or Get Pulled Over	1,580.00			1,580.00
Community Development Block Grant		\$ 5,000.00		5,000.00
Seatbelt Click-it-or-Ticket Grant	975.00			975.00
Volunteer Firefighter Assistance Grant	134,754.78	101,680.00	\$ 175,700.85	60,733.93
Municipal Stormwater Regulation	2,132.40			2,132.40
County Historic Preservation	30,239.71		22,592.72	7,646.99
Certified Local Government Grant	86.50			86.50
Total Federal Grants	170,341.59	106,680.00	198,293.57	78,728.02
State Grants:				
Clean Communities Grant	11,236.37	15,185.45	1,934.94	24,486.88
Safe and Secure Communities		142,200.00	142,200.00	
Body Armor Grant	1,269.56	2,178.69	3,448.25	
Bulletproof Vest Grant	0.20			0.20
Recycling Tonnage Grant	43,102.27	10,221.51	22,909.26	30,414.52
Alcohol Education and Rehabilitation Grant	3,666.33	562.62	1,424.52	2,804.43
New Jersey Department of Transportation - Locust	1,711.94			1,711.94
New Jersey Department of Transportation - 2019	16,988.45			16,988.45
New Jersey Department of Transportation - 2020		245,000.00		245,000.00
Drunk Driving Enforcement Grant	15,473.93	5,132.08	4,135.15	16,470.86
Library Teacher Grant	67.74			67.74
Tischler Graphic Novel Grant	66.48			66.48
Total State Grants	93,583.27	420,480.35	176,052.12	338,011.50
Local Grants:				
County DWI Grant	20.00	2,200.00	2,200.00	20.00
County Recycling Rebate Grant	72.66			72.66
Total Local Grants	92.66	2,200.00	2,200.00	92.66
Grand Total	\$ 264,017.52	\$ 529,360.35	\$ 376,545.69	\$ 416,832.18
Reserve for Encumbrances			\$ 14,900.85	
Disbursed			361,644.84	
			\$ 376,545.69	

BOROUGH OF BERLIN
 FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	4,200.07
Increased by:		
Charges to Appropriated Grants		14,900.85
		19,100.92
Decreased by:		
Disbursed -- Treasurer		1,694.07
Balance Dec. 31, 2020	\$	17,406.85

FEDERAL AND STATE GRANT FUND
 Statement of Contracts Payable
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	300,000.00
Decreased by:		
Disbursements		300,000.00

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, 2020

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other</u>
Balance Dec. 31, 2019	\$ 9,232.46	\$ 312,434.41	\$ 2,329,677.93
Increased by Receipts:			
Reserve for Animal Control Expenditures	\$ 7,156.16		
Due to State Department of Health	942.00		
Due Current Fund	32.84		\$ 2,394.73
Municipal Alliance Receivable			2,294.52
Reserve for Open Space		\$ 965.15	
Reserve for Parking Offenses Adjudication Act			2.00
Reserve for Accumulated Leave			30,000.00
Reserve for Payroll Deductions Payable			1,759,446.11
Reserve for Net Payroll			2,284,549.26
Reserve for Affordable Housing			48,391.99
Reserve for COAH Fees			0.07
Reserve for Developers' Escrow Deposits			178,340.66
Reserve for Recycling Funds			10,527.83
Reserve for Community Development Block Grant			5,000.00
Reserve for Public Defender			7,245.50
Reserve for Performance Bonds			30,679.05
Reserve for Police Donation			1,025.00
Reserve for Police Outside Services			133,460.03
Reserve for Special Law Enforcement			17,341.56
	<u>8,131.00</u>	<u>965.15</u>	<u>4,510,698.31</u>
	17,363.46	313,399.56	6,840,376.24
Decreased by Disbursements:			
Due State Department of Health	962.40		
Due Current Fund	32.84		626.69
Due Developers			7,508.30
Reserve for Payroll Deductions Payable			1,749,658.10
Reserve for Net Payroll			2,284,549.26
Reserve for Developers' Escrow Deposits			169,011.17
Reserve for Municipal Alliance			759.00
Reserve for Recycling Funds			8,059.68
Reserve for Community Development Block Grant			7,235.41
Reserve for Public Defender			3,500.02
Reserve for Performance Bonds			457,830.37
Reserve for Police Donation			6,546.26
Reserve for Police Outside Services			137,227.59
Reserve for Special Law Enforcement			2,797.67
Reserve for Animal Control Expenditures	12,547.65		
Reserve for Encumbrances	1,205.33		8,673.13
2020 Budget Appropriations		<u>66,401.49</u>	
	<u>14,748.22</u>	<u>66,401.49</u>	<u>4,843,982.65</u>
Balance Dec. 31, 2020	<u>\$ 2,615.24</u>	<u>\$ 246,998.07</u>	<u>\$ 1,996,393.59</u>

BOROUGH OF BERLIN
TRUST--OTHER FUND
 Statement of Trust Other Cash
 Per N.J.S.40A:5-5 -- Collector
 For the Year Ended December 31, 2020

		<u>Other</u>
Balance Dec. 31, 2019		\$ 314,437.80
Increased by Receipts:		
Due Current Fund	\$ 974.29	
Due CCMUA	33,335.00	
Reserve for Tax Title Lien Redemptions	160,382.15	
Reserve for Premiums Received at Tax Sale	74,400.00	
Contra	<u>24,586.22</u>	
		<u>293,677.66</u>
		608,115.46
Decreased by Disbursements:		
Due Current Fund	974.29	
Due CCMUA	33,335.00	
Reserve for Tax Title Lien Redemptions	160,382.15	
Reserve for Premiums Received at Tax Sale	112,100.00	
Contra	<u>24,586.22</u>	
		<u>331,377.66</u>
Balance Dec. 31, 2020		<u><u>\$ 276,737.80</u></u>

ANIMAL CONTROL TRUST FUND
 Statement of Reserve For Animal Control Expenditures
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 7,860.93
Increased by:		
Collections		
Dog License Fees	\$ 6,036.16	
Cat License Fees	<u>1,120.00</u>	
		<u>7,156.16</u>
		15,017.09
Decreased by:		
Encumbrances	350.00	
Disbursements	<u>12,547.65</u>	
		<u>12,897.65</u>
Balance Dec. 31, 2020		<u><u>\$ 2,119.44</u></u>

<u>License Fees Collected</u>	<u>Year</u>	<u>Amount</u>
	2019	\$ 10,050.64
	2018	<u>10,705.53</u>
		<u><u>\$ 20,756.17</u></u>

BOROUGH OF BERLIN
TRUST--OTHER FUND
 Statement of Due from Camden County--Municipal Drug Alliance
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	3,250.41
Decreased by:		
Receipts		<u>2,294.52</u>
Balance Dec. 31, 2020	\$	<u><u>955.89</u></u>

ANIMAL CONTROL TRUST FUND
 Statement of Due to State of New Jersey
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$	27.60
Increased by:		
Dog License Fees Collected		<u>942.00</u>
		969.60
Decreased by:		
Disbursed to State of New Jersey		<u>962.40</u>
Balance Dec. 31, 2020	\$	<u><u>7.20</u></u>

BOROUGH OF BERLIN
TRUST--OTHER FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 75,498.65
Decreased by:		
Receipts:		
Treasurer:		
Revenue - Interest on Deposits	\$ 2,394.73	
Collector:		
Revenue - Interest on Deposits	<u>974.29</u>	
		<u>3,369.02</u>
		72,129.63
Increased by:		
Disbursements:		
Treasurer -- Interfund Loans Returned	626.69	
Collector -- Interfund Loans Returned	<u>974.29</u>	
		<u>1,600.98</u>
Balance Dec. 31, 2020		<u><u>\$ 73,730.61</u></u>

BOROUGH OF BERLIN
TRUST -- OTHER FUND
Statement of Trust Other Reserves
For the Year Ended December 31, 2020

Reserve	Balance Dec. 31, 2019	Increased		Decreased		Balance Dec. 31, 2020
		Receipts	Accounts Receivable	Disbursements	Due to State of NJ - VCCB	
Reserve for Recreation Facilities	\$ 67,482.98					\$ 67,482.98
Reserve for Parking Offenses Adjudication Act	848.10	\$ 2.00				850.10
Reserve for Accumulated Leave	100,000.00	30,000.00				130,000.00
Reserve for Celebration	4,329.17					4,329.17
Reserve for Payroll Deductions Payable	62,296.22	1,759,446.11		\$ 1,749,658.10		72,084.23
Reserve for Net Payroll		2,284,549.26		2,284,549.26		
Reserve for Affordable Housing	581,714.35	48,391.99				630,106.34
Reserve for COAH Fees	5,037.31	0.07				5,037.38
Reserve for Developers' Escrow Deposits	498,438.45	178,340.66		169,011.17		507,767.94
Reserve for Municipal Alliance	9,996.45			759.00		9,237.45
Reserve for Tax Title Lien Redemptions	37.80	160,382.15		160,382.15		37.80
Reserve for Premiums Received at Tax Sale	314,400.00	74,400.00		112,100.00		276,700.00
Reserve for Recycling Funds	5,408.28	10,527.83		8,059.68		7,876.43
Reserve for Community Development Block Grant	4,564.57	5,000.00		7,235.41		2,329.16
Reserve for Bid Bonds	470.00					470.00
Reserve for Security Deposits	6,043.85					6,043.85
Reserve for Encumbrances	8,673.13			8,673.13		
Reserve for Public Defender	8,750.00	7,245.50		3,500.02	\$ 3,557.93	8,937.55
Reserve for Performance Bonds	979,480.09	30,679.05		457,830.37		552,328.77
Reserve for Storm Recovery	18,433.00					18,433.00
Reserve for Investigation Fund	45.00					45.00
Reserve for Uniform Fire Safety	2,762.10					2,762.10
Reserve for Police Donation	11,507.50	1,025.00		6,546.26		5,986.24
Reserve for Police Outside Services		133,460.03	\$ 7,492.26	137,227.59		3,724.70
Reserve for Special Law Enforcement	4,883.57	17,341.56		2,797.67		19,427.46
	<u>\$ 2,695,601.92</u>	<u>\$ 4,740,791.21</u>	<u>\$ 7,492.26</u>	<u>\$ 5,108,329.81</u>	<u>\$ 3,557.93</u>	<u>\$ 2,331,997.65</u>
Treasurer		\$ 4,506,009.06		\$ 4,835,847.66		
Collector		234,782.15		272,482.15		
		<u>\$ 4,740,791.21</u>		<u>\$ 5,108,329.81</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, 2020

Balance Dec. 31, 2019		\$ 1,015,924.99
Increased by Receipts:		
Due Current Fund	\$ 2,448.41	
Capital Improvement Fund	<u>125,000.00</u>	
		<u>127,448.41</u>
		1,143,373.40
Decreased by Disbursements:		
Improvement Authorizations	550,974.82	
Reserve for Encumbrances	229,781.11	
Contracts Payable	162,088.64	
Due Current Fund	<u>2,448.41</u>	
		<u>945,292.98</u>
Balance Dec. 31, 2020		<u><u>\$ 198,080.42</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
 Statement of General Capital Cash
 For the Year Ended December 31, 2020

	Balance (Deficit) Dec. 31, 2019	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2020
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Capital Improvement Fund	\$ 34,364.00	\$ 125,000.00			\$ 73,861.00			\$ 85,503.00
Fund Balance	67,666.12							67,666.12
Due Current Fund	(65,808.00)	2,448.41		\$ 2,448.41				(65,808.00)
Due Open Space Trust Fund	(50,000.00)							(50,000.00)
Improvement Authorizations:								
04-09.13 Reforestation	1,000.00							1,000.00
07-17.1 Road Reconstruction	206.47							206.47
08-12.2 Purchase of Fire Truck Apparatus	0.28							0.28
09-15.1 Purchase of Recycling and Trash Truck	4.50							4.50
11-05.1 Improvement to Various Roads	2,995.00							2,995.00
11-05.4 Acquisition of Fire Rescue Equipment	0.38							0.38
12-06.1 Road Reconstruction - Various	260.00							260.00
13-03.6 Construction of Police Facility	5,606.46		\$ 5,011.68					594.78
14-02.1 Road Reconstruction	2.45							2.45
14-02.2 Acquisition of Public Works Equipment	6,006.27							6,006.27
14-02.6 Improvement to Municipal Facilities	14,560.02		14,560.02					
15-10.2 Acquisition of Public Works Equipment	4,032.00							4,032.00
15-10.4 Acquisition of Fire Rescue Vehicle	83.10		83.10					
15-10.5 Acquisition of Fire Rescue Equipment	294.43		294.43					
15-10.6 Improvement to Municipal Facilities	544.94							544.94
15-17.1 Improvement to Municipal Facilities	24,523.94		24,097.20					426.74
16-05.1 Road Reconstruction	60,523.85							60,523.85
16-05.2 Acquisition of Public Works Equipment	57,003.06							57,003.06
16-05.3 Improvements to Municipal Facilities	102,398.69		73,316.50		27,562.50			1,519.69
16-05.4 Acquisition of Office Equipment	1,538.50		2,089.56			\$ 551.06		
16-05.5 Acquisition of Fire Equipment	806.21		806.21					
16-05.6 Acquisition of Police Equipment	0.82							0.82
17-06.1 Road Reconstruction	204,550.00							204,550.00
17-06.3 Acquisition of Fire Equipment	546.00		394.26					151.74
17-06.4 Improvements to Municipal Facilities	34,900.00				15,002.00			19,898.00
17-06.5 Improvements to Recreational Facilities	13,913.75				5,150.00			8,763.75
17-06.6 Reconstruction of Various Sidewalks	32,597.02							32,597.02
17-10.1 Acquisition of Real Property	241,605.50							241,605.50
18-12.1 Road Reconstruction	125,979.00							125,979.00
18-12.2 Acquisition of Police Vehicles and Equipment	336.71		336.71					
18-12.3 Acquisition of Fire Equipment	55,453.00				3,650.00			51,803.00
18-12.4 Acquisition of Public Works Equipment	9,495.00							9,495.00
19-06.1 Road Reconstruction	(169,180.00)		1,800.00				15,690.00	(155,290.00)
19-06.2 Acquisition of Police Equipment	(94,399.24)		44,300.76					(138,700.00)
19-06.3 Acquisition of Fire Equipment	(46,216.31)							(46,216.31)
19-06.4 Acquisition of Public Works Equipment	(76,667.00)		7,938.00					(84,605.00)
19-06.5 Improvement to Municipal Facilities	7,500.00							7,500.00
20-07.1 Reconstruction / Repaving Borough Roads			38,124.61		17,675.39	4,000.00		(51,800.00)
20-07.2 Improvements to Park Facilities						10,000.00		10,000.00
20-07.3 Acquisition of an Ambulance					228,344.66	11,500.00		(216,844.66)
20-07.4 Acquisition of Various Police Equipment			41,031.42		92,734.95	6,900.00		(126,866.37)
20-07.5 Acquisition of Various Fire Equipment			49,840.02		5,294.00	2,776.00		(52,358.02)
20-07.6 Acquisition of Various Construction Equipment			10,507.84			560.00		(9,947.84)
20-07.7 Acquisition of Various Public Works Equipment			235,425.00		70,435.30	23,125.00		(282,735.30)
20-07.8 Various Improvements to Municipal and Library Facilities			1,017.50			15,000.00		13,982.50
Due from State of New Jersey	(23,531.40)							(23,531.40)
Contracts Payable	181,809.40			162,088.64	15,690.00			4,030.76
Reserve for Encumbrances	248,620.07			229,781.11	551.06	465,848.80		484,136.70
	<u>\$ 1,015,924.99</u>	<u>\$ 127,448.41</u>	<u>\$ 550,974.82</u>	<u>\$ 394,318.16</u>	<u>\$ 555,950.86</u>	<u>\$ 555,950.86</u>	<u>\$ 555,950.86</u>	<u>\$ 198,080.42</u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 11,161,344.68
Decreased by:		
2020 Budget Appropriations:		
Serial Bonds	\$ 1,331,000.00	
Green Acres Loan Payable	<u>30,434.96</u>	
		<u>1,361,434.96</u>
Balance Dec. 31, 2020		<u>\$ 9,799,909.72</u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Deferred Charges To Future Taxation--Unfunded
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	Increased by		Analysis of Balance Dec. 31, 2020	
			2020 Authorizations	Balance Dec. 31, 2020	Expenditures	Unexpended Improvement Authorizations
<u>General Improvements:</u>						
13-03.6	Construction of Police Facility	\$ 250.00		\$ 250.00		\$ 250.00
19-06.1	Road Reconstruction	190,000.00		190,000.00	\$ 155,290.00	34,710.00
19-06.2	Acquisition of Police Equipment	138,700.00		138,700.00	138,700.00	
19-06.3	Acquisition of Fire Equipment	47,500.00		47,500.00	46,216.31	1,283.69
19-06.4	Acquisition of Public Works Equipment	85,500.00		85,500.00	84,605.00	895.00
19-06.5	Improvement to Municipal Facilities	142,500.00		142,500.00		142,500.00
20-07.1	Reconstruction / Repaving Borough Roads		\$ 76,000.00	76,000.00	51,800.00	24,200.00
20-07.2	Improvements to Park Facilities		190,000.00	190,000.00		190,000.00
20-07.3	Acquisition of an Ambulance		218,500.00	218,500.00	216,844.66	1,655.34
20-07.4	Acquisition of Various Police Equipment		131,100.00	131,100.00	126,866.37	4,233.63
20-07.5	Acquisition of Various Fire Equipment		52,749.00	52,749.00	52,358.02	390.98
20-07.6	Acquisition of Various Construction Equipment		10,640.00	10,640.00	9,947.84	692.16
20-07.7	Acquisition of Various Public Works Equipment		439,375.00	439,375.00	282,735.30	156,639.70
20-07.8	Various Improvements to Municipal and Library Facilities		285,000.00	285,000.00		285,000.00
		<u>\$ 604,450.00</u>	<u>\$ 1,403,364.00</u>	<u>\$ 2,007,814.00</u>	<u>\$ 1,165,363.50</u>	<u>\$ 842,450.50</u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 34,364.00
Increased by:	
Receipts -- Budget Appropriation	<u>125,000.00</u>
	159,364.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>73,861.00</u>
Balance Dec. 31, 2020	<u><u>\$ 85,503.00</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2019		2020 Authorizations		Paid or Charged	Contracts and Encumbrances Canceled	Balance Dec. 31, 2020	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges To Future Taxation--Unfunded			Funded	Unfunded
General Improvements											
04-09.13; 15-17.1	Reforestation	6-03-04; 10-04-07	\$ 288,800.00	\$ 1,000.00						\$ 1,000.00	
07-17.1	Road Reconstruction	9-17-07	328,250.00	206.47						206.47	
08-12.2	Purchase of Fire Truck Apparatus	10-06-08	30,000.00	0.28						0.28	
09-15.1;15-17.1	Purchase of Recycling and Trash Truck	10-05-09	415,000.00	4.50						4.50	
11-05.1	Improvement to Various Roads	5-2-11	613,400.00	2,995.00						2,995.00	
11-05.4	Acquisition of Fire Rescue Equipment	5-2-11	55,000.00	0.38						0.38	
12-06.1	Road Reconstruction - Various	3-5-12	319,000.00	260.00						260.00	
13-03.6	Construction of Police Facility	4-1-13	1,641,000.00	5,606.46	\$ 250.00			\$ 5,011.68		594.78	\$ 250.00
14-02.1	Road Reconstruction	3-5-14	350,000.00	2.45						2.45	
14-02.2	Acquisition of Public Works Equipment	3-5-14	290,000.00	6,006.27						6,006.27	
14-02.6	Improvement to Municipal Facilities	3-5-14	545,000.00	14,560.02				14,560.02			
15-10.2	Acquisition of Public Works Equipment	6-11-15	250,000.00	4,032.00						4,032.00	
15-10.4	Acquisition of Fire Truck	6-11-15	810,000.00	83.10				83.10			
15-10.5	Acquisition of Fire Equipment	6-11-15	50,000.00	294.43				294.43			
15-10.6	Improvements to Municipal Facilities	6-11-15	150,000.00	544.94						544.94	
15-17.1	Improvements to Municipal Facilities	8-13-15	69,124.31	24,523.94				24,097.20		426.74	
16-05.1	Road Reconstruction	3-10-16	295,000.00	60,523.85						60,523.85	
16-05.2	Acquisition of Public Works Equipment	3-10-16	176,000.00	57,003.06						57,003.06	
16-05.3	Improvements to Municipal Facilities	3-10-16	450,000.00	102,398.69				100,879.00		1,519.69	
16-05.4	Acquisition of Office Equipment	3-10-16	44,000.00	1,538.50				2,089.56	\$ 551.06		
16-05.5	Acquisition of Fire Equipment	3-10-16	30,000.00	806.21				806.21			
16-05.6	Acquisition of Police Equipment	3-10-16	55,000.00	0.82						0.82	
17-06.1	Road Reconstruction	5-11-17	400,000.00	204,550.00						204,550.00	
17-06.3	Acquisition of Fire Equipment	5-11-17	60,000.00	546.00				394.26		151.74	
17-06.4	Improvements to Municipal Facilities	5-11-17	34,900.00	34,900.00				15,002.00		19,898.00	
17-06.5	Improvements to Recreational Facilities	5-11-17	112,950.00	13,913.75				5,150.00		8,763.75	
17-06.6	Reconstruction of Various Sidewalks	5-11-17	275,500.00	32,597.02						32,597.02	
17-10.1	Acquisition of Real Property	8-17-17	2,000,000.00	241,605.50						241,605.50	
18-12.1	Road Reconstruction	5-10-18	250,000.00	125,979.00						125,979.00	
18-12.2	Acquisition of Police Vehicles and Equipment	5-10-18	173,440.00	336.71				336.71			
18-12.3	Acquisition of Fire Equipment	5-10-18	60,000.00	55,453.00				3,650.00		51,803.00	
18-12.4	Construction of Police Facility	5-10-18	337,000.00	9,495.00						9,495.00	
19-06.1	Road Reconstruction	5-16-19	200,000.00		20,820.00			1,800.00	15,690.00		34,710.00
19-06.2	Acquisition of Police Equipment	5-16-19	146,000.00	44,300.76				44,300.76			
19-06.3	Acquisition of Fire Equipment	5-16-19	50,000.00	1,283.69						1,283.69	
19-06.4	Acquisition of Public Works Equipment	5-16-19	90,000.00	8,833.00				7,938.00		895.00	
19-06.5	Improvement to Municipal Facilities	5-16-19	150,000.00	7,500.00	142,500.00					7,500.00	142,500.00
20-07.1	Reconstruction / Repaving Borough Roads	6-12-20	80,000.00			\$ 4,000.00	\$ 76,000.00	55,800.00			24,200.00
20-07.2	Improvements to Park Facilities	6-12-20	200,000.00			10,000.00	190,000.00			10,000.00	190,000.00
20-07.3	Acquisition of an Ambulance	6-12-20	230,000.00			11,500.00	218,500.00	228,344.66			1,655.34
20-07.4	Acquisition of Various Police Equipment	6-12-20	138,000.00			6,900.00	131,100.00	133,766.37			4,233.63
20-07.5	Acquisition of Various Fire Equipment	6-12-20	55,525.00			2,776.00	52,749.00	55,134.02			390.98
20-07.6	Acquisition of Various Construction Equipment	6-12-20	11,200.00			560.00	10,640.00	10,507.84			692.16
20-07.7	Acquisition of Various Public Works Equipment	6-12-20	462,500.00			23,125.00	439,375.00	305,860.30			156,639.70
20-07.8	Various Improvements to Municipal and Library Facilities	6-12-20	300,000.00			15,000.00	285,000.00	1,017.50			285,000.00
				<u>\$ 1,009,267.35</u>	<u>\$ 217,987.45</u>	<u>\$ 73,861.00</u>	<u>\$ 1,403,364.00</u>	<u>\$ 1,016,823.62</u>	<u>\$ 16,241.06</u>	<u>\$ 861,446.74</u>	<u>\$ 842,450.50</u>
Disbursements								\$ 550,974.82			
Contracts Payable									\$ 15,690.00		
Reserve for Encumbrances								465,848.80	551.06		
								<u>\$ 1,016,823.62</u>	<u>\$ 16,241.06</u>		

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 181,809.40
Decreased by:		
Canceled	\$ 15,690.00	
Disbursed	<u>162,088.64</u>	
		<u>177,778.64</u>
 Balance Dec. 31, 2020		 <u><u>\$ 4,030.76</u></u>
 <u>Schedule of Contracts Payable Dec. 31, 2020</u>		
<u>Vendor</u>	<u>Ordinance #</u>	<u>Amount</u>
South State, Inc.	16-05.1	\$ 3,754.40
South State, Inc.	19-06.1	<u>276.36</u>
		<u><u>\$ 4,030.76</u></u>

Exhibit SC-8

GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 248,620.07
Increased by:		
Charges to Improvement Authorizations		<u>465,848.80</u>
		714,468.87
Decreased by:		
Cancellations -- Improvement Authorizations	\$ 551.06	
Disbursements	<u>229,781.11</u>	
		<u>230,332.17</u>
 Balance Dec. 31, 2020		 <u><u>\$ 484,136.70</u></u>

Exhibit SC-9

GENERAL CAPITAL FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 65,808.00
Increased by:		
Disbursed:		
Interest Remitted to Current Fund		<u>2,448.41</u>
		68,256.41
Decreased by:		
Receipts:		
Interest Earned on Deposits		<u>2,448.41</u>
 Balance Dec. 31, 2020		 <u><u>\$ 65,808.00</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2020

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2020		Interest Rate	Balance Dec. 31, 2019	Paid By Budget Appropriation	Balance Dec. 31, 2020
			Date	Amount				
2005 General Improvement Bonds	10-15-05	\$ 3,846,000.00				\$ 521,000.00	\$ 521,000.00	
2008 General Improvement Bonds	10-06-08	3,047,119.00	10-15-21	\$ 447,119.00	4.500%	797,119.00	350,000.00	\$ 447,119.00
2013 General Improvement Bonds	10-15-13	3,854,000.00	11-01-21	250,000.00	3.000%	2,654,000.00	250,000.00	2,404,000.00
			11-01-22	275,000.00	3.000%			
			11-01-23	275,000.00	3.000%			
			11-01-24	300,000.00	3.000%			
			11-01-25	325,000.00	3.000%			
			11-01-26	325,000.00	3.125%			
			11-01-27	325,000.00	3.125%			
			11-01-28	329,000.00	3.125%			
2018 General Improvement Bonds	08-29-18	7,288,000.00	09-15-21	415,000.00	3.000%	7,080,000.00	210,000.00	6,870,000.00
			09-15-22	415,000.00	3.125%			
			09-15-23	415,000.00	3.125%			
			09-15-24	415,000.00	3.125%			
			09-15-25	410,000.00	3.125%			
			09-15-26	400,000.00	3.250%			
			09-15-27	400,000.00	3.250%			
			09-15-28	400,000.00	3.250%			
			09-15-29	400,000.00	3.250%			
			09-15-30	400,000.00	3.250%			
			09-15-31	400,000.00	3.250%			
			09-15-32	400,000.00	3.250%			
			09-15-33	400,000.00	3.250%			
			09-15-34	400,000.00	3.250%			
			09-15-35	400,000.00	3.250%			
			09-15-36	400,000.00	3.250%			
			09-15-37	400,000.00	3.250%			
						<u>7,080,000.00</u>	<u>210,000.00</u>	<u>6,870,000.00</u>
						<u>\$ 11,052,119.00</u>	<u>\$ 1,331,000.00</u>	<u>\$ 9,721,119.00</u>

BOROUGH OF BERLIN
 GENERAL CAPITAL FUND
 Statement of Green Acres Loan
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Loan Amount</u>	<u>Payment Schedule</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>
		<u>Date</u>	<u>Amount</u>				
Franklin Avenue Recreation Fields	\$ 500,000.00	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>\$ 109,225.68</u>	<u>\$ 30,434.96</u>	<u>\$ 78,790.72</u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Balance Dec. 31, 2020
<u>General Improvements:</u>				
13-03.6	Construction of Police Facility	\$ 250.00		\$ 250.00
19-06.1	Road Reconstruction	190,000.00		190,000.00
19-06.2	Acquisition of Police Equipment	138,700.00		138,700.00
19-06.3	Acquisition of Fire Equipment	47,500.00		47,500.00
19-06.4	Acquisition of Public Works Equipment	85,500.00		85,500.00
19-06.5	Improvement to Municipal Facilities	142,500.00		142,500.00
20-07.1	Reconstruction / Repaving Borough Roads		\$ 76,000.00	76,000.00
20-07.2	Improvements to Park Facilities		190,000.00	190,000.00
20-07.3	Acquisition of an Ambulance		218,500.00	218,500.00
20-07.4	Acquisition of Various Police Equipment		131,100.00	131,100.00
20-07.5	Acquisition of Various Fire Equipment		52,749.00	52,749.00
20-07.6	Acquisition of Various Construction Equipment		10,640.00	10,640.00
20-07.7	Acquisition of Various Public Works Equipment		439,375.00	439,375.00
20-07.8	Various Improvements to Municipal and Library Facilities		285,000.00	285,000.00
		<u>\$ 604,450.00</u>	<u>\$ 1,403,364.00</u>	<u>\$ 2,007,814.00</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, 2020

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2019	\$ 979,676.83	\$ 464,484.92
Increased by Receipts:		
Turnover from Collector	\$ 3,975,923.04	
Revenue - Miscellaneous	8,102.28	
2020 Appropriation Refunds	75,864.83	
Refunds of Appropriation Reserves	6,975.05	
Capital Improvement Fund		\$ 53,200.00
	<u>4,066,865.20</u>	<u>53,200.00</u>
	5,046,542.03	517,684.92
Decreased by Disbursements:		
2020 Budget Appropriations	3,133,367.40	
2019 Appropriation Reserves	16,903.78	
Water Overpayments	278.85	
Improvement Authorizations		50,812.77
Accrued Interest on Bonds and Loans	82,767.32	
Contracts Payable		130,783.60
Reserve for Encumbrances		<u>4,405.95</u>
	<u>3,233,317.35</u>	<u>186,002.32</u>
Balance Dec. 31, 2020	<u>\$ 1,813,224.68</u>	<u>\$ 331,682.60</u>

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Water Utility Operating Cash
Per N.J.S.40A:5-5 -- Collector
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 700,459.21
Increased by Receipts:		
Water Rents Receivable	\$ 2,705,814.89	
Fire Hydrant and Sprinkler Rents Receivable	452,644.95	
Fire Hydrant and Sprinkler Rent Overpayments	535.50	
Miscellaneous Revenue	<u>116,468.49</u>	
		<u>3,275,463.83</u>
		3,975,923.04
Decreased by Disbursements:		
Payments to Treasurer		<u>\$ 3,975,923.04</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Analysis of Water Capital Cash
For the Year Ended December 31, 2020

	Balance (Deficit) <u>Dec. 31, 2019</u>	Receipts		Disbursements		Balance (Deficit) <u>Dec. 31, 2020</u>
		Budget <u>Appropriation</u>	Improvement <u>Authorizations</u>	Miscellaneous	From	
Capital Improvement Fund	\$ 106,915.71	\$ 53,200.00				\$ 160,115.71
Fund Balance	16,965.62					16,965.62
Reserve for Payment of Debt	273,274.53					273,274.53
Improvement Authorizations:						
04-09.1 Route 73 Water Main Extension	6,200.00					6,200.00
06-14.1 Purchase of Computer Software	1,460.44					1,460.44
06-14.2 Equipment and System Improvements	1,108.51					1,108.51
07-17.1 Plant Improvements and Controls	25,297.59		\$ 1,117.50		\$ 23,882.50	297.59
07-17.2 Main Improvements	918.41					918.41
09-08.1 Redrilling of Well #10	29,131.54					29,131.54
13-03.7 Acquisition of Equipment	(700.00)					(700.00)
15-10.7 System Improvements	26,025.04		7,625.00			18,400.04
15-17.2 System Improvements	19,525.38		4,200.00		12,000.00	3,325.38
16-05.8 Acquisition of Equipment	(685.00)					(685.00)
17-07.1 Acquisition of Equipment	28,746.21					28,746.21
17-07.2 Acquisition of Replacement Pumps	20,844.88					20,844.88
19-07.1 Acquisition of Various Equipment	(69,163.48)					(69,163.48)
19-07.2 Water System Improvements	(43,750.58)					(43,750.58)
19-07.3 Water System Improvements	(150,000.00)					(149,949.00)
20-05.1 Acquisition of Various Equipment					35,125.00	(35,125.00)
20-05.2 Water Meter Replacement			35,236.27		252,648.73	(287,885.00)
20-05.3 Water System Improvements			2,634.00		20,366.00	(23,000.00)
Contracts Payable	166,415.19			\$ 130,783.60	51.00	35,580.59
Reserve for Encumbrances	5,954.93			4,405.95		345,571.21
	<u>\$ 464,484.92</u>	<u>\$ 53,200.00</u>	<u>\$ 50,812.77</u>	<u>\$ 135,189.55</u>	<u>\$ 344,073.23</u>	<u>\$ 344,073.23</u>
						<u>\$ 331,682.60</u>

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Water Rents Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 264,133.59
Increased by:		
Water Rents Levied		<u>2,762,807.56</u>
		3,026,941.15
Decreased by:		
Collections -- Collector	\$ 2,705,814.89	
Overpayments Applied	179.88	
Canceled	<u>1,349.38</u>	
		<u>2,707,344.15</u>
Balance Dec. 31, 2020		<u><u>\$ 319,597.00</u></u>

WATER UTILITY OPERATING FUND
Statement of Fire Hydrants and Sprinkler Rents Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 23,733.25
Increased by:		
Fire Hydrant and Sprinkler Rents Levied		<u>472,617.01</u>
		496,350.26
Decreased by:		
Collections -- Collector	\$ 452,644.95	
Overpayments Applied	2,901.90	
Canceled	<u>9,969.10</u>	
		<u>465,515.95</u>
Balance Dec. 31, 2020		<u><u>\$ 30,834.31</u></u>

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Water Overpayments
For the Year Ended December 31, 2020

Balance Dec. 31, 2019			
Water Rent Overpayments		\$ 10,571.72	
Hydrant and Sprinkler Rents Overpayments		1.87	
			\$ 10,573.59
Increased by:			
Receipts -- Collector:			
Fire Hydrant and Sprinkler Rent Overpayments			535.50
			11,109.09
Decreased by:			
Applied to Water Rent Receivables		179.88	
Applied to Fire Hydrant and Sprinkler Rents Receivable		2,901.90	
Refunds -- Treasurer		278.85	
			3,360.63
Balance Dec. 31, 2020			
Water Rent Overpayments		7,310.97	
Hydrant and Sprinkler Rents Overpayments		437.49	
			\$ 7,748.46

WATER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2020

	<u>Balance Dec. 31, 2019</u>		<u>Balance After</u> <u>Transfers</u>	<u>Disbursed</u>	<u>Lapsed to</u> <u>Fund Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>			
Operations:					
Salaries and Wages		\$ 73,176.45	\$ 73,176.45		\$ 73,176.45
Other Expenses	\$ 19,510.25	294,800.74	314,310.99	\$ 9,928.73	304,382.26
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation Insurance		1,350.70	1,350.70		1,350.70
Social Security System (O.A.S.I.)		6,186.51	6,186.51		6,186.51
	\$ 19,510.25	\$ 375,514.40	\$ 395,024.65	\$ 9,928.73	\$ 385,095.92
Disbursed				\$ 16,903.78	
Refunded				(6,975.05)	
				\$ 9,928.73	

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2020

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Balance Prior to Jan. 1, 1931 (No Detail Available)	\$ 247,217.88		\$ 247,217.88
Springs, Wells and Filtration System	4,080,716.52		4,080,716.52
Electric Power Pumping Equipment	139,117.12		139,117.12
Transmission Mains	1,286,511.71		1,286,511.71
Tanks and Standpipes	3,744,884.62		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	2,996,648.34		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	112,748.77		112,748.77
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>\$ 17,779,642.44</u>	<u>-</u>	<u>\$ 17,779,642.44</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date	Ordinance		2020 Authorizations			Balance Dec. 31, 2020
			Amount	Balance Dec. 31, 2019	Deferred Reserve for Amortization	Deferred Charges to Future Revenue	Transferred To Fixed Capital	
04-09.1	Route 73 Water Main Extension	6-3-04	\$ 1,000,000.00	\$ 1,000,000.00				\$ 1,000,000.00
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
14-06	System Improvements	5-5-14	200,000.00	200,000.00				200,000.00
15-10.7	System Improvements	6-11-15	430,000.00	430,000.00				430,000.00
15-17.2	System Improvements	8-13-15	29,175.49	29,175.49				29,175.49
16-05.7	Water System Improvements	3-10-16	470,000.00	470,000.00				470,000.00
17-07.1	Acquisition of Equipment	5-11-17	145,000.00	145,000.00				145,000.00
17-07.2	Acquisition of Replacement Pumps	5-11-17	40,000.00	40,000.00				40,000.00
19-07.1	Acquisition of Various Equipment	5-16-19	70,000.00	70,000.00				70,000.00
19-07.2	Water System Improvements	5-16-19	260,000.00	260,000.00				260,000.00
19-07.3	Water System Improvements	5-16-19	150,000.00	150,000.00				150,000.00
20-05.1	Acquisition of Various Equipment	6-12-20	45,000.00		\$ 45,000.00			45,000.00
20-05.2	Water Meter Replacement	6-12-20	360,000.00		360,000.00			360,000.00
20-05.3	Water System Improvements	6-12-20	650,000.00		650,000.00			650,000.00
				<u>\$ 4,173,705.49</u>	<u>\$ 1,055,000.00</u>	<u>-</u>	<u>-</u>	<u>\$ 5,228,705.49</u>

BOROUGH OF BERLIN
 WATER UTILITY OPERATING FUND
 Statement of Accrued Interest on Bonds and Loans and Analysis of Balance
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 24,012.90
Increased by:	
Charged to Operating Fund Budget	77,797.10
	101,810.00
Decreased by:	
Disbursements	82,767.32
Balance Dec. 31, 2020	\$ 19,042.68

Analysis of Accrued Interest Dec. 31, 2020

Principal Outstanding Dec. 31, 2020	Interest Rate	From	To	Period	Amount
Serial Bonds:					
593,000.00	Various	11-01-20	12-31-20	60 Days	\$ 3,017.71
1,180,000.00	Various	09-15-20	12-31-20	106 Days	11,172.33
N.J. Environmental Infrastructure Trust Loan:					
988,351.27	Various	8-01-20	12-31-20	150 Days	4,852.64
					\$ 19,042.68

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2019		2020 Authorizations	Contracts Payable Canceled	Paid or Charged	Balance Dec. 31, 2020	
			Amount		Funded	Unfunded	Deferred Charges to Future Revenue			Funded	Unfunded
04-09.1	Route 73 Water Main Extension	6-3-04	\$ 1,000,000.00		\$ 6,200.00					\$ 6,200.00	
06-14.1	Purchase of Computer Software	8-21-06	18,000.00		1,460.44					1,460.44	
06-14.2	Equipment and System Improvements	8-21-06	105,000.00		1,108.51					1,108.51	
07-17.1	Plant Improvements and Controls	9-6-07	63,630.00		25,297.59				\$ 25,000.00	297.59	
07-17.2	Main Improvements	9-6-07	292,900.00		918.41					918.41	
09-08.1	Redrilling of Well #10	7-6-09	900,000.00		29,131.54					29,131.54	
15-10.7	Water System Improvements	6-11-15	430,000.00		26,025.04				7,625.00	18,400.04	
15-17.2	Water System Improvements	8-13-15	29,175.49		19,525.38				16,200.00	3,325.38	
17-07.1	Acquisition of Equipment	5-11-17	145,000.00		28,746.21					28,746.21	
17-07.2	Acquisition of Replacement Pumps	5-11-17	40,000.00		20,844.88					20,844.88	
19-07.1	Acquisition of Various Equipment	5-16-19	70,000.00			\$ 836.52					\$ 836.52
19-07.2	Water System Improvements	5-16-19	260,000.00			216,249.42					216,249.42
19-07.3	Water System Improvements	5-16-19	150,000.00					\$ 51.00			51.00
20-05.1	Acquisition of Various Equipment	6-12-20	45,000.00				\$ 45,000.00		35,125.00		9,875.00
20-05.2	Water Meter Replacement	6-12-20	360,000.00				360,000.00		287,885.00		72,115.00
20-05.3	Water System Improvements	6-12-20	650,000.00				650,000.00		23,000.00		627,000.00
					<u>\$ 159,258.00</u>	<u>217,085.94</u>	<u>\$ 1,055,000.00</u>	<u>\$ 51.00</u>	<u>\$ 394,835.00</u>	<u>\$ 110,433.00</u>	<u>\$ 926,126.94</u>
Disbursed									\$ 50,812.77		
Reserve for Encumbrances									<u>344,022.23</u>		
									<u>\$ 394,835.00</u>		

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
 Statement of Reserve for Amortization
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$	17,926,904.39
Increased by:			
Paid by Operating Budget:			
Serial Bonds	\$	420,000.00	
New Jersey Environmental Infrastructure Loan		<u>201,514.50</u>	
			<u>621,514.50</u>
Balance Dec. 31, 2020			<u>\$ 18,548,418.89</u>

WATER UTILITY CAPITAL FUND
 Statement of Deferred Reserve for Amortization
 For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2019</u>	<u>Fixed Capital Authorized</u>	<u>Transferred To Reserve For Amortization</u>	<u>Balance Dec. 31, 2020</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
15-10.7	System Improvements	6-11-15	20,500.00			20,500.00
15-17.2	System Improvements	8-13-15	1,458.77			1,458.77
16-05.7	Water System Improvements	3-10-16	<u>22,385.00</u>			<u>22,385.00</u>
			<u>\$ 162,192.77</u>	<u>-</u>	<u>-</u>	<u>\$ 162,192.77</u>

WATER UTILITY CAPITAL FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$	5,954.93
Increased by:			
Charges to Improvement Authorizations			<u>344,022.23</u>
			349,977.16
Decreased by:			
Disbursements			<u>4,405.95</u>
Balance Dec. 31, 2020			<u>\$ 345,571.21</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Water Serial Bonds
For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>
			<u>Outstanding Dec. 31, 2020</u>	<u>Date</u>				
2005 General Water Bonds	10-15-05	\$ 3,040,000.00				\$ 315,000.00	\$ 315,000.00	
2013 General Water Bonds	10-15-13	973,000.00	11-01-21	\$ 60,000.00	3.000%			
			11-01-22	70,000.00	3.000%			
			11-01-23	70,000.00	3.000%			
			11-01-24	70,000.00	3.000%			
			11-01-25	70,000.00	3.000%			
			11-01-26	85,000.00	3.125%			
			11-01-27	85,000.00	3.125%			
			11-01-28	83,000.00	3.125%	653,000.00	60,000.00	\$ 593,000.00
2018 General Water Bonds	08-29-18	1,270,000.00	09-15-21	50,000.00	3.000%			
			09-15-22	55,000.00	3.125%			
			09-15-23	55,000.00	3.125%			
			09-15-24	55,000.00	3.125%			
			09-15-25	60,000.00	3.125%			
			09-15-26	60,000.00	3.250%			
			09-15-27	65,000.00	3.250%			
			09-15-28	65,000.00	3.250%			
			09-15-29	70,000.00	3.250%			
			09-15-30	70,000.00	3.250%			
			09-15-31	75,000.00	3.250%			
			09-15-32	75,000.00	3.250%			
			09-15-33	80,000.00	3.250%			
			09-15-34	80,000.00	3.250%			
			09-15-35	85,000.00	3.250%			
			09-15-36	90,000.00	3.250%			
09-15-37	90,000.00	3.250%						
						<u>1,225,000.00</u>	<u>45,000.00</u>	<u>1,180,000.00</u>
						<u>\$ 2,193,000.00</u>	<u>\$ 420,000.00</u>	<u>\$ 1,773,000.00</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
 Statement of New Jersey Environmental Infrastructure Trust Loan Payable
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Maturities Outstanding Dec. 31, 2020</u>		<u>Total</u>	<u>Interest Rate(A)</u>	<u>Balance Dec. 31, 2019</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>
				<u>Trust Loan</u>	<u>Fund Loan</u>					
Improvement to Chestnut Avenue Water Tank, Acquisition and Installation of Water Meters, and Generator Improvements	11-9-06	\$ 3,817,200.00	2-1-2021		\$ 10,983.42	\$ 10,983.42				
			8-1-2021	\$ 109,568.50	86,125.62	195,694.12	4.125%			
			2-1-2022		9,433.61	9,433.61				
			8-1-2022	114,201.33	87,842.86	202,044.19	4.125%			
			2-1-2023		7,816.42	7,816.42				
			8-1-2023	118,797.38	89,492.73	208,290.11	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	132,703.66		132,703.66	4.250%			
			8-1-2026	137,140.31		137,140.31	4.250%			
							<u>\$ 1,189,865.77</u>	<u>\$ 201,514.50</u>	<u>\$ 988,351.27</u>	

(A) Interest applicable to Trust Loan only.

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Water Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance Dec. 31, 2020</u>
13-03.7	Acquisition of Equipment	\$ 700.00		\$ 700.00
16-05.8	Acquisition of Equipment	685.00		685.00
19-07.1	Acquisition of Various Equipment	70,000.00		70,000.00
19-07.2	Water System Improvements	260,000.00		260,000.00
19-07.3	Water System Improvements	150,000.00		150,000.00
20-05.1	Acquisition of Various Equipment		\$ 45,000.00	45,000.00
20-05.2	Water Meter Replacement		360,000.00	360,000.00
20-05.3	Water System Improvements		650,000.00	650,000.00
		<u>\$ 481,385.00</u>	<u>\$ 1,055,000.00</u>	<u>\$ 1,536,385.00</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, 2020

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2019	\$ 242,422.44	\$ 781,303.40
Increased by Receipts:		
Turnover from Collector	\$ 1,143,847.30	
Interest on Deposits	2,621.43	
Appropriation Refunds	35,313.88	
Appropriation Reserve Refunds	<u>3,244.21</u>	
	<u>1,185,026.82</u>	-
	1,427,449.26	781,303.40
Decreased by Disbursements:		
2020 Budget Appropriations	759,219.02	
2019 Appropriation Reserves	4,298.77	
Accrued Interest on Bonds and Notes	42,219.99	
Improvement Authorizations		\$ 36,945.21
Reserve for Encumbrances		<u>336,954.66</u>
	<u>805,737.78</u>	<u>373,899.87</u>
Balance Dec. 31, 2020	<u>\$ 621,711.48</u>	<u>\$ 407,403.53</u>

SEWER UTILITY OPERATING FUND
 Statement of Sewer Utility Operating Cash
 Per N.J.S.40A:5-5 -- Collector
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 235,756.53
Increased by Receipts:		
Sewer Rents Receivable	\$ 873,729.24	
Sewer Overpayments	1,089.85	
Miscellaneous Revenue	<u>33,271.68</u>	
		<u>908,090.77</u>
		1,143,847.30
Decreased by Disbursements:		
Payments to Treasurer		<u>\$ 1,143,847.30</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Year Ended December 31, 2020

	Balance Dec. 31, 2019	Disbursements		Transfers		Balance Dec. 31, 2020
		Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 696.95					\$ 696.95
Fund Balance	770.51					770.51
Improvement Authorizations:						
07-17 Purchase of Submersible Wells	938.87					938.87
12-06.6 Acquisition of Capital Equipment	2,894.85					2,894.85
13-03.8 Line Repair and Acquisition of Equipment	88,001.28	\$ 36,945.21		\$ 21,035.20		30,020.87
14-02.7 Sewer Utility Improvements	187,853.39					187,853.39
15-10.8 Sewer Utility Improvements	312,374.32					312,374.32
16-05.9 Sewer Utility Improvements	197,862.07					197,862.07
19-08.1 Acquisition of Various Equipment	(330,000.00)					(330,000.00)
19-08.2 Various Improvements to Sewer Utility System	(50,000.00)					(50,000.00)
19-08.3 Repairs of Borough's Pump Stations	(25,000.00)					(25,000.00)
20-06-.1 Acquisition of Utility Vehicle and SCADA Equipment				202,655.28		(202,655.28)
Reserve for Encumbrances	344,911.16		\$ 336,954.66		\$ 223,690.48	231,646.98
Contracts Payable	50,000.00					50,000.00
	<u>\$ 781,303.40</u>	<u>\$ 36,945.21</u>	<u>\$ 336,954.66</u>	<u>\$ 223,690.48</u>	<u>\$ 223,690.48</u>	<u>\$ 407,403.53</u>

BOROUGH OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 87,908.90
Increased by:		
Sewer Rents Levied		901,247.28
		989,156.18
Decreased by:		
Collections -- Collector	\$ 873,729.24	
Cancellations	124.00	
Overpayments Applied	24,300.64	
		\$ 898,153.88
Transfer to Liens		207.91
		898,361.79
Balance Dec. 31, 2020		\$ 90,794.39

Exhibit SE-5

SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2020

	Balance Dec. 31, 2019		Balance After Transfers	Disbursed	Balance Lapsed
	Encumbered	Reserved			
Operating:					
Salaries		\$ 13,810.37	\$ 13,810.37		\$ 13,810.37
Other Expenses	\$ 2,412.39	81,720.66	84,133.05	\$ 1,054.56	83,078.49
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation Insurance		2,065.94	2,065.94		2,065.94
Social Security System (O.A.S.I.)		472.38	472.38		472.38
Total	\$ 2,412.39	\$ 98,069.35	\$ 100,481.74	\$ 1,054.56	\$ 99,427.18
Disbursed				\$ 4,298.77	
Refunded				(3,244.21)	
				\$ 1,054.56	

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2020

<u>Account</u>	<u>Balance Dec. 31, 2019</u>	<u>Additions By Ordinance</u>	<u>Balance Dec. 31, 2020</u>
Facility Improvements	\$ 372,360.77		\$ 372,360.77
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	51,136.50		51,136.50
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	\$ 330,000.00	402,000.00
	<u>\$ 3,668,701.65</u>	<u>\$ 330,000.00</u>	<u>\$ 3,998,701.65</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2019	2020 Authorizations		To Fixed Capital	Balance Dec. 31, 2020
					Deferred Reserve For Amortization	Deferred Charges to Future Revenue		
General Improvements:								
07-17	Purchase of Submersible Wells	9-06-07	\$ 49,980.00	\$ 49,980.00				\$ 49,980.00
12-06.6	Acquisition of Capital Equipment	3-05-12	30,000.00	30,000.00				30,000.00
13-03.8	Line Repair and Acquisition of Equipment	4-01-13	500,000.00	500,000.00				500,000.00
14-02.7	Sewer Utility Improvements	3-5-14	500,000.00	500,000.00				500,000.00
15-10.8	Sewer Utility Improvements	6-11-15	315,000.00	315,000.00				315,000.00
16-05.9	Sewer Utility Improvements	3-10-16	200,000.00	200,000.00				200,000.00
19-08.1	Acquisition of Various Equipment	5-16-19	330,000.00	330,000.00			\$ 330,000.00	
19-08.2	Various Improvements to Sewer Utility System	5-16-19	50,000.00	50,000.00				50,000.00
19-08.3	Repairs of Borough's Pump Stations	5-16-19	25,000.00	25,000.00				25,000.00
19-08.4	Acquisition of Robotic Camera System	5-16-19	15,000.00	15,000.00				15,000.00
20-06.1	Acquisition of Utility Vehicle and SCADA Equipment	6/12/20	230,000.00			\$ 230,000.00		230,000.00
20-06.2	Rehabilitation / Replacement of Sewer Mains	6/12/20	300,000.00			300,000.00		300,000.00
				<u>\$ 2,014,980.00</u>	<u>-</u>	<u>\$ 530,000.00</u>	<u>\$ 330,000.00</u>	<u>\$ 2,214,980.00</u>

BOROUGH OF BERLIN
SEWER UTILITY FUND
 Statement of Accrued Interest on Bonds
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 10,849.24
Increased by:		
Charged to Operating Fund Budget		41,785.82
		52,635.06
Decreased by:		
Disbursements		42,219.99
Balance Dec. 31, 2020		\$ 10,415.07

Analysis of Accrued Interest Dec. 31, 2020

Principal Outstanding Dec. 31, 2020 Serial Bonds:	Interest Rate	From	To	Period	Amount	
2013 Bonds	\$ 343,000.00	Various	11/1/2020	12/31/2020	60 Days	\$ 1,938.75
2018 Bonds	895,000.00	Various	9/15/2020	12/31/2020	106 Days	8,476.32
						\$ 10,415.07

SEWER UTILITY FUND
 Statement of Sewer Liens Receivable
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019		\$ 1,020.00
Increased by:		
Transferred for Sewer Rents Receivable		\$ 207.91
Interest and Costs from Tax Sale		209.69
		417.60
Balance Dec. 31, 2020		\$ 1,437.60

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 344,911.16
Increased by:	
Charges to Improvement Authorizations	<u>223,690.48</u>
	568,601.64
Decreased by:	
Disbursements	<u>336,954.66</u>
Balance Dec. 31, 2020	<u><u>\$ 231,646.98</u></u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2019		Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded			Funded	Unfunded
07-17	Purchase of Submersible Wells	9-6-07	\$ 49,980.00	\$ 938.87				\$ 938.87	
12-06.6	Acquisition of Capital Equipment	3-5-12	30,000.00	2,894.85	\$ 500.00			2,894.85	\$ 500.00
13-03.8	Line Repair and Acquisition of Equipment	4-1-13	500,000.00	88,001.28			\$ 57,980.41	30,020.87	
14-02.7	Sewer Utility Improvements	3-5-14	500,000.00	187,853.39				187,853.39	
15-10.8	Sewer Utility Improvements	6-11-15	315,000.00	312,374.32				312,374.32	
16-05.9	Sewer Utility Improvements	3-10-16	200,000.00	197,862.07	475.00			197,862.07	475.00
19-08.4	Acquisition of Robotic Camera System	5-16-19	15,000.00		15,000.00				15,000.00
20-06-.1	Acquisition of Utility Vehicle and SCADA Equipment	6-12-20	230,000.00			\$ 230,000.00	202,655.28		27,344.72
20-06-.2	Rehabilitation / Replacement of Sewer Mains	6-12-20	300,000.00			300,000.00			300,000.00
				<u>\$ 789,924.78</u>	<u>\$ 15,975.00</u>	<u>\$ 530,000.00</u>	<u>\$ 260,635.69</u>	<u>\$ 731,944.37</u>	<u>\$ 343,319.72</u>
Disbursements							\$ 36,945.21		
Reserve for Encumbrances							<u>223,690.48</u>		
							<u>\$ 260,635.69</u>		

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
 Statement of Reserve for Amortization
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 3,886,301.65
Increased by:	
Serial Bonds Paid by Operating Budget	60,000.00
Balance Dec. 31, 2020	\$ 3,946,301.65

Exhibit SE-13

SEWER UTILITY OPERATING FUND
 Statement of Sewer Overpayments
 For the Year Ended December 31, 2020

Balance Dec. 31, 2019	\$ 24,300.64
Increased by:	
Collections	1,089.85
	25,390.49
Decreased by:	
Applied to Sewer Rents Receivable	24,300.64
Balance Dec. 31, 2020	\$ 1,089.85

Exhibit SE-14

SEWER UTILITY CAPITAL FUND
 Statement of Deferred Reserve for Amortization
 For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2019	Fixed Capital Authorized	Transferred to Reserve for Amortization	Balance Dec. 31, 2020
07-17	Purchase of Submersible Wells	9-6-07	\$ 2,380.00			\$ 2,380.00
12-6.6	Acquisition of Capital Equipmen	3-5-12	1,500.00			1,500.00
13-3.8	Line Repair and Acquisition of Equipmen	4-1-13	25,000.00			25,000.00
14-2.7	Sewer Utility Improvement:	3-5-14	25,000.00			25,000.00
15-10.8	Sewer Utility Improvement:	6-11-15	15,000.00			15,000.00
16-05.9	Sewer Utility Improvement:	3-10-16	9,525.00			9,525.00
			\$ 78,405.00	-	-	\$ 78,405.00

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
 Statement of Sewer Serial Bonds
 For the Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding Dec. 31, 2020</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
2013 General Sewer Bonds	10-15-13	\$ 503,000.00	11-01-21	\$ 25,000.00	3.000%			
			11-01-22	25,000.00	3.000%			
			11-01-23	25,000.00	3.000%			
			11-01-24	25,000.00	3.000%			
			11-01-25	30,000.00	3.000%			
			11-01-26	30,000.00	3.125%			
			11-01-27	30,000.00	3.125%			
			11-01-28	30,000.00	3.125%			
			11-01-29	30,000.00	4.000%			
			11-01-30	30,000.00	4.000%			
			11-01-31	30,000.00	4.000%			
			11-01-32	33,000.00	4.000%			
2018 General Sewer Bonds	08-29-18	965,000.00	09-15-21	35,000.00	3.000%			
			09-15-22	40,000.00	3.125%			
			09-15-23	40,000.00	3.125%			
			09-15-24	45,000.00	3.125%			
			09-15-25	45,000.00	3.125%			
			09-15-26	50,000.00	3.250%			
			09-15-27	50,000.00	3.250%			
			09-15-28	50,000.00	3.250%			
			09-15-29	50,000.00	3.250%			
			09-15-30	55,000.00	3.250%			
			09-15-31	55,000.00	3.250%			
			09-15-32	60,000.00	3.250%			
			09-15-33	60,000.00	3.250%			
			09-15-34	60,000.00	3.250%			
			09-15-35	65,000.00	3.250%			
			09-15-36	65,000.00	3.250%			
			09-15-37	70,000.00	3.250%			
						930,000.00	35,000.00	895,000.00
						<u>\$ 1,298,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 1,238,000.00</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Sewer Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Balance Dec. 31, 2020
12-06.6	Acquisition of Capital Equipment	\$ 500.00		\$ 500.00
16-05.9	Sewer Utility Improvements	475.00		475.00
19-08.1	Acquisition of Various Equipment	330,000.00		330,000.00
19-08.2	Various Improvements to Sewer Utility System	50,000.00		50,000.00
19-08.3	Repairs of Borough's Pump Stations	25,000.00		25,000.00
19-08.4	Acquisition of Robotic Camera System	15,000.00		15,000.00
20-06.1	Acquisition of Utility Vehicle and SCADA Equipment		\$ 230,000.00	230,000.00
20-06.2	Rehabilitation / Replacement of Sewer Mains		300,000.00	300,000.00
		<u>\$ 420,975.00</u>	<u>\$ 530,000.00</u>	<u>\$ 950,975.00</u>

BOROUGH OF BERLIN

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

BOROUGH OF BERLIN
Schedule of Findings and Recommendations
For the Year Ended December 31, 2020

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.

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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>
Richard Miller	Mayor	\$1,000,000.00(A)
Jim Pearce	President of Council	1,000,000.00(A)
Len Badolato	Councilman	1,000,000.00(A)
Patricia Cummings	Councilman	1,000,000.00(A)
Keith Hohing	Councilman	1,000,000.00(A)
Jacob Miller	Councilman	1,000,000.00(A)
Andrew Simone	Councilman	1,000,000.00(A)
Debbie DiMattia	Chief Financial Officer	1,000,000.00(A)
Dwayne Harris	Administrator, Borough Clerk (from May 2020)	1,000,000.00(A)
Louis Sahina	Borough Clerk (to May 2020)	1,000,000.00(A)
Lisa Eggert	Tax Collector , Water Clerk, Sewer Clerk, and Tax Search Officer (to Nov, 2020)	1,000,000.00(A)
Stacey DiVello	Treasurer, Payroll Clerk	1,000,000.00(A)
Dana McGarvey	Deputy Borough Clerk, Deputy Registrar	1,000,000.00(A)
Kelly Foster	Court Administrator	1,000,000.00(A)
Krisden McCrink	Judge of the Municipal Court	1,000,000.00(A)
Theresa Stagliano	Assessor	1,000,000.00(A)
Edward Toussaint	Construction Code Official, Building Inspector, Fire Sub-Code Inspector, Consultant of Licenses and Inspections, Zoning Official, Zoning Enforcement Officer, and Plumbing Inspector	1,000,000.00(A)
Sal Catania	Electrical Inspector	1,000,000.00(A)
Ron Snyder	Fire Sub-Code Official	1,000,000.00(A)
Richard DeMichele	Prosecutor	1,000,000.00(A)
Glen J Leary	Public Defender	1,000,000.00(A)
Millard Wilkinson	Chief of Police	1,000,000.00(A)
Howard Long	Solicitor	1,000,000.00(A)
Pennoni Associates	Borough Engineer	1,000,000.00(A)

(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.

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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

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant