

**BOROUGH OF BERLIN
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR 2023**

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BOROUGH OF BERLIN

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR 2023

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023 and 2022, and the related statements of operations and changes in reserve for future use and 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, 2023, and the related notes to the financial statements, which collectively comprise the Borough of Berlin's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of Borough of Berlin, in the County of Camden, State of New Jersey, as of December 31, 2023 and 2022, and the results of its operations and changes in reserve for future use and 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, 2023, 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.

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* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Berlin, in the County of Camden, State of New Jersey, as of December 31, 2023 and 2022, or the results of its operations and changes in reserve for future use and fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 and pervasive.

Responsibilities of Management 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. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 accompanying 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplemental statements and schedules, and schedule of expenditures of federal awards 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 August 30, 2024 on our consideration of the Borough of Berlin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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
August 30, 2024

**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 statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 30, 2024. 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.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough'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 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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough’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, and federal awarding agencies and pass-through entities, 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
August 30, 2024

BERLIN BOROUGH

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2023 and 2022

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Cash - Treasurer	SA-1	\$ 8,773,602.03	\$ 6,785,633.25
Cash - Collector	SA-2	281,389.87	269,707.61
Cash - Change Funds	SA-3	600.00	600.00
		<u>9,055,591.90</u>	<u>7,055,940.86</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	267,973.32	398,255.19
Tax Title Liens Receivable	SA-9	138,704.25	118,352.54
Revenue Accounts Receivable	SA-5	21,570.34	24,852.32
Due from Water Capital Fund	D	8,309.64	8,309.64
Due from Sewer Operating Fund	E	0.63	0.63
		<u>436,558.18</u>	<u>549,770.32</u>
		<u>9,492,150.08</u>	<u>7,605,711.18</u>
Federal and State Grant Fund:			
Cash	SA-1	242,096.25	968,046.66
Grants Receivable	SA-18	761,873.63	462,605.63
		<u>1,003,969.88</u>	<u>1,430,652.29</u>
		<u>\$ 10,496,119.96</u>	<u>\$ 9,036,363.47</u>

(Continued)

BERLIN BOROUGH
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-7	\$ 485,320.73	\$ 620,208.12
Reserve for Encumbrances	SA-14	138,728.56	113,193.10
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-6	17,670.39	14,170.39
State Training Fees	SA-8	1,379.00	2,611.00
Marriage License	SA-1	1,100.00	
Prepaid Taxes	SA-10	239,851.23	205,714.04
Tax Overpayments	SA-11	73,296.49	1,904.61
Reserve for Preparation of Master Plan	A	25,116.46	25,116.46
Reserve for Municipal Relief Fund	A-2;SA-1	72,669.59	36,342.42
Due County for Added and Omitted Taxes	SA-12	73,265.40	152,024.00
Local District School Taxes Payable	SA-15	978,549.90	848,209.42
Regional High School Taxes Payable	SA-17	818,628.88	776,076.88
Due to Open Space Trust Fund	SA-16	354,569.70	233,881.16
Due to Trust Other Fund	SB-6	73,627.19	79,402.75
Due to General Capital Fund	SC-9	1,123,038.97	
Due to Animal Control Fund	SB-8	8,282.00	
		<u>4,485,094.49</u>	<u>3,108,854.35</u>
Reserves for Receivables and Other Assets	A	436,558.18	549,770.32
Fund Balance	A-1	<u>4,570,497.41</u>	<u>3,947,086.51</u>
		<u>9,492,150.08</u>	<u>7,605,711.18</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-19	174,679.76	797,163.99
Appropriated Reserves	SA-20	700,146.41	623,337.84
Due to Trust Other Fund	SB-1	482.02	
Reserve for Encumbrances	SA-21	21,155.40	10,150.46
Contracts Payable	SA-20	107,506.29	
		<u>1,003,969.88</u>	<u>1,430,652.29</u>
		<u>\$ 10,496,119.96</u>	<u>\$ 9,036,363.47</u>

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

BERLIN BOROUGH
CURRENT FUND

Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 750,000.00	\$ 855,000.00
Miscellaneous Revenues Anticipated	3,436,688.28	2,941,376.06
Receipts from Delinquent Taxes	382,269.95	373,419.09
Receipts from Current Taxes	26,902,199.08	26,335,699.10
Non-Budget Revenue	237,678.27	161,757.75
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	503,178.01	725,852.13
Cancellation of Due Library		4,164.00
	32,212,013.59	31,397,268.13
Expenditures		
Budget Appropriations:		
Within "CAPS":		
Operations -- Salaries and Wages	3,281,952.00	3,103,912.00
Operations -- Other Expenses	3,173,727.50	2,884,713.18
Deferred Charges and Statutory Expenditures	994,040.50	957,260.50
Excluded from "CAPS":		
Operations -- Salaries and Wages	40,040.00	182,400.00
Operations -- Other Expenses	975,551.31	1,484,304.48
Capital Improvements--Excluded from "CAPS"	938,782.22	125,000.00
Municipal Debt Service--Excluded from "CAPS"	1,142,834.53	1,016,047.78
Transfer to Local School Districts	45,181.00	44,496.00
Regional High School Tax	5,060,871.00	4,977,153.00
Local District School Tax	8,672,044.00	8,410,662.00
Municipal Open Space Tax	119,302.64	115,774.00
Due Municipal Open Space for Added and Omitted Taxes	1,385.90	2,892.33
County Taxes	6,303,868.82	6,071,507.81
Due County for Added and Omitted Taxes	73,265.66	152,024.00
Other Debits to Expenditures:		
Refund of Prior Year Revenue	14,842.41	29,974.55
Prior Year Senior and Veteran Deductions Disallowed	913.20	1,250.00
Creation of Reserve for:		
Due Water Capital Fund		8,309.64
	30,838,602.69	29,567,681.27
Statutory Excess to Fund Balance	1,373,410.90	1,829,586.86
Fund Balance		
Balance Jan. 1	3,947,086.51	2,972,499.65
	5,320,497.41	4,802,086.51
Decreased by:		
Utilized as Revenue	750,000.00	855,000.00
Balance Dec. 31	\$ 4,570,497.41	\$ 3,947,086.51

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, 2023

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S.A. <u>40A: 4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 750,000.00	-	\$ 750,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	12,000.00		12,376.80	\$ 376.80
Other	85,000.00		75,902.00	(9,098.00)
Fees and Permits	28,000.00		55,905.57	27,905.57
Fines and Costs -- Municipal Court	98,000.00		111,555.95	13,555.95
Interest and Costs on Taxes	88,000.00		106,506.00	18,506.00
Interest on Investments and Deposits	55,000.00		245,125.96	190,125.96
Payment in Lieu of Taxes -- Virtua Hospital	110,000.00		113,923.80	3,923.80
Payment in Lieu of Taxes -- Jet Associates	15,000.00		28,950.51	13,950.51
Cable TV Franchise Fee	110,000.00		111,051.49	1,051.49
Rental of Borough Property:				
U.S. Post Office	20,000.00		18,950.02	(1,049.98)
Bell Telephone / Verizon Rental	75,000.00		78,633.76	3,633.76
Cable T.C. Co. (AT&T)	7,000.00		22,800.00	15,800.00
69 South White Horse Pike	11,000.00			(11,000.00)
Energy Receipts Taxes	701,513.00		701,512.81	(0.19)
Reserve for Municipal Relief Fund	36,342.42		36,342.42	
Dedicated Uniform Construction Code Fees Offset				
With Appropriations (N.J.S.A.40A:4-36 and N.J.A.C.5:23-4.17):				
Uniform Construction Code Fees	148,000.00		134,983.00	(13,017.00)
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	10,718.79		10,718.79	
Drunk Driving Enforcement Fund	3,650.11		3,650.11	
Clean Communities Grant		\$ 18,287.75	18,287.75	
Body Armor Replacement Grant	2,691.66		2,691.66	
FEMA Safer Grant	101,680.00		101,680.00	
American Rescue Plan	33,000.00		33,000.00	
Stormwater Assistance Grant		25,000.00	25,000.00	
New Jersey Department of Transportation 2024 Road Program		208,558.00	208,558.00	
New Jersey Department of Transportation 2023 Road Program		213,490.00	213,490.00	
County DWI Grant	2,040.00		2,040.00	
Other Special Items:				
ARP State & Local Fiscal Recovery Funds Program	788,782.22		788,782.22	
Uniform Fire Safety Act	91,000.00		75,119.66	(15,880.34)
Rental and Inspection Fees	59,000.00		99,150.00	40,150.00
	<u>2,692,418.20</u>	<u>465,335.75</u>	<u>3,436,688.28</u>	<u>278,934.33</u>
Receipts from Delinquent Taxes	<u>357,725.96</u>	-	<u>382,269.95</u>	<u>24,543.99</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	6,425,373.84		6,769,692.50	344,318.66
Minimum Library Tax	300,453.00		300,453.00	
	<u>6,725,826.84</u>	-	<u>7,070,145.50</u>	<u>344,318.66</u>
Budget Totals	<u>10,525,971.00</u>	<u>465,335.75</u>	<u>11,639,103.73</u>	<u>647,796.98</u>
Non-Budget Revenue	-	-	237,678.27	237,678.27
	<u>\$ 10,525,971.00</u>	<u>\$ 465,335.75</u>	<u>\$ 11,876,782.00</u>	<u>\$ 885,475.25</u>

(Continued)

BERLIN BOROUGH
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2023

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 26,902,199.08	
Allocated to County, School, and Open Space Taxes	20,230,738.02	
Amount for Support of Municipal Budget Appropriations	6,671,461.06	
Add: Appropriation "Reserve for Uncollected Taxes"	398,684.44	
Amount for Support of Municipal Budget Appropriations	\$ 7,070,145.50	

Receipts from Delinquent Taxes:

Receipts:		
Delinquent Tax	\$ 382,269.95	

Revenue Accounts Receivable

Fees and Permits--Other:

Clerk	\$ 29,932.57	
Searches for Municipal Improvements	50.00	
Planning	7,050.00	
Zoning	4,850.00	
Police	10,337.00	
Registrar of Vital Statistics	3,686.00	
	\$ 55,905.57	

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Receipts -- Treasurer:

Senior Citizen and Veteran Administrative Fee	\$ 1,046.74	
Police Outside Service Administrative Fees	22,665.00	
Sale of Municipal Assets	25,684.73	
Sale of Trash Cans	3,935.00	
Refund of Prior Year Expenditures	168.55	
Camp Fees	40,895.00	
Community Center Fees	24,627.50	
Miscellaneous	50,425.22	
Revenue Accounts Receivable:		
Rental of Borough Property -- 93 Clementon Rd.	20,466.00	
Rental of Borough Property -- PNC	12,204.56	

\$ 202,118.30

Receipts -- Collector:

Tax Sale Advertising Fees	1,800.71	
Tax Sale Costs	1,299.81	
PILOT Program -- Lonaconing	32,109.45	
Miscellaneous	350.00	

35,559.97

\$ 237,678.27

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, 2023

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS--WITHIN "CAPS"						
<u>General Government</u>						
Mayor and Council						
Salaries and Wages	\$ 26,500.00	\$ 26,500.00	\$ 26,171.09		\$ 328.91	
Other Expenses	6,850.00	6,850.00	5,720.97	\$ 347.46	781.57	
Administrative and Executive						
Salaries and Wages	137,000.00	152,000.00	143,192.68	4,000.00	4,807.32	
Other Expenses	77,000.00	77,000.00	61,164.35	6,908.58	8,927.07	
Financial Administration						
Salaries and Wages	45,000.00	45,000.00	42,687.12		2,312.88	
Other Expenses	30,115.00	40,115.00	33,684.85	1,693.68	4,736.47	
Audit Services						
Other Expenses	26,000.00	26,000.00	26,000.00			
Engineering Services						
Other Expenses	45,000.00	65,000.00	56,883.08	6,000.00	2,116.92	
Collection of Taxes						
Salaries and Wages	35,000.00	35,000.00	33,666.00		1,334.00	
Other Expenses	15,325.00	15,325.00	9,605.53	446.59	5,272.88	
Public Employees' Award Program (NJSA 40A:9-8) (NJSA 40A:5-31)	1,500.00	1,500.00	1,299.81		200.19	
Other Expenses						
Assessment of Taxes						
Salaries and Wages	13,500.00	13,500.00	12,262.50		1,237.50	
Other Expenses	4,500.00	5,500.00	4,049.21		1,450.79	
Municipal Court						
Salaries and Wages	130,000.00	130,000.00	128,064.91		1,935.09	
Other Expenses	17,745.00	17,745.00	10,635.32	988.38	6,121.30	
Legal Services and Costs						
Other Expenses	110,000.00	110,000.00	69,122.75	3,902.75	36,974.50	
Economic Development Committee						
Redevelopment Other Expenses	40,000.00	15,000.00	1,560.00		13,440.00	
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board						
Salaries and Wages	3,500.00	3,550.00	3,527.00		23.00	
Other Expenses	23,050.00	48,000.00	47,187.15	395.15	417.70	
Zoning Enforcement Officer						
Salaries and Wages	12,000.00	17,000.00	14,454.62		2,545.38	
Other Expenses	750.00	750.00	80.50	200.00	469.50	
Historic Committee						
Other Expenses	8,000.00	8,000.00	2,295.00	5,132.50	572.50	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2023

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
<u>General Government (Cont'd)</u>						
Insurance						
Health Benefit Waiver	\$ 20,000.00	\$ 35,000.00	\$ 34,787.46		\$ 212.54	
Workers Compensation	70,866.00	70,866.00	70,866.00			
Other Insurance	123,186.50	143,186.50	140,115.35		3,071.15	
Unemployment Compensation Insurance	45,000.00	15,000.00	13,647.72		1,352.28	
Group Insurance for Employees	729,040.00	724,040.00	691,124.66	\$ 5,909.32		27,006.02
<u>Public Safety</u>						
Police						
Salaries and Wages	1,952,700.00	1,892,700.00	1,855,711.30	14,335.20		22,653.50
Other Expenses	182,950.00	182,950.00	137,581.20	22,545.98		22,822.82
Fire						
Aid to Volunteer Fire Company	29,000.00	29,000.00	29,000.00			
Salaries and Wages	20,000.00	12,000.00	10,196.14			1,803.86
Miscellaneous Other Expenses	113,400.00	121,400.00	100,282.67	14,356.94		6,760.39
Aid to Volunteer Ambulance/Emergency Squad						
Other Expenses	45,000.00	45,000.00	40,000.00			5,000.00
Public Defender						
Other Expenses	5,250.00	5,250.00	4,500.00			750.00
Uniform Fire Safety Act (P.L. 1983 CH 383):						
Fire						
Salaries and Wages	75,000.00	75,000.00	61,480.84			13,519.16
Other Expenses	11,000.00	11,000.00	10,538.51	230.00		231.49
Emergency Management Services						
Salaries and Wages	7,000.00	7,200.00	7,151.80			48.20
Other Expenses	2,600.00	2,400.00	1,759.78	223.17		417.05
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	146,500.00	131,500.00	108,622.61			22,877.39
Other Expenses	41,800.00	41,800.00	24,323.40	1,850.39		15,626.21
Public Buildings and Grounds						
Salaries and Wages	98,000.00	98,000.00	91,506.53			6,493.47
Other Expenses	72,500.00	84,000.00	67,678.48	1,034.16		15,287.36
Garbage and Trash Collection						
Salaries and Wages	301,582.00	290,000.00	275,269.47			14,730.53
Other Expenses	19,000.00	19,000.00	14,742.86	380.97		3,876.17

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2023

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Streets and Roads (Cont'd)</u>						
Vehicle and Equipment Maintenance						
Salaries and Wages	\$ 135,000.00	\$ 135,000.00	\$ 116,596.01		\$ 18,403.99	
Other Expenses	130,000.00	154,000.00	113,698.06	\$ 7,070.71	33,231.23	
<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	5,384.40		4,615.60	
Animal Control						
Other Expenses	16,000.00	16,000.00	15,185.00	815.00		
Parks and Playgrounds						
Salaries and Wages	34,000.00	34,000.00	31,095.07		2,904.93	
Other Expenses	20,000.00	28,500.00	23,070.44	1,308.51	4,121.05	
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	12,500.00	12,500.00	7,500.00		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	110,000.00	105,000.00	101,963.63	1,032.50	2,003.87	
Other Expenses	11,050.00	11,050.00	7,274.78	736.42	3,038.80	
Other Code Enforcement						
Salaries and Wages	50,000.00	50,000.00	48,086.49		1,913.51	
Sub-Code Officials:						
Fire						
Salaries and Wages	6,000.00	6,000.00	5,404.93		595.07	
<u>Unclassified</u>						
Electricity	95,000.00	95,000.00	71,021.97		23,978.03	
Water Service	33,000.00	33,000.00	18,530.32		14,469.68	
Sewer Service	14,000.00	14,000.00	7,816.50		6,183.50	
Telephone	65,000.00	65,000.00	55,725.53	458.43	8,816.04	
Gas / Fuel Oil	40,000.00	40,000.00	30,195.06		9,804.94	
Trash Disposal	430,000.00	430,000.00	378,465.93	30,731.61	20,802.46	
Street Lighting	170,000.00	170,000.00	161,891.51		8,108.49	
Gasoline / Motor Fuel	135,000.00	135,000.00	124,451.52	4,019.85	6,528.63	
Accumulated Sickleave	1.00	1.00			1.00	
	<u>6,452,261.50</u>	<u>6,455,679.50</u>	<u>5,863,558.37</u>	<u>137,054.25</u>	<u>455,066.88</u>	<u>-</u>
Detail:						
Salaries and Wages	3,338,284.00	3,281,952.00	3,141,702.06	19,367.70	120,882.24	
Other Expenses	3,113,977.50	3,173,727.50	2,721,856.31	117,686.55	334,184.64	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2023

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Police and Firemen's Retirement System of N.J.	\$ 578,520.00	\$ 578,520.00	\$ 578,520.00			
Public Employees Retirement System	133,020.50	133,020.50	133,020.50			
Defined Contribution Retirement Program	5,000.00	5,000.00			\$ 5,000.00	
Social Security System (O.A.S.I.)	277,500.00	277,500.00	266,020.68		11,479.32	
Total Deferred Charges and Statutory Expenditures Within--"CAPS"	994,040.50	994,040.50	977,561.18	-	16,479.32	-
Total General Appropriations for Municipal Purposes Within--"CAPS"	7,446,302.00	7,449,720.00	6,841,119.55	\$ 137,054.25	471,546.20	-
OPERATIONS-- EXCLUDED FROM "CAPS"						
Insurance						
Employee Group Health Insurance (P.L. 2007, C.62)	8,460.00	8,460.00	8,460.00			
Workers Compensation	21,062.00	21,062.00	21,062.00			
Solid Waste Disposal						
Recycling Tax (P.L. 2007, c. 311)	15,000.00	15,000.00	10,380.96	1,009.74	3,609.30	
Maintenance of Free Public Library						
Contribution	300,453.00	300,453.00	300,452.83		0.17	
Storm Water Management						
Salaries and Wages	38,000.00	38,000.00	36,486.71		1,513.29	
Other Expenses	13,500.00	13,500.00	4,183.66	664.57	8,651.77	
State and Federal Programs Off-set by Revenues:						
Recycling Tonnage Grant						
Other Expenses	10,718.79	10,718.79	10,718.79			
Clean Communities Grant						
Other Expenses (NJSA 40A:4-87 \$18,287.75)		18,287.75	18,287.75			
FEMA SAFER Grant						
Other Expenses	101,680.00	101,680.00	101,680.00			
Storm Water Assistance Grant						
Other Expenses (NJSA 40A:4-87 \$25,000.00)		25,000.00	25,000.00			
ARP Firefighter Grant						
Other Expenses	33,000.00	33,000.00	33,000.00			
Drunk Driving Enforcement Grant						
Other Expenses	3,650.11	3,650.11	3,650.11			
Body Armor Replacement Grant						
Other Expenses	2,691.66	2,691.66	2,691.66			
New Jersey Department of Transportation 2024 Road Program						
Other Expenses (NJSA 40A:4-87 \$208,558.00)		208,558.00	208,558.00			
New Jersey Department of Transportation 2023 Road Program						
Other Expenses (NJSA 40A:4-87 \$213,490.00)		213,490.00	213,490.00			
Camden County DWI Grant						
Other Expenses	2,040.00	2,040.00	2,040.00			
Total Operations--Excluded from "CAPS"	553,673.56	1,015,591.31	1,000,142.47	1,674.31	13,774.53	-

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2023

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS-- EXCLUDED FROM "CAPS" (CONT'D)						
Detail:						
Salaries and Wages	\$ 40,040.00	\$ 40,040.00	\$ 38,526.71		\$ 1,513.29	
Other Expenses	513,633.56	975,551.31	961,615.76	\$ 1,674.31	12,261.24	
CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"						
Capital Improvement Fund	938,782.22	938,782.22	938,782.22	-	-	-
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"						
Payment of Bond Principal	690,000.00	690,000.00	690,000.00			
Interest on Bonds	252,343.76	252,343.75	252,343.75			
Interest on Notes	184,770.00	184,770.00	184,256.75			\$ 513.25
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	16,234.02	16,234.03	16,234.03			
Total Municipal Debt Service--Excluded from "CAPS"	1,143,347.78	1,143,347.78	1,142,834.53	-	-	513.25
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"	2,680,984.56	3,142,902.31	3,126,940.22	1,674.31	13,774.53	513.25
Subtotal General Appropriations	10,127,286.56	10,592,622.31	9,968,059.77	138,728.56	485,320.73	513.25
Reserve for Uncollected Taxes	398,684.44	398,684.44	398,684.44	-	-	-
Total	\$ 10,525,971.00	\$ 10,991,306.75	\$ 10,366,744.21	\$ 138,728.56	\$ 485,320.73	\$ 513.25
Adopted Budget		\$ 10,525,971.00				
Appropriation by NJSA 40A:4-87		465,335.75				
		\$ 10,991,306.75				
Disbursed			\$ 8,365,449.94			
Refunds			(147,827.45)			
Reserve for Uncollected Taxes			398,684.44			
Reserve for Federal and State Grants Appropriated			619,116.31			
Due Animal Control Fund			8,282.00			
Due General Capital Fund			1,123,038.97			
			\$ 10,366,744.21			

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

BERLIN BOROUGH
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Cash	SB-1	\$ 590.39	\$ 4,313.23
Due from Current Fund	SB-8	8,282.00	
		<u>8,872.39</u>	<u>4,313.23</u>
Open Space Fund:			
Cash	SB-1	228,018.47	290,736.69
Due from Current Fund	SA-16	354,569.70	233,881.16
		<u>582,588.17</u>	<u>524,617.85</u>
Other Funds:			
Cash -- Treasurer	SB-1	1,541,095.37	1,666,532.70
Cash -- Collector	SB-2	302,887.75	181,019.35
Police Outside Services Receivable	SB-1;SB-7	10,926.50	25,875.00
Due from Developers	SB-4	31,770.20	29,973.89
Due from Camden County Municipal Drug Alliance	B	955.89	955.89
Due from Federal and State Grant Fund	SB-1	482.02	
Due from Current Fund	SB-6	73,627.19	79,402.75
		<u>1,961,744.92</u>	<u>1,983,759.58</u>
		<u>\$ 2,553,205.48</u>	<u>\$ 2,512,690.66</u>

(Continued)

BERLIN BOROUGH
TRUST FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Reserve for Encumbrances	SB-3	\$ 433.50	680.04
Due Municipal Clerk	SB-3		413.60
Reserve for Animal Control Fund Expenditures	SB-3	<u>8,438.89</u>	<u>3,219.59</u>
		<u>8,872.39</u>	<u>4,313.23</u>
Open Space Fund:			
Reserve for Future Use	B-1	<u>582,588.17</u>	<u>524,617.85</u>
Other Funds:			
Reserve for Recreation Facilities	SB-7	67,482.98	67,482.98
Reserve for Parking Offenses Adjudication Act	SB-7	932.10	904.10
Reserve for Accumulated Leave	SB-7	130,000.00	130,000.00
Reserve for Celebration	SB-7	4,279.92	4,329.17
Reserve for Payroll Deductions Payable	SB-7	18,398.90	77,288.97
Reserve for Affordable Housing	SB-7	567,780.46	562,606.37
Reserve for COAH Fees	SB-7	5,037.94	5,037.55
Reserve for Developers' Escrow Deposits	SB-7	525,878.67	524,200.63
Reserve for Municipal Alliance	SB-7	6,063.71	8,702.66
Reserve for Tax Title Lien Redemptions	SB-7	108,997.75	9,329.35
Reserve for Premiums Received at Tax Sale	SB-7	193,900.00	171,700.00
Reserve for Recycling Funds	SB-7	38,370.78	48,766.93
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	3,576.00	5,385.00
Reserve for Public Defender	SB-7	5,625.00	8,750.00
Reserve for Performance Bonds	SB-7	128,637.98	228,627.92
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	2,570.93	2,762.10
Reserve for Police Donation	SB-7	5,036.82	5,036.82
Reserve for Special Law Enforcement	SB-7	51,293.04	31,593.92
Due State of NJ - VCCB	SB-7	<u>72,890.09</u>	<u>66,263.26</u>
		<u>1,961,744.92</u>	<u>1,983,759.58</u>
		<u>\$ 2,553,205.48</u>	<u>\$ 2,512,690.66</u>

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

BERLIN BOROUGH
TRUST -- MUNICIPAL OPEN SPACE FUND
Statements of Operations and Changes in Reserve for Future Use --Regulatory Basis
For the Years Ended December 31, 2023 and 2022

<u>Revenue and Other</u>	<u>2023</u>	<u>2022</u>
<u>Income Realized</u>		
Reserve for Future Use	\$ 374.00	\$ 374.00
Amount to be Raised by Taxation	120,688.54	118,666.33
Interest Income	5,127.78	1,773.75
	<u>126,190.32</u>	<u>120,814.08</u>
<u>Expenditures</u>		
Operating	<u>67,846.00</u>	<u>67,985.21</u>
Statutory Excess to Reserve	58,344.32	52,828.87
<u>Reserve for Future Use</u>		
Balance Jan. 1	<u>524,617.85</u>	<u>472,162.98</u>
	<u>582,962.17</u>	<u>524,991.85</u>
Utilized as Revenue:		
Reserve for Future Use	<u>374.00</u>	<u>374.00</u>
Balance Dec. 31	<u>\$ 582,588.17</u>	<u>\$ 524,617.85</u>

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

BERLIN BOROUGH
 TRUST -- MUNICIPAL OPEN SPACE FUND
 Statement of Revenues--Regulatory Basis
 For the Year Ended December 31, 2023

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Amount to be Raised by Taxation	\$ 119,302.64	\$ 120,688.54	\$ 1,385.90
Interest Income	500.00	5,127.78	4,627.78
Reserve for Future Use	<u>374.00</u>	<u>374.00</u>	
Budget Totals	<u>\$ 120,176.64</u>	<u>\$ 126,190.32</u>	<u>\$ 6,013.68</u>

Analysis of Realized Revenues

Analysis of Current Tax Collections:

Due Current Fund:

Open Space Tax Levy
 Added / Omitted Taxes

\$ 119,302.64
1,385.90

\$ 120,688.54

Analysis of Miscellaneous Revenue:

Receipts:

Interest on Deposits

\$ 5,127.78

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

BERLIN BOROUGH
 TRUST -- MUNICIPAL OPEN SPACE FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2023

	<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	\$ 93,000.00	\$ 93,000.00	\$ 63,116.74			\$ 29,883.26
Other Expenses	27,176.64	27,176.64	4,729.26			22,447.38
Total Operating	<u>120,176.64</u>	<u>120,176.64</u>	<u>67,846.00</u>	<u>-</u>	<u>-</u>	<u>52,330.64</u>
Total Open Space Appropriations	<u>\$ 120,176.64</u>	<u>\$ 120,176.64</u>	<u>\$ 67,846.00</u>	<u>-</u>	<u>-</u>	<u>\$ 52,330.64</u>

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

BERLIN BOROUGH
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	SC-1	\$ 980,674.69	\$ 2,760,970.92
Due from State of New Jersey	C	23,531.40	23,531.40
Due from Current Fund	SC-9	1,123,038.97	
Due from Water Utility Operating Fund	SC-1;SC-10	204,540.25	
Due from Sewer Utility Operating Fund	SC-1;SE-8	107,610.25	
Deferred Charges to Future Taxation:			
Funded	SC-3	7,229,000.00	7,935,073.29
Unfunded	SC-4	7,256,094.00	4,106,844.00
		<u>\$ 16,924,489.56</u>	<u>\$ 14,826,419.61</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Capital Improvement Fund	SC-5	\$ 799,565.22	\$ 226,533.00
Improvement Authorizations:			
Funded	SC-6	87,664.73	732,514.67
Unfunded	SC-6	3,280,238.76	1,180,158.80
Reserve for the Payment of Debt	SC-13	708,348.00	
Contracts Payable	SC-7	416,642.59	431,176.93
Reserve For Encumbrances	SC-8	159,346.64	90,774.94
Due to Sewer Utility Capital Fund	SC-1;E-4	2,925.56	
Due to Water Utility Capital Fund	SC-1;D-4	5,560.76	
General Serial Bonds	SC-10	7,229,000.00	7,919,000.00
Bond Anticipation Notes	SC-12	4,106,000.00	4,106,000.00
Green Acres Loan Payable	SC-11		16,073.29
Fund Balance	C-1	129,197.30	124,187.98
		<u>\$ 16,924,489.56</u>	<u>\$ 14,826,419.61</u>

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

BERLIN BOROUGH
GENERAL CAPITAL FUND
Statement of Fund Balance--Regulatory Basis
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 124,187.98
Increased by:	
Receipts -- Premium on Sale of Notes	<u>5,009.32</u>
Balance Dec. 31, 2023	<u><u>\$ 129,197.30</u></u>

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

BERLIN BOROUGH
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash -- Treasurer	SD-1	\$ 3,114,508.06	\$ 2,582,017.89
Receivables with Full Reserves:			
Water Rents Receivable	SD-4	401,986.03	416,451.73
Fire Hydrant and Sprinkler Rents Receivable	SD-5	23,293.00	35,870.09
		<u>425,279.03</u>	<u>452,321.82</u>
Total Operating Fund		<u>3,539,787.09</u>	<u>3,034,339.71</u>
Capital Fund:			
Cash -- Treasurer	SD-1	2,137,026.91	4,139,214.84
Due From General Capital Fund	D-4;SC-1	5,560.76	
Fixed Capital	SD-8	21,137,717.93	17,779,642.44
Fixed Capital Authorized and Uncompleted	SD-9	6,951,630.00	10,309,705.49
Total Capital Fund		<u>30,231,935.60</u>	<u>32,228,562.77</u>
		<u>\$ 33,771,722.69</u>	<u>\$ 35,262,902.48</u>

(Continued)

BERLIN BOROUGH
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Liabilities:			
Water Overpayments	SD-6	\$ 20,147.03	\$ 10,468.84
Reserve for Encumbrances	D-3;SD-7	85,597.41	112,268.13
Due to Sewer Utility Operating Fund	E	15.94	15.94
Due to General Capital	SC-1;SD-10	204,540.25	
Appropriation Reserves	D-3;SD-7	303,897.56	327,316.26
Accrued Interest on Bonds and Loans	SD-10	72,783.91	66,134.28
		<u>686,982.10</u>	<u>516,203.45</u>
Reserve for Receivables	D	425,279.03	452,321.82
Fund Balance	D-1	<u>2,427,525.96</u>	<u>2,065,814.44</u>
Total Operating Fund		<u>3,539,787.09</u>	<u>3,034,339.71</u>
Capital Fund:			
Capital Improvement Fund	D	266,876.71	266,876.71
Bond Anticipation Notes	SD-18	4,558,000.00	4,558,000.00
Due to Current Fund	A	8,309.64	8,309.64
Improvement Authorizations:			
Funded	SD-11		68,670.49
Unfunded	SD-11	2,582,225.55	4,176,663.09
Contracts Payable	SD-15	627,893.96	1,044,257.76
Reserve for Amortization	SD-12	19,542,680.76	19,201,574.23
Deferred Reserve for Amortization	SD-13	355,431.77	355,431.77
Reserve for Encumbrances	SD-14	100,460.10	92,583.66
Serial Bonds	SD-16	1,413,000.00	1,538,000.00
New Jersey Environmental Trust Loan	SD-17	354,089.40	570,195.93
Reserve for Payment of Debt	SD-19	342,681.99	273,274.53
Fund Balance	D-4	<u>80,285.72</u>	<u>74,724.96</u>
Total Capital Fund		<u>30,231,935.60</u>	<u>32,228,562.77</u>
		<u>\$ 33,771,722.69</u>	<u>\$ 35,262,902.48</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other</u>		
<u>Income Realized</u>		
Operating Surplus Anticipated		\$ 560,000.00
Water Rents	\$ 2,754,578.17	2,876,852.16
Fire Hydrant and Sprinkler Service	579,697.09	641,522.46
Miscellaneous	149,427.44	74,123.81
Other Credits to Income:		
Cancellation of Water Overpayments	3,060.79	390.98
Unexpended Balance of Appropriation Reserves	321,974.02	384,868.01
	<u>3,808,737.51</u>	<u>4,537,757.42</u>
Total Income		
<u>Expenditures</u>		
Operating	2,713,319.26	2,657,694.68
Debt Service	599,894.43	415,414.10
Deferred Charges and Statutory Expenditures	133,812.30	133,755.30
Capital Improvements		50,000.00
	<u>3,447,025.99</u>	<u>3,256,864.08</u>
Total Expenditures		
Statutory Excess to Fund Balance	361,711.52	1,280,893.34
<u>Fund Balance</u>		
Balance Jan. 1	<u>2,065,814.44</u>	<u>1,344,921.10</u>
	2,427,525.96	2,625,814.44
Decreased by:		
Utilized as Revenue in Water Utility Fund		<u>560,000.00</u>
Balance Dec. 31	<u>\$ 2,427,525.96</u>	<u>\$ 2,065,814.44</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, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Water Rents	\$ 2,732,026.00	\$ 2,754,578.17	\$ 22,552.17
Fire Hydrant and Sprinkler Service	641,000.00	579,697.09	(61,302.91)
Miscellaneous	74,000.00	149,427.44	75,427.44
	<u>\$ 3,447,026.00</u>	<u>\$ 3,483,702.70</u>	<u>\$ 36,676.70</u>

Analysis of Realized Revenues

Water Rents Receivable:		
Receipts - Collector		\$ 2,747,041.38
Overpayments Applied		<u>7,536.79</u>
		<u>\$ 2,754,578.17</u>
Fire Hydrant and Sprinkler Service:		
Receipts - Collector		\$ 579,675.64
Overpayments Applied		<u>21.45</u>
		<u>\$ 579,697.09</u>
Miscellaneous:		
Receipts:		
Treasurer:		
Interest on Deposits		\$ 105,483.83
Collector:		
New Meter Fee - Connections	\$ 18,330.00	
Interest on Delinquent Accounts	16,782.25	
Water Ret Ck Fee	200.00	
Turn-On Charges	6,071.36	
Radio Read Charges	<u>2,560.00</u>	
		<u>43,943.61</u>
		<u>\$ 149,427.44</u>

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

BERLIN BOROUGH
WATER UTILITY OPERATING FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2023

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>		<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 635,000.00	\$ 635,000.00	\$ 519,016.03		\$ 115,983.97	
Other Expenses	2,078,319.26	2,078,319.26	1,819,113.16	\$ 85,597.41	173,608.69	
Total Operating	<u>2,713,319.26</u>	<u>2,713,319.26</u>	<u>2,338,129.19</u>	<u>85,597.41</u>	<u>289,592.66</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	125,000.00	125,000.00	125,000.00			
Interest on Bonds	48,075.19	48,075.19	48,075.18			\$ 0.01
Interest on Notes	206,819.25	206,819.25	206,819.25			
New Jersey Environmental Infrastructure Loan	220,000.00	220,000.00	220,000.00			-
Total Debt Service	<u>599,894.44</u>	<u>599,894.44</u>	<u>599,894.43</u>	<u>-</u>	<u>-</u>	<u>0.01</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Unemployment Compensation Insurance	4,000.00	4,000.00	2,283.00		1,717.00	
Public Employees Retirement System	79,812.30	79,812.30	79,812.30			
Social Security System (O.A.S.I.)	50,000.00	50,000.00	37,412.10		12,587.90	
Total Deferred Charges and Statutory Expenditures	<u>133,812.30</u>	<u>133,812.30</u>	<u>119,507.40</u>	<u>-</u>	<u>14,304.90</u>	<u>-</u>
	<u>\$ 3,447,026.00</u>	<u>\$ 3,447,026.00</u>	<u>\$ 3,057,531.02</u>	<u>\$ 85,597.41</u>	<u>\$ 303,897.56</u>	<u>\$ 0.01</u>
Accrued Interest on Bonds, Loans and Notes			\$ 262,646.02			
Refunds			(88,548.25)			
Disbursed			<u>2,883,433.25</u>			
			<u>\$ 3,057,531.02</u>			

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

BERLIN BOROUGH
WATER UTILITY CAPITAL FUND
Statement of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 74,724.96
Decreased by:	
Due From General Capital Fund	
Premium on Sale of Notes	<u>5,560.76</u>
Balance Dec. 31, 2023	<u>\$ 80,285.72</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, 2023 and 2022

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash -- Treasurer	SE-1	\$ 1,043,718.36	\$ 801,875.31
Receivables with Full Reserves:			
Sewer Rents Receivable	SE-4	118,490.45	134,617.51
Sewer Liens Receivable	E	264.79	264.79
Due from Water Operating	D	15.94	15.94
		<u>118,771.18</u>	<u>134,898.24</u>
Total Operating Fund		<u>1,162,489.54</u>	<u>936,773.55</u>
Capital Fund:			
Cash -- Treasurer	SE-1	1,808,515.57	2,500,932.65
Fixed Capital	SE-6	5,293,681.65	3,998,701.65
Fixed Capital Authorized and Uncompleted	SE-7	2,441,000.00	3,735,980.00
Due General Capital Fund	SC-1	2,925.56	
Due Sewer Operating Fund	SE-9	50,000.00	
Total Capital Fund		<u>9,596,122.78</u>	<u>10,235,614.30</u>
		<u>\$ 10,758,612.32</u>	<u>\$ 11,172,387.85</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3;SE-5	\$ 203,721.24	\$ 141,922.19
Reserve for Encumbrances	E-3;SE-5	1,634.93	5,080.35
Due to Current Fund	A	0.63	0.63
Sewer Rent Overpayments	SE-14	2,930.46	1,859.26
Accrued Interest on Bonds	SE-8	37,770.79	37,664.35
Due to General Capital Fund	SC-1;SE-8	107,610.25	
Due to Sewer Capital Fund	SE-9	50,000.00	
		<u>403,668.30</u>	<u>186,526.78</u>
Reserve for Receivables	E	118,771.18	134,898.24
Fund Balance	E-1	640,050.06	615,348.53
Total Operating Fund		<u>1,162,489.54</u>	<u>936,773.55</u>
Capital Fund:			
Serial Bonds	SE-16	1,048,000.00	1,113,000.00
Bond Anticipation Notes	SE-17	2,398,000.00	2,398,000.00
Improvement Authorizations Funded	SE-12		509,620.31
Improvement Authorizations Unfunded	SE-12	724,804.67	1,610,829.45
Contracts Payable	SE-11	440,812.40	203,585.94
Reserve for Encumbrances	SE-10	49,023.29	92,992.81
Capital Improvement Fund	SE-9	103,267.95	53,267.95
Deferred Reserve for Amortization	SE-15	150,834.00	150,834.00
Reserve for Amortization	SE-13	4,136,301.65	4,071,301.65
Fund Balance	E-4	35,107.75	32,182.19
Reserve for Payment of Debt	SE-12	509,971.07	
Total Capital Fund		<u>9,596,122.78</u>	<u>10,235,614.30</u>
		<u>\$ 10,758,612.32</u>	<u>\$ 11,172,387.85</u>

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

BERLIN BOROUGH
SEWER UTILITY FUND
 Statements of Operations and Changes in Operating Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2023 and 2022

<u>Revenue and Other</u>	<u>2023</u>	<u>2022</u>
<u>Income Realized</u>		
Operating Surplus Anticipated	\$ 182,726.94	\$ 232,000.00
Sewer Rents	992,316.44	983,230.46
Interest on Deposits	60,876.93	12,626.42
Miscellaneous	16,895.17	13,416.13
Cancellation of Overpayments	424.66	4,780.47
Unexpended Balance of Appropriation Reserves	<u>142,329.04</u>	<u>128,523.60</u>
 Total Income	 <u>1,395,569.18</u>	 <u>1,374,577.08</u>
 <u>Expenditures</u>		
Operating	853,895.80	734,509.80
Debt Service	209,336.71	116,049.28
Deferred Charges and Statutory Expenditures	74,908.20	74,870.20
Capital Improvements	50,000.00	125,000.00
Creation of Reserve for:		
Due Water Operating Fund		<u>15.94</u>
 Total Expenditures	 <u>1,188,140.71</u>	 <u>1,050,445.22</u>
 Statutory Excess to Fund Balance	 207,428.47	 324,131.86
 <u>Fund Balance</u>		
Balance Jan. 1	<u>615,348.53</u>	<u>523,216.67</u>
	822,777.00	847,348.53
Less:		
Utilized as Revenue in Sewer Operating Budget	<u>182,726.94</u>	<u>232,000.00</u>
 Balance Dec. 31	 <u>\$ 640,050.06</u>	 <u>\$ 615,348.53</u>

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

BERLIN BOROUGH
SEWER UTILITY FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2023

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess <u>(Deficit)</u>
Operating Surplus Anticipated	\$ 182,726.94	\$ 182,726.94	
Sewer Rents	983,000.00	992,316.44	\$ 9,316.44
Interest on Investments and Deposits	12,600.00	60,876.93	48,276.93
Miscellaneous	<u>13,400.00</u>	<u>16,895.17</u>	<u>3,495.17</u>
	<u>\$ 1,191,726.94</u>	<u>\$ 1,252,815.48</u>	<u>\$ 61,088.54</u>

Analysis of Realized Revenues

Sewer Rents Receivable:		
Receipts - Collector	\$ 992,173.65	
Overpayments Applied	<u>142.79</u>	
Receipts - Collector		<u>\$ 992,316.44</u>
Interest on Investments and Deposits:		
Treasurer:		
Receipts		<u>\$ 60,876.93</u>
Miscellaneous:		
Collector:		
Receipts:		
Interest on Delinquent Accounts	\$ 8,864.77	
Connection Fees	<u>8,030.40</u>	
		<u>\$ 16,895.17</u>

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

BERLIN BOROUGH
SEWER UTILITY FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2023

	<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	\$ 349,800.00	\$ 349,800.00	\$ 246,704.05		\$ 103,095.95	
Other Expenses	504,095.80	504,095.80	405,100.10	\$ 1,634.93	97,360.77	
Total Operating	<u>853,895.80</u>	<u>853,895.80</u>	<u>651,804.15</u>	<u>1,634.93</u>	<u>200,456.72</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	65,000.00	65,000.00	65,000.00			
Interest on Bonds	36,126.94	36,226.94	36,126.96			\$ 99.98
Interest on Notes	111,796.00	111,696.00	108,209.75			3,486.25
Total Debt Service	<u>212,922.94</u>	<u>212,922.94</u>	<u>209,336.71</u>	<u>-</u>	<u>-</u>	<u>3,586.23</u>
Capital Improvements:						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	53,208.20	53,208.20	53,170.20		38.00	
Social Security System (O.A.S.I.)	20,000.00	20,000.00	17,513.90		2,486.10	
Unemployment Compensation Insurance	1,700.00	1,700.00	959.58		740.42	
Total Deferred Charges and Statutory Expenditures	<u>74,908.20</u>	<u>74,908.20</u>	<u>71,643.68</u>	<u>-</u>	<u>3,264.52</u>	<u>-</u>
Total	<u><u>\$ 1,191,726.94</u></u>	<u><u>\$ 1,191,726.94</u></u>	<u><u>\$ 982,784.54</u></u>	<u><u>\$ 1,634.93</u></u>	<u><u>\$ 203,721.24</u></u>	<u><u>\$ 3,586.23</u></u>
Accrued Interest on Bonds			\$ 36,126.96			
Accrued Interest on Notes			108,209.75			
Due Sewer Operating			50,000.00			
Refunds			(40,844.38)			
Disbursed			<u>829,292.21</u>			
			<u><u>\$ 982,784.54</u></u>			

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

BERLIN BOROUGH
SEWER UTILITY CAPITAL FUND
Statement of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 32,182.19
Increased by:	
Due From General Capital Fund	
Premium on Sale of Note:	<u>2,925.56</u>
Balance Dec. 31, 2023	<u>\$ 35,107.75</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, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
General Fixed Assets:				
Land	\$ 3,552,357.57			\$ 3,552,357.57
Buildings	4,666,578.91	\$ 101,967.72		4,768,546.63
Vehicles and Equipment	<u>8,324,102.84</u>	<u>569,417.67</u>	<u>\$ 272,700.00</u>	<u>8,620,820.51</u>
	<u>\$ 16,543,039.32</u>	<u>\$ 671,385.39</u>	<u>\$ 272,700.00</u>	<u>\$ 16,941,724.71</u>
Investment in General Fixed Assets:				
General Capital Fund	<u>\$ 16,543,039.32</u>	<u>\$ 671,385.39</u>	<u>\$ 272,700.00</u>	<u>\$ 16,941,724.71</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, 2023

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 2020 census is 7,489.

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) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended 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 this 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.

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.

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

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 (Cont'd):

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 operations.

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* (2 CFR Part 225), 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.

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.

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

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, water utility operating fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants 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 School District and the Eastern Regional High School District. For the local school district and 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, 2022 and decreased by the amount deferred at December 31, 2023.

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.

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.

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

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 immediately 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.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following statement that have effective dates that may affect future financial presentations:

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

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.

As of December 31, 2023, the Borough's bank balances of \$20,374,843.79 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 19,915,302.33
Uninsured and Uncollateralized	<u>459,541.46</u>
Total	<u>\$ 20,374,843.79</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 3.380</u>	<u>\$ 3.381</u>	<u>\$ 3.310</u>	<u>\$ 3.290</u>	<u>\$ 3.317</u>
Apportionment of Tax Rate:					
Municipal	\$.861	\$.858	\$.841	\$.826	\$.809
County	.793	.788	.796	.794	.827
Regional School	.636	.645	.579	.560	.593
Local School	1.090	1.090	1.094	1.110	1.088

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 795,350,885.00
2022	771,544,825.00
2021	756,952,653.00
2020	738,536,794.00
2019	738,474,300.00

Note 3: PROPERTY TAXES (CONT'D)

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 (cont'd):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 27,198,160.90	\$ 26,902,199.08	98.91%
2022	26,747,081.40	26,335,699.10	98.46%
2021	25,436,104.47	24,969,169.54	98.16%
2020	24,950,759.95	24,490,181.11	98.15%
2019	24,506,063.14	24,132,622.29	98.48%

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>
2023	\$ 138,704.25	\$ 267,973.32	\$ 406,677.57	1.50%
2022	118,352.54	398,255.19	516,607.73	1.93%
2021	98,752.64	389,494.61	488,247.25	1.92%
2020	78,594.90	427,344.02	505,938.92	2.03%
2019	64,315.09	348,320.70	412,635.79	1.68%

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>
2023	2
2022	2
2021	3
2020	3
2019	3

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, 2023 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>			
2023	\$ 452,321.82	\$ -	\$ 3,312,001.48	\$ 3,764,323.30	\$ 3,334,275.26
2022	694,488.40	-	3,282,455.06	3,976,943.46	3,518,374.62
2021	350,431.31	-	3,250,176.12	3,600,607.43	2,905,867.93
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

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>			
2023	\$ 134,617.51	\$ 264.79	\$ 977,181.38	\$ 1,112,063.68	\$ 992,316.44
2022	171,018.97	264.79	946,829.00	1,118,112.76	983,230.46
2021	90,794.39	1,437.60	918,050.96	1,010,282.95	837,392.38
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

Note 7: LEASES RECEIVABLE

The Borough, as lessor, has entered into the following leases which meet the requirements of GASB Statement No. 87, *Leases*:

Office Lease - On November 1, 2016, the Borough entered into a five-year lease agreement with the United States Postal Service for the lease of a building with an incremental borrowing rate of 2.00%. Based on this agreement, the Borough is receiving payments of \$1,666.67 on a monthly basis through October 31, 2026.

On August 1, 2017, the Borough entered into a five-year lease agreement with PNC Bank for the lease of a building with an incremental borrowing rate of 2.00%. Based on this agreement, the Borough is receiving payments of \$927.42, compounded annually at 3.00%, on a monthly basis through July 31, 2027.

Cell Towers Lease - On January 1, 2019, the Borough entered into a four-year lease agreement, with two optional, additional four-year terms, with AT&T for the lease of cell towers with an incremental borrowing rate of 2.00%. Based on this agreement, the Borough is receiving monthly payments of \$2,285.28, compounded at the beginning of each new lease term at 15.00%, on a monthly basis through December 31, 2030.

On September 1, 2020, the Borough entered into a five-year lease agreement, with four optional, additional five-year terms, with Verizon for the lease of cell towers with an incremental borrowing rate of 2.00%. Based on this agreement, the Borough is receiving payments of \$2,709.17, compounded annually at 3.00%, on a monthly basis through August, 31, 2025.

On September 1, 2012, the Borough entered into a five-year lease agreement, with two optional, additional five-year terms, with Verizon for the lease of cell towers with an incremental borrowing rate of 2.00%. Based on this agreement, the Borough is receiving payments of \$2,433.31, compounded annually at 4.00%, on a monthly basis through August 31, 2027.

Under the provisions of GASB 87, as of December 31, 2023, the balance of the lease's receivable is \$560,186.20. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

Note 7: LEASES RECEIVABLE (CONT'D)

The following is a summary of the leases as of December 31, 2023:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Office Lease	\$ 101,582.75	\$ 30,396.24	\$ 2,363.90
Cell Towers	458,603.45	94,881.72	10,263.85
	<u>\$ 560,186.20</u>	<u>\$ 125,277.96</u>	<u>\$ 12,627.75</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Borough would have recognized \$130,425.63 in a reduction of lease receivable and \$12,627.75 in interest revenue related to the leases. In addition, \$125,277.96 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$143,053.38 were reported as revenue in the current fund.

Note 8: 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>
2023	\$ 4,570,497.41	\$ 858,500.00	18.78%
2022	3,947,086.51	750,000.00	19.00%
2021	2,972,699.65	855,000.00	28.76%
2020	2,368,449.43	987,000.00	41.67%
2019	2,022,911.55	987,000.00	48.79%

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>
2023	\$ 2,427,525.96	\$ 191,561.75	7.89%
2022	2,065,814.44		0.00%
2021	1,344,921.10	560,000.00	41.64%
2020	1,506,984.97	582,058.00	38.62%
2019	1,271,088.26	690,000.00	54.28%

Note 8: 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):

Sewer 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>
2023	\$ 640,050.06	\$ 73,378.74	11.46%
2022	615,348.53	182,726.94	29.69%
2021	523,216.67	232,000.00	44.34%
2020	445,332.52	88,166.00	19.80%
2019	315,148.17	87,100.00	27.64%

Note 9: 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, 2023:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 8,310.27	\$ 1,559,517.86
Federal and State Grant		482.02
Trust - Open Space	354,569.70	
Trust - Animal Control	8,282.00	
Trust - Other	74,109.21	
General Capital	1,435,189.47	8,486.32
Water Utility Operating		204,556.19
Water Utility Capital	5,560.76	8,309.64
Sewer Utility Operating	15.94	157,610.88
Sewer Utility Capital	52,925.56	
	<u>\$ 1,938,962.91</u>	<u>\$ 1,938,962.91</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 2024, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 10: 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 Empower (formerly 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. As a local participation employer of these pension plans, the Borough is referred to as "Employer" throughout this note. 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, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, 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, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Employer. 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 P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. 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 state or local officials who are elected or appointed on or after July 1, 2007; 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 10: 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 ten years of service.

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 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 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 10: 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.

Special Funding Situation Component - Under N.J.S.A. 43:15A, 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. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

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.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The Employer's contractually required contribution rate for the year ended December 31, 2023 was 19.44% of the Employer'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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$300,055.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$256,748.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$119,034.30.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2023 was .66% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$10,141.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$6,465.00.

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.

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 Employer's contractually required contribution rate for the year ended December 31, 2023 was 39.10% of the Employer'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.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 is \$597,878.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022 was \$555,368.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023 were \$156,984.96.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2023 was 6.84% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was \$104,568.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022 was \$108,298.00, which was paid on April 1, 2023.

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 Employer contributes 3% of the employees' base salary, for each pay period.

The Employer did not have any employees enrolled int the DCRP for the year ended December 31, 2023.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was \$3,251,792.00. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023 measurement date, the Employer's proportion was .0224503464%, which was an increase of .0020904556% from its proportion measured as of June 30, 2022.

Note 10: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was \$3,582.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PERS was \$256,748.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2023 measurement date, was \$10,141.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2023, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 4,962,304.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>914,362.00</u>
	<u>\$ 5,876,666.00</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023 measurement date, the Employer's proportion was .0449126700%, which was an increase of .0022102300% from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was .0449127500%, which was an increase of .0022103400% from its proportion, on-behalf of the Employer, measured as of June 30, 2022.

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2023 measurement date was \$337,958.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PFRS was \$555,368.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2023 measurement date, was \$104,007.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Note 10: 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, 2023, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 31,091.00	\$ 212,476.00	\$ 243,567.00	\$ 13,292.00	\$ 236,658.00	\$ 249,950.00
Changes of Assumptions	7,144.00	10,710.00	17,854.00	197,073.00	335,074.00	532,147.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	14,975.00	252,721.00	267,696.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	313,475.00	538,813.00	852,288.00	218,865.00	420,038.00	638,903.00
Contributions Subsequent to the Measurement Date	150,028.00	298,939.00	448,967.00	-	-	-
	<u>\$ 516,713.00</u>	<u>\$ 1,313,659.00</u>	<u>\$ 1,830,372.00</u>	<u>\$ 429,230.00</u>	<u>\$ 991,770.00</u>	<u>\$ 1,421,000.00</u>

Deferred outflows of resources in the amounts of \$150,028.00 and \$298,939.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2024. These amounts were based on an estimated April 1, 2025 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2023 to the Employer's year end of December 31, 2023.

Note 10: 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 Employer 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, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
June 30, 2023	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16

Note 10: 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:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2024	\$ (174,590.00)	\$ (175,842.00)	\$ (350,432.00)
2025	(82,520.00)	(177,031.00)	(259,551.00)
2026	146,338.00	366,869.00	513,207.00
2027	42,330.00	(35,796.00)	6,534.00
2028	5,897.00	36,930.00	42,827.00
Thereafter	-	7,820.00	7,820.00
	<u>\$ (62,545.00)</u>	<u>\$ 22,950.00</u>	<u>\$ (39,595.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. 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:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 10: 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-2021.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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, 2023) 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, 2023 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	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Note 10: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer 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 Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2023 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer'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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 4,233,141.00	\$ 3,251,792.00	\$ 2,416,534.00

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 Employer's annual required contribution. As such, the net pension liability as of the June 30, 2023 measurement date, for the Employer 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 6,914,101.00	\$ 4,962,303.00	\$ 3,336,922.00
State of New Jersey's Proportionate Share of Net Pension Liability	1,274,004.00	914,362.00	614,867.00
	<u>\$ 8,188,105.00</u>	<u>\$ 5,876,665.00</u>	<u>\$ 3,951,789.00</u>

Note 10: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)****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.

Note 10: PENSION PLANS (CONT'D)**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.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)

	<u>Measurement Date Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0224503464%	0.0203598908%	0.0218758817%	0.0216846378%	0.0225725067%
Proportionate Share of the Net Pension Liability	\$ 3,251,792.00	\$ 3,072,588.00	\$ 2,591,526.00	\$ 3,536,197.00	\$ 4,067,223.00
Covered Payroll (Plan Measurement Period)	\$ 1,549,184.00	\$ 1,528,764.00	\$ 1,466,304.00	\$ 1,512,420.00	\$ 1,567,188.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	209.90%	200.99%	176.74%	233.81%	259.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0207840351%	0.0216620761%	0.0216620761%	0.0213332808%	0.0212087650%
Proportionate Share of the Net Pension Liability	\$ 4,092,273.00	\$ 5,042,585.00	\$ 6,397,157.00	\$ 4,788,894.00	\$ 3,970,861.00
Covered Payroll (Plan Measurement Period)	\$ 1,459,976.00	\$ 1,504,996.00	\$ 1,473,228.00	\$ 1,472,736.00	\$ 1,452,744.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	280.30%	335.06%	434.23%	325.17%	273.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

Note 10: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 300,055.00	\$ 256,748.00	\$ 256,192.00	\$ 237,219.00	\$ 219,564.00
Contribution in Relation to the Contractually Required Contribution	(300,055.00)	(256,748.00)	(256,192.00)	(237,219.00)	(219,564.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,543,535.00	\$ 1,502,617.00	\$ 1,433,358.00	\$ 1,388,229.00	\$ 1,523,621.00
Contributions as a Percentage of Covered Payroll	19.44%	17.09%	17.87%	17.09%	14.41%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 206,734.00	\$ 200,676.00	\$ 191,887.00	\$ 183,409.00	\$ 174,842.00
Contribution in Relation to the Contractually Required Contribution	(206,734.00)	(200,676.00)	(191,887.00)	(183,409.00)	(174,842.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,560,763.00	\$ 1,484,565.00	\$ 1,454,363.00	\$ 1,478,185.00	\$ 1,486,366.00
Contributions as a Percentage of Covered Payroll	13.25%	13.52%	13.19%	12.41%	11.76%

Note 10: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0449126700%	0.0427024400%	0.0459280472%	0.0421495063%	0.0446373894%
Proportionate Share of the Net Pension Liability	\$ 4,962,304.00	\$ 4,887,873.00	\$ 3,356,951.00	\$ 5,446,272.00	\$ 5,462,643.00
State's Proportionate Share of the Net Pension Liability	914,362.00	869,898.00	944,142.00	845,237.00	862,562.00
Total	<u>\$ 5,876,666.00</u>	<u>\$ 5,757,771.00</u>	<u>\$ 4,301,093.00</u>	<u>\$ 6,291,509.00</u>	<u>\$ 6,325,205.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,627,536.00	\$ 1,517,328.00	\$ 1,739,568.00	\$ 1,454,364.00	\$ 1,512,900.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	304.90%	322.14%	192.98%	374.48%	361.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0439998132%	0.0415760820%	0.0393696822%	0.0382377656%	0.0415476959%
Proportionate Share of the Net Pension Liability	\$ 5,953,900.00	\$ 6,418,543.00	\$ 7,520,616.00	\$ 6,369,079.00	\$ 5,226,315.00
State's Proportionate Share of the Net Pension Liability	808,739.00	718,931.00	631,545.00	558,547.00	562,786.00
Total	<u>\$ 6,762,639.00</u>	<u>\$ 7,137,474.00</u>	<u>\$ 8,152,161.00</u>	<u>\$ 6,927,626.00</u>	<u>\$ 5,789,101.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,459,716.00	\$ 1,416,340.00	\$ 1,314,808.00	\$ 1,210,920.00	\$ 1,248,724.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	453.18%	571.99%	525.97%	418.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

Note 10: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 597,878.00	\$ 555,368.00	\$ 535,275.00	\$ 470,882.00	\$ 450,887.00
Contribution in Relation to the Contractually Required Contribution	(597,878.00)	(555,368.00)	(535,275.00)	(470,882.00)	(450,887.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 1,528,926.70	\$ 1,609,069.00	\$ 1,544,105.00	\$ 1,611,325.00	\$ 1,511,852.00
Contributions as a Percentage of Covered Payroll	39.10%	34.51%	34.67%	29.22%	29.82%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 430,163.00	\$ 367,956.00	\$ 320,997.00	\$ 310,816.00	\$ 319,115.00
Contribution in Relation to the Contractually Required Contribution	(430,163.00)	(367,956.00)	(320,997.00)	(310,816.00)	(319,115.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 1,482,918.00	\$ 1,444,950.00	\$ 1,392,017.00	\$ 1,319,038.00	\$ 1,238,509.00
Contributions as a Percentage of Covered Payroll	29.01%	25.46%	23.06%	23.56%	25.77%

Note 10: 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 Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions

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

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%

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

The June 30, 2023 measurement date include the following plan amendment: Chapter 92, P.L. 2023 establishing an extension of the previous plan amendment Chapter 52, P.L. 2021, allowing members enrolled between January 18, 2000 and April 19, 2021 to retire prior to age 55 if they have attained 20 years of creditable service and retire by May 1, 2026.

Changes in Assumptions

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

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%

Note 11: 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, 2023 totaled \$9,935.91. 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 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN**

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 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, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees 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") annual financial statements, 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.

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Plan Description and Benefits Provided (Cont'd) - 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.

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 \$481,124.56, for the year ended December 31, 2022, representing 15.46% of the Borough's covered payroll. During the year ended December 31, 2022, retirees were required to contribute \$9,637.56 to the Plan.

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

OPEB Liability - At December 31, 2022, the Borough's and State's proportionate share of the net OPEB liability was \$11,247,224.00

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

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, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the Borough's proportion was .069644%, which was an increase of .004048% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

OPEB (Benefit) Expense - At December 31, 2022, the Borough's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$227,613.00. 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, 2022, the Borough made contributions to the Plan totaling \$481,124.56.

Note 12: 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 - At December 31, 2022, the Borough had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 580,819.00	\$ 2,084,757.00
Changes of Assumptions	1,500,989.00	3,838,461.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	2,961.00	-
Changes in Proportion	2,177,679.00	1,468,270.00
Contributions Subsequent to the Measurement Date	208,025.09	-
	<u>\$ 4,470,473.09</u>	<u>\$ 7,391,488.00</u>

Note 12: 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) - Deferred outflows of resources in the amount of \$208,025.09 will be included as a reduction of the Borough's net OPEB liability during the year ending December 31, 2023. The Borough will amortize the above other deferred outflows 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>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82

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,	
2023	\$ (898,490.00)
2024	(899,389.00)
2025	(648,012.00)
2026	(288,628.00)
2027	98,393.00
Thereafter	<u>(492,914.00)</u>
	<u>\$ (3,129,040.00)</u>

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

PERS - Rates for all future years 2.75% to 6.55% based on years of service

PFRS - Rates for all future years 3.25% to 16.25% based on years of service

Mortality:

PERS - Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS - Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* salary increases are based on years of service within the respective Plan

Actuarial assumptions used in the valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "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) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2022 was 3.54%. 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.

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Actuarial Assumptions (Cont'd)**

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
	Pre-65	PPO Post-65	HMO Post-65	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability, calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Proportionate Share of the Net OPEB Liability	\$ 13,037,797.00	\$ 11,247,224.00	\$ 9,806,541.00

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Proportionate Share of the Net OPEB Liability	\$ 9,541,359.00	\$ 11,247,224.00	\$ 13,431,957.00

Note 12: 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.

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 Proportionate Share of the Net OPEB Liability (Last Six Plan Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.069644%	0.065596%	0.069834%
Proportionate Share of the Net OPEB Liability	\$ 11,247,224.00	\$ 11,807,131.00	\$ 12,532,861.00
Covered Payroll (Plan Measurement Period)	\$ 2,981,597.00	\$ 3,036,333.00	\$ 3,051,078.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	377.22%	388.86%	410.77%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.060671%	0.066465%	0.062795%
Proportionate Share of the Net OPEB Liability	\$ 8,218,599.00	\$ 10,412,856.00	\$ 12,820,187.00
Covered Payroll (Plan Measurement Period)	\$ 2,971,169.00	\$ 2,959,667.00	\$ 2,779,848.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	276.61%	351.83%	461.18%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information (Cont'd)*****Schedule of Contributions (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 481,124.56	\$ 350,157.75	\$ 322,544.73
Actual Contributions in Relation to the Required Contribution	<u>(481,124.56)</u>	<u>(350,157.75)</u>	<u>(322,544.73)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,111,686.00	\$ 2,977,462.00	\$ 2,999,554.00
Contributions as a Percentage of Covered Payroll	15.46%	11.76%	10.75%
	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Contributions	\$ 340,011.20	\$ 551,208.88	\$ 564,559.91
Actual Contributions in Relation to the Required Contribution	<u>(340,011.20)</u>	<u>(551,208.88)</u>	<u>(564,559.91)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 3,060,404.00	\$ 2,985,933.00	\$ 2,874,527.00
Contributions as a Percentage of Covered Payroll	11.11%	18.46%	19.64%

Note 12: 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 - The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated experience study.

There were no changes to mortality projections.

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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, 2023, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	2
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	-
	-
	2

Total OPEB Liability

The Borough's total OPEB liability of \$878,856.00 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

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	4.00%
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, 2023 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.

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Changes in Total OPEB Liability**

Balance at December 31, 2022		\$	885,064.00
Changes for the Year:			
Service Cost	\$	-	
Interest Cost		37,307.00	
Benefit Payments		(38,930.00)	
Changes in Assumptions		(30,597.00)	
Difference between Expected and Actual Experience		<u>26,012.00</u>	
Net Changes			<u>(6,208.00)</u>
Balance at December 31, 2023		\$	<u>878,856.00</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 4.31% at December 31, 2022 to 4.00% at December 31, 2023.

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, 2023</u>		
	1.00% Decrease (3.00%)	Current Discount Rate (4.00%)	1.00% Increase (5.00%)
Total OPEB Liability	<u>\$ 965,445.00</u>	<u>\$ 878,856.00</u>	<u>\$ 802,619.00</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, 2023</u>		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	<u>\$ 806,920.00</u>	<u>\$ 878,856.00</u>	<u>\$ 958,625.00</u>

Note 12: 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 - For the year ended December 31, 2023, the Borough recognized OPEB expense of \$32,722.00. As of December 31, 2023, the Borough did not have any reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

<u>Year Ending Dec 31,</u>	
2023	
2024	
2025	
2026	
2027	
Thereafter	_____
	<u>\$ -</u>

Note 12: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****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 Six Years)

	Plan Measurement Date December 31,					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Cost	37,307.00	24,013.00	20,627.00	27,523.00	32,208.00	31,501.00
Benefit Payments	(38,930.00)	(45,000.00)	(39,991.00)	(30,686.00)	(25,662.00)	(15,180.00)
Changes in Assumptions	(30,597.00)	8,929.00	64,187.00	232,280.00	(44,609.00)	8,341.00
Difference Between Expected and Actual Experience	26,012.00	(192,633.00)	(43,798.00)	-	-	-
Net Change in Total OPEB Liability	(6,208.00)	(204,691.00)	1,025.00	229,117.00	(38,063.00)	24,662.00
Total OPEB Liability - Beginning of Year	885,064.00	1,089,755.00	1,088,730.00	859,613.00	897,676.00	873,014.00
Total OPEB Liability - End of Year	<u>\$ 878,856.00</u>	<u>\$ 885,064.00</u>	<u>\$ 1,089,755.00</u>	<u>\$ 1,088,730.00</u>	<u>\$ 859,613.00</u>	<u>\$ 897,676.00</u>
Covered-Employee Payroll	\$ 3,961,862.91	\$ 3,848,258.79	\$ 3,549,442.48	\$ 3,551,617.33	\$ 3,567,968.25	\$ 3,388,701.19
Total OPEB Liability as a Percentage of Covered Payroll	22.18%	23.00%	30.70%	30.65%	24.09%	26.49%

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

None

Changes in Assumptions

The discount rate changed from 4.31% as of December 31, 2022 to 4.00% as of December 31, 2023.

Note 13: 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.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$386,281.19.

Note 14: 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 15: FINANCED PURCHASE OBLIGATIONS

The Borough has entered into the following agreements which meet the requirements of financed purchases under the provisions of GASB Statement No. 87, *Leases*.

Copier - As of December 31, 2023, the Borough is financing one (1) copier with a total cost of \$6,423.50. The monthly payments are \$114.00. The agreement is for a term of five (5) years with an interest rate of 2.500%. The final maturity of the financed purchase is July 15, 2026.

The following is an analysis of the financed purchase obligation liability at December 31, 2023:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2023</u>	<u>2022</u>
Copiers	<u>\$ 3,418.86</u>	<u>\$ 4,684.19</u>

The following schedule represents the remaining future minimum payments under the financed purchase obligations, and the present value of the net minimum payments as of December 31, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,297.33	\$ 70.67	\$ 1,368.00
2025	1,330.14	37.86	1,368.00
2026	<u>791.39</u>	<u>6.61</u>	<u>798.00</u>
Total	<u>\$ 3,418.86</u>	<u>\$ 115.14</u>	<u>\$ 3,534.00</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Borough would have reported assets in the amount of \$6,423.50 and a financed purchase obligation in the amount of \$3,418.86. In addition, for the year ended December 31, 2023, the Borough would have recognized a reduction of the financed purchase obligation of \$1,265.33 and interest expense of \$102.67.

As a result of the regulatory basis of accounting previously described in note 1, the above noted cost of the assets, along with the financed purchase obligation liability, have not been recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund, instead, the annual payment of the financed purchase obligation of \$1,368.00 were budgeted and paid from the current fund. In addition, the assets have been recorded in the general fixed asset group of accounts at historical cost at the inception of each finance purchase agreement.

Note 16: CAPITAL DEBT**General Improvement Bonds**

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 \$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>
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	725,000.00	186,593.76	145,000.00	37,318.76
2027	725,000.00	163,437.50	150,000.00	32,712.50
2028	729,000.00	140,281.26	148,000.00	27,943.76
2029-2033	2,000,000.00	455,000.00	370,000.00	92,950.00
2034-2037	1,600,000.00	130,000.00	345,000.00	28,600.00
	<u>\$ 7,229,000.00</u>	<u>\$ 1,515,593.80</u>	<u>\$ 1,413,000.00</u>	<u>\$ 305,931.30</u>

<u>Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 70,000.00	\$ 34,620.00	\$ 1,220,857.54
2025	75,000.00	32,463.76	1,222,913.78
2026	80,000.00	30,157.00	1,204,069.52
2027	80,000.00	27,595.00	1,178,745.00
2028	80,000.00	25,032.50	1,150,257.52
2029-2033	403,000.00	82,842.50	3,403,792.50
2034-2037	260,000.00	21,612.50	2,385,212.50
	<u>\$ 1,048,000.00</u>	<u>\$ 254,323.26</u>	<u>\$ 11,765,848.36</u>

Note 16: 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>
2024	\$ 84,245.43	\$ 7,622.03	\$ 91,867.46
2025	132,703.66	10,793.78	143,497.44
2026	<u>137,140.31</u>	<u>5,485.62</u>	<u>142,625.93</u>
	<u>\$ 354,089.40</u>	<u>\$ 23,901.43</u>	<u>\$ 377,990.83</u>

Note 16: CAPITAL DEBT (CONT'D)

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 11,335,000.00	\$ 12,041,073.29	\$ 10,664,044.02
Water Utility:			
Bonds, Loans and Notes	6,325,089.40	6,666,195.93	3,979,673.73
Sewer Utility:			
Bonds and Notes	<u>3,446,000.00</u>	<u>3,511,000.00</u>	<u>2,128,000.00</u>
Total Issued	<u>21,106,089.40</u>	<u>22,218,269.22</u>	<u>16,771,717.75</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	3,150,094.00	844.00	1,526,214.00
Water Utility:			
Bonds and Notes	1,866,146.00	1,866,146.00	1,024,385.00
Sewer Utility:			
Bonds and Notes	<u>1,071.00</u>	<u>1,546.00</u>	<u>975.00</u>
Total Authorized but not Issued	<u>5,017,311.00</u>	<u>1,868,536.00</u>	<u>2,551,574.00</u>
Total Issued and Authorized but not Issued	<u>26,123,400.40</u>	<u>24,086,805.22</u>	<u>19,323,291.75</u>
<u>Deductions</u>			
Cash Pledged to Debt	708,348.00		
Self-Liquidating Debt	<u>11,638,306.40</u>	<u>12,044,887.93</u>	<u>7,133,033.73</u>
Total Deductions	<u>12,346,654.40</u>	<u>12,044,887.93</u>	<u>7,133,033.73</u>
Net Debt	<u>\$ 13,776,746.00</u>	<u>\$ 12,041,917.29</u>	<u>\$ 12,190,258.02</u>

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 1.534%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 19,699,000.00	\$ 19,699,000.00	
Regional School District	569,868.25	569,868.25	
Water Utility	8,191,235.40	8,191,235.40	
Sewer Utility	3,447,071.00	3,447,071.00	
General	<u>14,485,094.00</u>	<u>708,348.00</u>	<u>\$ 13,776,746.00</u>
	<u>\$ 46,392,268.65</u>	<u>\$ 32,615,522.65</u>	<u>\$ 13,776,746.00</u>

Net debt \$13,776,746.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$898,262,302.67, equals 1.534%.

Note 16: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 31,439,180.59
Less: Net Debt	<u>13,776,746.00</u>
Remaining Borrowing Power	<u><u>\$ 17,662,434.59</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	\$ 3,483,702.70
Deductions:	
Operating and Maintenance Costs	\$ 2,847,131.56
Debt Service per Water Fund	<u>599,894.43</u>
Total Deductions	<u>3,447,025.99</u>
Excess in Revenue	<u><u>\$ 36,676.71</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	\$ 1,252,815.48
Deductions:	
Operating and Maintenance Costs	\$ 928,804.00
Debt Service per Sewer Fund	<u>209,336.71</u>
Total Deductions	<u>1,138,140.71</u>
Excess in Revenue	<u><u>\$ 114,674.77</u></u>

The forgoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Note 17: SCHOOL TAXES

The Borough of Berlin Local School Tax and Eastern Regional High School tax has 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>2023</u>	<u>2022</u>
Balance of Tax	\$ 4,350,213.90	\$ 4,219,873.42
Deferred	<u>3,371,664.00</u>	<u>3,371,664.00</u>
	<u>\$ 978,549.90</u>	<u>\$ 848,209.42</u>

Regional School District:

	<u>Balance December 31,</u>	
	<u>2023</u>	<u>2022</u>
Balance of Tax	\$ 2,538,835.42	\$ 2,496,283.42
Deferred	<u>1,720,206.54</u>	<u>1,720,206.54</u>
	<u>\$ 818,628.88</u>	<u>\$ 776,076.88</u>

Note 18: 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 including 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

Note 18: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - 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, 2022, which can be obtained from:

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

Note 19: 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 20: 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 21: 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 22: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2023, several tax appeals were on file against the Borough. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the Borough, the estimated impact of the tax refunds could be material.

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>
General Improvements	July 11, 2024	\$ 1,587,500.00
Water Utility Improvements	July 11, 2024	670,000.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BERLIN BOROUGH
CURRENT FUND
Statement of Current Cash
Per N.J.S.A.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2023

	<u>Regular</u>	<u>Federal and State Grant Fund</u>
Balance Dec. 31, 2022	\$ 6,785,633.25	\$ 968,046.66
Increased by Receipts:		
From Tax Collector	\$ 27,613,506.12	
Energy Receipts Tax	701,512.81	
Uniform Fire Safety Act Fees	75,119.66	
Rental and Inspection Fees	99,150.00	
Miscellaneous Revenue Not Anticipated	202,118.30	
Revenue Accounts Receivable	856,726.07	
Due from State of New Jersey:		
Senior Citizen and Veteran Deductions	52,336.80	
State Training Fees	8,692.00	
State Marriage Fees	1,100.00	
Grants Receivable		\$ 486,146.30
Due Trust Other Fund:		
Received on Behalf	4,782.92	
Due Federal and State Grant Fund	788,782.22	
2023 Appropriation Refunds	147,827.45	
2022 Appropriation Reserve Refunds	1,500.00	
Reserve for Municipal Relief Fund	72,669.59	
Contra	<u>2,571.01</u>	
	<u>30,628,394.95</u>	<u>486,146.30</u>
	37,414,028.20	1,454,192.96
Decreased by Disbursements:		
2023 Appropriations	8,365,449.94	
2022 Appropriation Reserves	231,723.21	
Due to State of New Jersey -- State Training Fees	9,924.00	
Due County for Added and Omitted Taxes	152,024.26	
County Taxes Payable	6,303,868.82	
Local District School Taxes Payable	8,541,703.52	
Regional High School Taxes Payable	5,018,319.00	
Reserve for Grants--Appropriated		414,333.48
Reserve for Encumbrances		8,981.01
Due Current Fund		788,782.22
Operations - Refund of Prior Year Revenue	14,842.41	
Contra	<u>2,571.01</u>	
	<u>28,640,426.17</u>	<u>1,212,096.71</u>
Balance Dec. 31, 2023	<u>\$ 8,773,602.03</u>	<u>\$ 242,096.25</u>

BERLIN BOROUGH
CURRENT FUND
 Statement of Current Cash
 Per N.J.S.A.40A:5-5 -- Collector
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$	269,707.61
Increased by Receipts:			
Taxes Receivable	\$ 27,004,918.54		
Tax Overpayments	95,478.33		
Prepaid Taxes	239,851.23		
Interest and Costs on Taxes	106,506.00		
Revenue Accounts Receivable:			
Miscellaneous Revenue	142,874.31		
Miscellaneous Revenue Not Anticipated	35,559.97		
			27,625,188.38
			27,894,895.99
Decreased by Disbursements:			
Turnover to Treasurer			27,613,506.12
Balance Dec. 31, 2023		\$	281,389.87

CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2023

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

BERLIN BOROUGH
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2023

Year	Balance Dec. 31, 2022	Levy	Added Taxes	Collections 2022	2023	Due from State of New Jersey	Appeals	Canceled	Overpayments Applied	Transferred to Tax Title Liens	Balance Dec. 31, 2023
2019	\$ 5,497.95										\$ 5,497.95
2020	5,653.03										5,653.03
2021	7,041.16				\$ 7,037.85						3.31
2022	380,063.05		\$ 933.20		374,469.12				\$ 762.98		5,764.15
	398,255.19	-	933.20	-	381,506.97	-	-	-	762.98	-	16,918.44
2023	-	\$ 27,198,160.90	-	\$ 205,714.04	26,623,411.57	\$ 49,750.00	\$ 24,559.08	868.92	23,323.47	\$ 19,478.94	251,054.88
	\$ 398,255.19	\$ 27,198,160.90	\$ 933.20	\$ 205,714.04	\$ 27,004,918.54	\$ 49,750.00	\$ 24,559.08	\$ 868.92	\$ 24,086.45	\$ 19,478.94	\$ 267,973.32

Analysis of 2023 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 26,885,880.94
Added and Omitted Taxes (54:63.1 et seq.)	312,279.96
	<u>\$ 27,198,160.90</u>

Tax Levy

Regional High School Tax	\$ 5,060,871.00
Local District School Tax	8,672,044.00
County Taxes:	
County Taxes	\$ 6,117,874.53
County Open Space Tax	185,994.29
Due County for Added and Omitted Taxes	<u>73,265.66</u>
Total County Taxes	6,377,134.48
Municipal Open Space Taxes:	
Municipal Open Space Tax	119,302.64
Municipal Added and Omitted Taxes	<u>1,385.90</u>
Total Municipal Open Space Taxes	120,688.54
Local Tax for Municipal Purposes	6,425,373.84
Municipal Library Tax	300,453.00
Add: Additional Tax Levied	3,967.64
Add: Added and Omitted Taxes	<u>237,628.40</u>
Local Tax for Municipal Purposes Levied	<u>6,967,422.88</u>
	<u>\$ 27,198,160.90</u>

BERLIN BOROUGH
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Accrued</u> <u>2023</u>	<u>Collector</u>	<u>Decreased</u> <u>Treasurer</u>	<u>Due From</u> <u>Trust</u> <u>Other Fund</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Licenses:							
Alcoholic Beverages		\$ 12,376.80		\$ 12,376.80			
Other		75,902.00		75,902.00			
Fees and Permits - Other:							
Clerk		29,932.57		29,932.57			
Searches for Municipal Improvements		50.00		50.00			
Planning		7,050.00		7,050.00			
Zoning		4,850.00		4,850.00			
Police		10,337.00		10,337.00			
Registrar of Vital Statistics		3,686.00		3,686.00			
Construction Code:							
Fees and Permits		134,983.00		134,983.00			
Cable TV Franchise Fees		111,051.49		111,051.49			
Municipal Court:							
Fines and Costs	\$ 8,118.88	112,073.94		111,555.95			\$ 8,636.87
Interest on Investments:							
Current Fund		175,369.47		175,369.47			
Animal Control Fund		109.25		109.25			
Trust Other Fund - Treasurer		21,838.47		11,279.99	\$ 10,558.48		
Trust Other Fund - Collector		2,320.47		2,320.47			
General Capital Fund		45,488.30		45,488.30			
Payment in Lieu of Taxes:							
Virtua Hospital		113,923.80	\$ 113,923.80				
Jet Associates		28,950.51	28,950.51				
Rentals of Borough Property:							
U.S. Post Office	833.29	18,950.04		18,950.02			833.31
Bell Telephone / Verizon Rental	12,100.15	78,633.76		78,633.76			12,100.15
Cable T.C. Co. (AT&T)	3,800.00	22,800.00		22,800.00		\$ 3,800.00	
93 Clementon Rd.		20,466.00		20,466.00			
PNC Bank		12,204.57		12,204.56			0.01
	<u>\$ 24,852.32</u>	<u>\$ 1,043,347.44</u>	<u>\$ 142,874.31</u>	<u>\$ 889,396.63</u>	<u>\$ 10,558.48</u>	<u>\$ 3,800.00</u>	<u>\$ 21,570.34</u>
Collections:							
Miscellaneous Revenue			\$ 142,874.31	\$ 856,726.07			
Miscellaneous Revenue Not Anticipated				32,670.56			
			<u>\$ 142,874.31</u>	<u>\$ 889,396.63</u>			

BERLIN BOROUGH

CURRENT FUND

Statement of Due to State of New Jersey--Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 14,170.39
Increased by:		
Deductions Disallowed per Tax Collector -- Prior Year	\$ 913.20	
Cash Received	<u>52,336.80</u>	
		<u>53,250.00</u>
		67,420.39
Decreased by:		
Deductions Allowed per Tax Billing	51,250.00	
Deductions Allowed per Tax Collector -- Current Year	<u>1,000.00</u>	
	52,250.00	
Less:		
Deductions Disallowed per Tax Collector -- Current Year	<u>2,500.00</u>	
		<u>49,750.00</u>
Balance Dec. 31, 2023		<u>\$ 17,670.39</u>

BERLIN BOROUGH
CURRENT FUND
 Statement of 2022 Appropriation Reserves
 For the Year Ended December 31, 2023

	<u>Balance Dec. 31, 2022</u>		<u>Balance After Modification</u>	<u>Decreased</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS--WITHIN "CAPS"					
<u>General Government</u>					
Mayor and Council					
Salaries and Wages		\$ 23.28	\$ 23.28		\$ 23.28
Other Expenses	\$ 261.00	\$ 4,921.42	5,182.42	\$ 261.00	4,921.42
Administrative and Executive					
Salaries and Wages		3,621.95	3,621.95		3,621.95
Other Expenses	9,405.91	16,544.83	25,950.74	11,700.93	14,249.81
Financial Administration					
Salaries and Wages		520.89	520.89		520.89
Other Expenses	2,520.11	28,810.94	31,331.05	2,714.26	28,616.79
Engineering Services					
Other Expenses	7,035.22	22,988.13	30,023.35	10,220.04	19,803.31
Collection of Taxes					
Salaries and Wages		4,269.82	3,801.02		3,801.02
Other Expenses	449.82	5,615.07	6,064.89	465.35	5,599.54
Public Employees' Award Program (N.J.S.A.40A:9-8) (N.J.S.A.40A:5-31)					
Other Expenses		491.96	491.96		491.96
Assessment of Taxes					
Salaries and Wages		21.70	490.50	490.50	
Other Expenses	2,700.00	235.81	2,935.81	2,700.00	235.81
Municipal Court					
Salaries and Wages		27,676.97	27,676.97	260.00	27,416.97
Other Expenses	1,611.90	7,026.87	8,638.77	1,611.90	7,026.87
Legal Services and Costs					
Other Expenses		82,703.02	82,703.02	48,620.46	34,082.56
Economic Development Committee					
Salaries and Wages	96.00	3,854.00	28,950.00	20,821.08	8,128.92
Municipal Land Use Law (N.J.S.A.40:55D-1):					
Planning Board					
Salaries and Wages		350.00	350.00		350.00
Other Expenses	3,056.83	6,916.08	9,972.91	6,780.83	3,192.08
Zoning Enforcement Officer					
Salaries and Wages		14,375.00	14,375.00	1,312.50	13,062.50
Other Expenses	100.00	175.96	275.96	134.00	141.96
Historic Committee					
Other Expenses	3,665.00	69.61	3,734.61	3,475.00	259.61
Insurance					
Health Benefit Waiver		3,870.98	3,870.98		3,870.98
Other Insurance		1,335.34	1,335.34		1,335.34
Unemployment Compensation Insurance		597.36	597.36		597.36
Group Insurance for Employees		84,877.08	54,877.08	2,566.75	52,310.33
<u>Public Safety</u>					
Police					
Salaries and Wages		33,334.68	32,279.17	19,517.04	12,762.13
Other Expenses:	24,602.91	44,016.43	68,619.34	22,005.54	46,613.80
Fire					
Miscellaneous Other Expenses	3,295.98	983.46	4,279.44	3,513.92	765.52
Aid to Volunteer Ambulance/Emergency Squad					
Other Expenses		5,000.00	5,000.00		5,000.00
Public Defender					
Other Expenses		2,500.00	2,500.00		2,500.00
Uniform Fire Safety Act (P.L. 1983 CH 383):					
Fire					
Salaries and Wages		6,542.68	6,542.68		6,542.68
Other Expenses	833.43	651.18	1,484.61	666.44	818.17
Emergency Management Services					
Salaries and Wages		749.98	749.98		749.98
Other Expenses	838.03	1,140.18	1,978.21	538.34	1,439.87

(Continued)

BERLIN BOROUGH
CURRENT FUND
 Statement of 2022 Appropriation Reserves
 For the Year Ended December 31, 2023

	<u>Balance Dec. 31, 2022</u>		<u>Balance After Modification</u>	<u>Decreased</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>					
<u>Streets and Roads</u>					
Road Repairs and Maintenance					
Salaries and Wages		\$ 4,200.27	\$ 4,418.44	\$ 4,418.44	\$ 0.00
Other Expenses	\$ 4,017.88	10,400.36	14,200.07	2,351.10	11,848.97
Public Buildings and Grounds					
Salaries and Wages		1,935.99	1,935.99		1,935.99
Other Expenses	8,260.38	6,125.03	14,385.41	7,762.49	6,622.92
Garbage and Trash Collection					
Salaries and Wages		41,366.49	41,366.49	493.43	40,873.06
Other Expenses		5,471.60	5,471.60	3,140.98	2,330.62
Vehicle and Equipment Maintenance					
Salaries and Wages		2,393.83	2,393.83		2,393.83
Other Expenses	18,669.56	5,220.18	23,889.74	22,500.32	1,389.42
<u>Health and Welfare</u>					
Senior Citizen Coordinator					
Salaries and Wages		1.00	1.00		1.00
Other Expenses		4,346.08	5,401.59		5,401.59
<u>Recreation and Education</u>					
Parks and Playgrounds					
Salaries and Wages		2,992.13	2,992.13		2,992.13
Other Expenses		8,305.25	8,305.25	140.00	8,165.25
<u>Uniform Construction Code -- Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages		2.62	502.62		502.62
Other Expenses	120.00	1,090.98	5,410.98	195.00	5,215.98
Other Code Enforcement					
Salaries and Wages		63.67	363.67		363.67
Sub-Code Officials:					
Fire					
Salaries and Wages		199.00	199.00		199.00
<u>Unclassified</u>					
Electricity		2,009.12	2,009.12		2,009.12
Water Service		4,722.40	4,722.40		4,722.40
Sewer Service		7,466.96	7,466.96		7,466.96
Telephone	800.00	2,526.07	3,326.07	2,035.16	1,290.91
Gas / Fuel Oil		2,885.26	2,885.26		2,885.26
Trash Disposal	20,360.08	58,272.01	78,632.09	26,317.35	52,314.74
Street Lighting		8,449.13	8,449.13		8,449.13
Gasoline / Motor Fuel	493.06	1,611.85	2,104.91	493.06	1,611.85
Accumulated Sickleave		1.00	1.00		1.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Defined Contribution Retirement System		5,000.00	5,000.00		5,000.00
Social Security System (O.A.S.I.)		8,738.91	8,738.91		8,738.91
<u>OPERATIONS-- EXCLUDED FROM "CAPS"</u>					
Solid Waste Disposal					
Recycling Tax (P.L. 2007, c. 311)		3,547.98	3,547.98		3,547.98
Storm Water Management					
Salaries and Wages		1,313.32	1,313.32		1,313.32
Other Expenses		2,736.97	2,736.97		2,736.97
	<u>\$ 113,193.10</u>	<u>\$ 620,208.12</u>	<u>\$ 733,401.22</u>	<u>\$ 230,223.21</u>	<u>\$ 503,178.01</u>
Disbursed				\$ 231,723.21	
Reimbursed				(1,500.00)	
				<u>\$ 230,223.21</u>	

BERLIN BOROUGH
CURRENT FUND
 Statement of Due to State of New Jersey -- State Training Fees
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 2,611.00
Increased by:		
Receipts -- Treasurer		<u>8,692.00</u>
		11,303.00
Decreased by:		
Disbursed -- Treasurer		<u>9,924.00</u>
Balance Dec. 31, 2023		<u><u>\$ 1,379.00</u></u>

CURRENT FUND
 Statement of Tax Title Liens Receivable
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 118,352.54
Increased by:		
Transferred from Taxes Receivable	\$ 19,478.94	
Interest and Costs from Tax Sale	<u>872.77</u>	
		<u>20,351.71</u>
Balance Dec. 31, 2023		<u><u>\$ 138,704.25</u></u>

BERLIN BOROUGH
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2023

Balance Dec. 31, 2022 (2023 Taxes)	\$ 205,714.04
Increased by:	
Receipts:	
Collector -- 2024 Taxes	<u>239,851.23</u>
	445,565.27
Decreased by:	
Application to 2023 Taxes Receivable	<u>205,714.04</u>
Balance Dec. 31, 2023 (2024 Taxes)	<u><u>\$ 239,851.23</u></u>

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 1,904.61
Increased by:	
Collector Receipts:	
Overpayments Created	<u>95,478.33</u>
	97,382.94
Decreased by:	
Application to Taxes Receivable	<u>24,086.45</u>
Balance Dec. 31, 2023	<u><u>\$ 73,296.49</u></u>

BERLIN BOROUGH
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$	152,024.00
Increased by:		
County Share of Added and Omitted Taxes		<u>73,265.66</u>
		225,289.66
Decreased by:		
Payments -- Treasurer		<u>152,024.26</u>
Balance Dec. 31, 2023	\$	<u><u>73,265.40</u></u>

CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		
Increased by:		
2023 Levy:		
General County	\$	6,117,874.53
County Open Space		<u>185,994.29</u>
	\$	6,303,868.82
Decreased by:		
Payments -- Treasurer		<u><u>\$ 6,303,868.82</u></u>

CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$	113,193.10
Increased by:		
Transferred from 2023 Budget Appropriations		<u>138,728.56</u>
		251,921.66
Decreased by:		
Transferred to Appropriation Reserves		<u>113,193.10</u>
Balance Dec. 31, 2023	\$	<u><u>138,728.56</u></u>

BERLIN BOROUGH
CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2023

<hr/>		
Balance Dec. 31, 2022:		
School Tax Payable	\$ 848,209.42	
School Tax Deferred	<u>3,371,664.00</u>	
		\$ 4,219,873.42
Increased by:		
Levy -- School Year July 1, 2023 to June 30, 2024		<u>8,672,044.00</u>
		12,891,917.42
Decreased by:		
Payments -- Treasurer		8,541,703.52
Balance Dec. 31, 2023:		
School Tax Payable	978,549.90	
School Tax Deferred	<u>3,371,664.00</u>	
		<u>\$ 4,350,213.90</u>
2023 Liability for Local District School Tax:		
Tax Paid		\$ 8,541,703.52
Tax Payable Dec. 31, 2023		<u>978,549.90</u>
		9,520,253.42
Less: Tax Payable Dec. 31, 2022		<u>848,209.42</u>
Amount Charged to 2023 Operations		<u>\$ 8,672,044.00</u>

CURRENT FUND
Statement of Due to Municipal Open Space Fund
For the Year Ended December 31, 2023

<hr/>		
Balance Dec. 31, 2022		\$ 233,881.16
Increased by:		
Levy	\$ 119,302.64	
Open Space Share of Added and Omitted Taxes	<u>1,385.90</u>	
		<u>120,688.54</u>
Balance Dec. 31, 2023		<u>\$ 354,569.70</u>

BERLIN BOROUGH
CURRENT FUND
Statement of Regional High School Tax
For the Year Ended December 31, 2023

<hr/>		
Balance Dec. 31, 2022:		
School Tax Payable	\$ 776,076.88	
School Tax Deferred	<u>1,720,206.54</u>	
		\$ 2,496,283.42
Increased by:		
Levy -- School Year July 1, 2023 to June 30, 2024		<u>5,060,871.00</u>
		7,557,154.42
Decreased by:		
Payments -- Treasurer		5,018,319.00
Balance Dec. 31, 2023:		
School Tax Payable	818,628.88	
School Tax Deferred	<u>1,720,206.54</u>	
		<u><u>\$ 2,538,835.42</u></u>
2023 Liability for Regional High School Tax:		
Tax Paid		\$ 5,018,319.00
Tax Payable Dec. 31, 2023		<u>818,628.88</u>
		5,836,947.88
Less: Tax Payable Dec. 31, 2022		<u>776,076.88</u>
Amount Charged to 2023 Operations		<u><u>\$ 5,060,871.00</u></u>

BERLIN BOROUGH
FEDERAL AND STATE GRANT FUND
Statement of Grants Receivable
For the Year Ended December 31, 2023

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Federal Grants:				
Drive Sober or Get Pulled Over	\$ 3,800.00			\$ 3,800.00
Seatbelt Click-it-or-Ticket Grant	775.00			775.00
County Historic Preservation	25,088.00			25,088.00
FEMA Safer Grant	209,165.72	\$ 101,680.00	\$ 159,735.00	151,110.72
ARP - Firefighter Grant		33,000.00		33,000.00
	<u>238,828.72</u>	<u>134,680.00</u>	<u>159,735.00</u>	<u>213,773.72</u>
Total Federal Grants				
State Grants:				
Clean Communities Grant		18,287.75	18,287.75	
Safe and Secure Communities Program	32,400.00		32,400.00	
Body Armor Grant		1,779.76	1,779.76	
Body Worn Camera Grant	14,266.00			14,266.00
Bulletproof Vest Grant	1,786.91			1,786.91
Certified Local Government Grant	24,999.00			24,999.00
Recycling Tonnage Grant		10,718.79	10,718.79	
New Jersey Department of Transportation - 2019	75,000.00			75,000.00
New Jersey Department of Transportation - 2020		61,250.00	61,250.00	
New Jersey Department of Transportation - 2022	75,325.00	111,650.00	186,975.00	
New Jersey Department of Transportation - 2023		208,558.00		208,558.00
New Jersey Department of Transportation - 2024		213,490.00		213,490.00
Stormwater Assistance Grant		25,000.00	15,000.00	10,000.00
	<u>223,776.91</u>	<u>650,734.30</u>	<u>326,411.30</u>	<u>548,099.91</u>
Total State Grants				
	<u>\$ 462,605.63</u>	<u>\$ 785,414.30</u>	<u>\$ 486,146.30</u>	<u>\$ 761,873.63</u>
Total				

BERLIN BOROUGH
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Grants -- Unappropriated
For the Year Ended December 31, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Federal Grants:				
FEMA Firefighter Assistance Grant		\$ 101,680.00	\$ 101,680.00	
ARP - Firefighter Grant		33,000.00	33,000.00	
American Rescue Plan	\$ 788,782.22		788,782.22	
Total Federal Grants	<u>788,782.22</u>	<u>134,680.00</u>	<u>923,462.22</u>	<u>-</u>
State Grants:				
Clean Communities Program		18,287.75	18,287.75	
Body Armor Grant	2,691.66	1,779.76	2,691.66	\$ 1,779.76
Recycling Tonnage Grant		10,718.79	10,718.79	
New Jersey Department of Transportation - 2020		61,250.00		61,250.00
New Jersey Department of Transportation - 2022		111,650.00		111,650.00
New Jersey Department of Transportation - 2023		208,558.00	208,558.00	
New Jersey Department of Transportation - 2024		213,490.00	213,490.00	
Drunk Driving Enforcement Grant	3,650.11		3,650.11	
Stormwater Assistance Grant		25,000.00	25,000.00	
Total State Grants	<u>6,341.77</u>	<u>650,734.30</u>	<u>482,396.31</u>	<u>174,679.76</u>
Local Grants:				
County DWI Grant	2,040.00		2,040.00	
Total	<u>\$ 797,163.99</u>	<u>\$ 785,414.30</u>	<u>\$ 1,407,898.53</u>	<u>\$ 174,679.76</u>
Appropriated in the Grant Fund			\$ 619,116.31	
Appropriated in the Current Fund			<u>788,782.22</u>	
			<u>\$ 1,407,898.53</u>	

BERLIN BOROUGH
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Grants -- Appropriated
For the Year Ended December 31, 2023

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Transferred</u> <u>From 2023</u> <u>Budget</u> <u>Appropriation</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2023</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		\$ 482.02	4,517.98
Seatbelt Click-it-or-Ticket Grant	975.00			975.00
Volunteer Firefighter Assistance Grant	29,474.93		29,474.93	
FEMA Safer Grant	176,401.72	\$ 101,680.00	175,587.88	102,493.84
ARP Firefighter Grant		33,000.00	33,000.00	
Municipal Stormwater Regulation	2,132.40			2,132.40
Total Federal Grants	216,137.25	134,680.00	238,544.83	112,272.42
State Grants:				
Clean Communities Grant	44,126.94	18,287.75	17,223.68	45,191.01
Body Armor Grant		2,691.66	2,292.76	398.90
Body Worn Camera Grant	5,847.35		3,202.60	2,644.75
Bulletproof Vest Grant	1,760.20		1,146.38	613.82
Certified Local Government Grant	86.50			86.50
Recycling Tonnage Grant	8,934.59	10,718.79	4,467.41	15,185.97
Alcohol Education and Rehabilitation Grant	2,804.43			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 - 2021	31,575.52			31,575.52
New Jersey Department of Transportation - 2022	250,000.00		249,300.00	700.00
New Jersey Department of Transportation - 2023		208,558.00		208,558.00
New Jersey Department of Transportation - 2024		213,490.00		213,490.00
Drunk Driving Enforcement Grant	17,620.71	3,650.11	753.00	20,517.82
Stormwater Assistance Grant		25,000.00	25,000.00	
Library Teacher Grant	67.74			67.74
Tischler Graphic Novel Grant	66.48			66.48
Total State Grants	381,590.85	482,396.31	303,385.83	560,601.33
Local Grants:				
County DWI Grant	537.08	2,040.00	377.08	2,200.00
County Recycling Rebate Grant	72.66			72.66
County Recreation Grant	25,000.00			25,000.00
Total Local Grants	25,609.74	2,040.00	377.08	27,272.66
Grand Total	\$ 623,337.84	\$ 619,116.31	\$ 542,307.74	\$ 700,146.41
Reserve for Encumbrances			\$ 19,985.95	
Contracts Payable			107,506.29	
Due Trust Other Fund			482.02	
Disbursed			414,333.48	
			\$ 542,307.74	

BERLIN BOROUGH
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 10,150.46
Increased by:	
Charges to Appropriated Grants	<u>19,985.95</u>
	30,136.41
Decreased by:	
Disbursements	<u>8,981.01</u>
Balance Dec. 31, 2023	<u><u>\$ 21,155.40</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

BERLIN BOROUGH
TRUST FUNDS
 Statement of Trust Cash
 Per N.J.S.A.40A:5-5 -- Chief Financial Officer
 For the Year Ended December 31, 2023

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other</u>
Balance Dec. 31, 2022	\$ 4,313.23	\$ 290,736.69	\$ 1,666,532.70
Increased by Receipts:			
Reserve for Animal Control Expenditures	\$ 4,288.40		
Due to State Department of Health	531.60		
Due Current Fund			\$ 44,503.47
Police Oustside Service Receivable			14,948.50
Open Space Miscellaneous Revenue		\$ 5,127.78	
Reserve for Parking Offenses Adjudication Act			28.00
Reserve for Payroll Deductions Payable			1,824,127.08
Reserve for Net Payroll			2,642,662.54
Reserve for Affordable Housing			57,674.09
Reserve for COAH Fees			0.39
Reserve for Developers' Escrow Deposits			80,354.60
Reserve for Municipal Alliance			1,386.05
Reserve for Recycling Funds			20,282.72
Reserve for Public Defender			8,001.83
Reserve for Performance Bonds			26,106.00
Reserve for Fire Safety			100.00
Reserve for Police Outside Services			66,399.40
Reserve for Special Law Enforcement			28,049.82
Contra	<u>1,603.86</u>		
	<u>6,423.86</u>	<u>5,127.78</u>	<u>4,814,624.49</u>
	10,737.09	295,864.47	6,481,157.19
Decreased by Disbursements:			
Due State Department of Health	531.60		
Due Current Fund			33,944.99
Due Federal and State Grant Fund			482.02
Reserve for Celebration			49.25
Reserve for Payroll Deductions Payable			1,883,017.15
Reserve for Net Payroll			2,642,662.54
Reserve for Affordable Housing			52,500.00
Reserve for Developers' Escrow Deposits			80,472.87
Reserve for Municipal Alliance			4,025.00
Reserve for Recycling Funds			30,678.87
Reserve for Public Defender			4,500.00
Reserve for Performance Bonds			126,095.94
Reserve for Fire Safety			291.17
Reserve for Police Outside Services			71,182.32
Reserve for Special Law Enforcement			4,774.70
Reserve for Animal Control Expenditures	8,011.24		
Reserve for Encumbrances			5,385.00
2023 Budget Appropriations		67,846.00	
Contra	<u>1,603.86</u>		
	<u>10,146.70</u>	<u>67,846.00</u>	<u>4,940,061.82</u>
Balance Dec. 31, 2023	<u>\$ 590.39</u>	<u>\$ 228,018.47</u>	<u>\$ 1,541,095.37</u>

BERLIN BOROUGH
TRUST--OTHER FUND
 Statement of Trust Other Cash
 Per N.J.S.A.40A:5-5 -- Collector
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$	181,019.35
Increased by Receipts:			
Due Current Fund	\$	2,320.47	
Due CCMUA		46,463.34	
Reserve for Tax Title Lien Redemptions		229,984.94	
Reserve for Premiums Received at Tax Sale		198,300.00	
Contra		76,524.77	
			553,593.52
			734,612.87
Decreased by Disbursements:			
Due Current Fund		2,320.47	
Due CCMUA		46,463.34	
Reserve for Tax Title Lien Redemptions		130,316.54	
Reserve for Premiums Received at Tax Sale		176,100.00	
Contra		76,524.77	
			431,725.12
Balance Dec. 31, 2023		\$	302,887.75

ANIMAL CONTROL TRUST FUND
 Statement of Reserve For Animal Control Expenditures
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$	3,219.59
Increased by:			
Budget Appropriations	\$	8,282.00	
Collections			
Dog License Fees		3,618.40	
Cat License Fees		670.00	
			12,570.40
Reserve for Encumbrances		246.54	
Due to Municipal Clerk		413.60	
			13,230.54
			16,450.13
Decreased by:			
Disbursements			8,011.24
Balance Dec. 31, 2023		\$	8,438.89

License Fees Collected

<u>Year</u>	<u>Amount</u>
2022	\$ 6,540.80
2021	7,245.80
	\$ 13,786.60

BERLIN BOROUGH
TRUST--OTHER FUND
Statement of Due from Developers
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 29,973.89
Increased by:	
Escrow Charges	<u>1,796.31</u>
Balance Dec. 31, 2023	<u>\$ 31,770.20</u>

ANIMAL CONTROL TRUST FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2023

Increased by:	
Dog License Fees Collected	\$ 531.60
Decreased by:	
Disbursed to State of New Jersey	<u>\$ 531.60</u>

BERLIN BOROUGH
TRUST--OTHER FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 79,402.75
Decreased by:		
Receipts:		
Treasurer:		
Police Outside Service Administrative Fees	\$ 22,665.00	
Revenue - Interest on Deposits	21,838.47	
Collector:		
Revenue - Interest on Deposits	<u>2,320.47</u>	
		<u>46,823.94</u>
		32,578.81
Increased by:		
Disbursements:		
Interfund Loans Returned:		
Interfund Loans Returned:	\$ 22,665.00	
Interest on Deposits Remitted	11,279.99	
Collector	<u>2,320.47</u>	
		36,265.46
Received by Current Fund on Behalf of Trust Other Fund:		
Police Outside Service	<u>4,782.92</u>	
		<u>41,048.38</u>
Balance Dec. 31, 2023		<u><u>\$ 73,627.19</u></u>

BERLIN BOROUGH
TRUST -- OTHER FUND
Statement of Trust Other Reserves
For the Year Ended December 31, 2023

Reserve	Balance Dec. 31, 2022	Increased		Decreased			Balance Dec. 31, 2023	
		Receipts	Due from Current Fund	Accounts Receivable	Disbursements	Due to State of NJ - VCCB		Reserve for Encumbrances
Reserve for Recreation Facilities	\$ 67,482.98						\$ 67,482.98	
Reserve for Parking Offenses Adjudication Act	904.10	\$ 28.00					932.10	
Reserve for Accumulated Leave	130,000.00						130,000.00	
Reserve for Celebration	4,329.17				\$ 49.25		4,279.92	
Reserve for Payroll Deductions Payable	77,288.97	1,824,127.08			1,883,017.15		18,398.90	
Reserve for Net Payroll		2,642,662.54			2,642,662.54			
Reserve for Affordable Housing	562,606.37	57,674.09			52,500.00		567,780.46	
Reserve for COAH Fees	5,037.55	0.39					5,037.94	
Reserve for Developers' Escrow Deposits	524,200.63	80,354.60		\$ 1,796.31	80,472.87		525,878.67	
Reserve for Municipal Alliance	8,702.66	1,386.05			4,025.00		6,063.71	
Reserve for Tax Title Lien Redemptions	9,329.35	229,984.94			130,316.54		108,997.75	
Reserve for Premiums Received at Tax Sale	171,700.00	198,300.00			176,100.00		193,900.00	
Reserve for Recycling Funds	48,766.93	20,282.72			30,678.87		38,370.78	
Reserve for Bid Bonds	470.00						470.00	
Reserve for Security Deposits	6,043.85						6,043.85	
Reserve for Public Defender	8,750.00	8,001.83			4,500.00	\$ 6,626.83	5,625.00	
Reserve for Performance Bonds	228,627.92	26,106.00			126,095.94		128,637.98	
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	100.00			291.17		2,570.93	
Reserve for Police Donation	5,036.82						5,036.82	
Reserve for Police Outside Services		66,399.40	\$ 4,782.92		71,182.32			
Reserve for Special Law Enforcement	31,593.92	28,049.82			4,774.70		\$ 3,576.00	
Reserve for Encumbrances	5,385.00				5,385.00		(3,576.00)	
	<u>\$ 1,917,496.32</u>	<u>\$ 5,183,457.46</u>	<u>\$ 4,782.92</u>	<u>\$ 1,796.31</u>	<u>\$ 5,212,051.35</u>	<u>\$ 6,626.83</u>	<u>-</u>	<u>\$ 1,888,854.83</u>
Treasurer		\$ 4,755,172.52			\$ 4,905,634.81			
Collector		428,284.94			306,416.54			
		<u>\$ 5,183,457.46</u>			<u>\$ 5,212,051.35</u>			

BERLIN BOROUGH
ANIMAL CONTROL TRUST FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2023

Decreased by:		
Receipts:		
Revenue - Interest on Deposits		<u>\$ 109.25</u>
Increased by:		
Budget Appropriation	\$ 8,282.00	
Disbursement - Interest on Deposit	<u>109.25</u>	
		<u>8,391.25</u>
Balance Dec. 31, 2023		<u><u>\$ 8,282.00</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BERLIN BOROUGH
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 2,760,970.92
Increased by Receipts:		
Due Current Fund	\$ 45,488.30	
Due Water Utility Capital Fund	5,560.76	
Due Sewer Utility Capital Fund	2,925.56	
Fund Balance - Premium ion Sale of Notes	5,009.32	
Refunds of Improvement Authorizations	<u>14,342.21</u>	
		<u>73,326.15</u>
		2,834,297.07
Decreased by Disbursements:		
Improvement Authorizations	848,833.48	
Reserve for Encumbrances	52,113.41	
Contracts Payable	410,779.94	
Due Current Fund	229,745.05	
Due Sewer Utility Operating Fund	107,610.25	
Due Water Operating Fund	<u>204,540.25</u>	
		<u>1,853,622.38</u>
Balance Dec. 31, 2023		<u>\$ 980,674.69</u>

BERLIN BOROUGH
GENERAL CAPITAL FUND
 Statement of General Capital Cash
 For the Year Ended December 31, 2023

	Balance (Deficit) <u>Dec. 31, 2022</u>	Receipts		Disbursements			Balance (Deficit) <u>Dec. 31, 2023</u>
		Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From	To	
Capital Improvement Fund	\$ 226,533.00				\$ 365,750.00	\$ 938,782.22	\$ 799,565.22
Fund Balance	124,187.98	\$ 5,009.32					129,197.30
Due Current Fund		45,488.30		\$ 229,745.05	938,782.22		(1,123,038.97)
Due Water Utility Operating Fund				204,540.25			(204,540.25)
Due Water Utility Capital Fund		5,560.76					5,560.76
Due Sewer Utility Operating Fund				107,610.25			(107,610.25)
Due Sewer Utility Capital Fund		2,925.56					2,925.56
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	594.78				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		
15-10.2 Acquisition of Public Works Equipment	4,032.00				4,032.00		
15-10.6 Improvement to Municipal Facilities	544.94				544.94		
15-17.1 Improvement to Municipal Facilities	426.74				426.74		
16-05.1 Road Reconstruction	60,523.85				66,626.75	6,102.90	
16-05.2 Acquisition of Public Works Equipment	13,615.66		\$ 11,423.43		2,192.23		
16-05.3 Improvements to Municipal Facilities	23.69		3,868.95		1,069.74	4,915.00	
16-05.6 Acquisition of Police Equipment	0.82				0.82		
17-06.1 Road Reconstruction	203,937.60		5,060.00		209,768.35	10,890.75	
17-06.3 Acquisition of Fire Equipment	151.74				151.74		
17-06.5 Improvements to Recreational Facilities	7,608.75				7,608.75		
17-06.6 Reconstruction of Various Sidewalks	32,597.02				32,597.02		
17-10.1 Acquisition of Real Property	236,209.58				236,209.58		
18-12.1 Road Reconstruction	125,979.00				125,979.00		
18-12.3 Acquisition of Fire Equipment	4,615.21		4,040.00		575.21		
18-12.4 Acquisition of Public Works Equipment	9,495.00				9,495.00		
19-06.1 Road Reconstruction	33,410.00				4,024.89		29,385.11
19-06.2 Acquisition of Police Equipment	(200.00)						(200.00)
19-06.3 Acquisition of Fire Equipment	1,283.69		1,283.69				
19-06.4 Acquisition of Public Works Equipment	895.00						895.00
20-07.1 Reconstruction / Repaving Borough Roads	832.89		832.89				
20-07.2 Improvements to Park Facilities	166,311.50		1,950.00		5,435.20		158,926.30
20-07.3 Acquisition of an Ambulance	6,655.34						6,655.34
20-07.5 Acquisition of Various Fire Equipment	326.98		390.98				(64.00)
20-07.6 Acquisition of Various Construction Equipment	255.32						255.32
20-07.7 Acquisition of Various Public Works Equipment	31,639.70		28,629.08				3,010.62
20-07.8 Various Improvements to Municipal and Library Facilities	176,658.94		30,100.08				146,558.86
21-08.1 Reconstruction / Repaving Borough Roads	4,483.79		6,289.83			1,806.04	0.00
21-08.2 Various Improvements to Municipal and Library Facilities	325,000.00	14,342.21	28,684.42				310,657.79
21-08.3 Acquisition of Information Technology Equipment	9,672.94						9,672.94

(Continued)

BERLIN BOROUGH
GENERAL CAPITAL FUND
Statement of General Capital Cash
For the Year Ended December 31, 2023

	Balance (Deficit) <u>Dec. 31, 2022</u>	Receipts		Disbursements		Transfers		Balance (Deficit) <u>Dec. 31, 2023</u>
		<u>Miscellaneous</u>	<u>Improvement Authorizations</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>		
21-08.4	Acquisition of Various Equipment and Utility Vehicles	\$ 5,722.31		\$ 5,084.00				\$ 638.31
21-08.5	Acquisition of a Fire Truck and Related Equipment	13,066.98		1,218.82		\$ 7,097.50		4,750.66
21-08.6	Acquisition of Various Office Equipment	801.83						801.83
21-08.7	Acquisition of Various Heavy Equipment	105,435.98		94,832.80		8,790.00		1,813.18
22-06.1	Road and Traffic Improvements	52,310.00		18,981.91		9,628.62		23,699.47
22-06.2	Various Improvements to Municipal Facilities	76,450.00		14,853.41				61,596.59
22-06.3	Acquisition and Installation of Office Equipment	20,273.47		16,823.85				3,449.62
22-06.4	Upgrades to EMS Equipment	23,556.00		18,250.00				5,306.00
22-06.5	Acquisition of Equipment for the Fire Department	45,000.00						45,000.00
22-06.6	Acquisition of Equipment for the Police Department	1,427.23		1,427.23				
22-06.7	Acquisition of Equipment for the Public Works Department	99,727.85						99,727.85
23-04	Acquisition of Police Vehicles and Equipment			158,994.00		41,006.00	\$ 200,000.00	
23-08.1	Reconstruction/Repaving Borough Roads			36,077.75		31,422.25	15,000.00	(52,500.00)
23-08.2	Various Improvements to Municipal Buildings			48,578.30		30,700.00	19,750.00	(59,528.30)
23-08.3	Completion of Stormwater Infrastructure Improvements			12,342.00		2,540.94	6,250.00	(8,632.94)
23-08.4	Acquisition of Various Capital Equipment			27,029.97			3,500.00	(23,529.97)
23-08.5	Completion of Various Park Improvements			4,059.00			87,500.00	83,441.00
23-08.6	Acquisition of Various Trucks for Public Works			267,727.09		400,000.00	33,750.00	(633,977.09)
Due from State of New Jersey	(23,531.40)							(23,531.40)
Contracts Payable	431,176.93							416,642.59
Reserve for Encumbrances	90,774.94							159,346.64
Reserve for Payment of Debt							708,348.00	708,348.00
	<u>\$ 2,760,970.92</u>	<u>\$ 73,326.15</u>	<u>\$ 848,833.48</u>	<u>\$ 1,004,788.90</u>	<u>\$ 2,577,240.31</u>	<u>\$ 2,577,240.31</u>	<u>\$ 980,674.69</u>	

BERLIN BOROUGH
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 7,935,073.29
Decreased by:		
2023 Budget Appropriations:		
Serial Bonds	\$ 690,000.00	
Green Acres Loan Payable	<u>16,073.29</u>	
		<u>706,073.29</u>
Balance Dec. 31, 2023		<u>\$ 7,229,000.00</u>

BERLIN BOROUGH
GENERAL CAPITAL FUND
 Statement of Deferred Charges To Future Taxation--Unfunded
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Increased by		Analysis of Balance Dec. 31, 2023			
		Balance Dec. 31, 2022	2023 Authorizations	Balance Dec. 31, 2023	Expenditures	Bond Anticipation Notes	Unexpended Improvement Authorizations
General Improvements:							
13-03.6	Construction of Police Facility	\$ 250.00		\$ 250.00			\$ 250.00
19-06.1	Road Reconstruction	190,000.00		190,000.00		\$ 190,000.00	
19-06.2	Acquisition of Police Equipment	138,700.00		138,700.00	\$ 200.00	138,500.00	
19-06.3	Acquisition of Fire Equipment	47,500.00		47,500.00		47,500.00	
19-06.4	Acquisition of Public Works Equipment	85,500.00		85,500.00		85,500.00	
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		76,000.00	
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		218,500.00	
20-07.4	Acquisition of Various Police Equipment	131,100.00		131,100.00		131,100.00	
20-07.5	Acquisition of Various Fire Equipment	52,749.00		52,749.00	64.00	52,685.00	
20-07.6	Acquisition of Various Construction Equipment	10,640.00		10,640.00		10,640.00	
20-07.7	Acquisition of Various Public Works Equipment	439,375.00		439,375.00		439,375.00	
20-07.8	Various Improvements to Municipal and Library Facilities	285,000.00		285,000.00		285,000.00	
21-08.1	Reconstruction / Repaving Borough Roads	95,000.00		95,000.00		95,000.00	
21-08.2	Various Improvements to Municipal and Library Facilities	308,750.00		308,750.00		308,750.00	
21-08.3	Acquisition of Information Technology Equipment	9,500.00		9,500.00		9,500.00	
21-08.4	Acquisition of Various Equipment and Utility Vehicles	88,825.00		88,825.00		88,825.00	
21-08.5	Acquisition of a Fire Truck and Related Equipment	712,500.00		712,500.00		712,500.00	
21-08.6	Acquisition of Various Office Equipment	2,375.00		2,375.00		2,375.00	
21-08.7	Acquisition of Various Heavy Equipment	308,750.00		308,750.00		308,750.00	
22-06.1	Road and Traffic Improvements	116,190.00		116,190.00		116,190.00	
22-06.2	Various Improvements to Municipal Facilities	73,333.00		73,333.00		73,333.00	
22-06.3	Acquisition and Installation of Office Equipment	21,428.00		21,428.00		21,428.00	
22-06.4	Upgrades to EMS Equipment	33,333.00		33,333.00		33,333.00	
22-06.5	Acquisition of Equipment for the Fire Department	42,857.00		42,857.00		42,857.00	
22-06.6	Acquisition of Equipment for the Police Department	74,761.00		74,761.00		74,761.00	
22-06.7	Acquisition of Equipment for the Public Works Department	211,428.00		211,428.00		211,098.00	330.00
23-08.1	Reconstruction / Repaving Borough Roads		\$ 285,000.00	285,000.00	52,500.00		232,500.00
23-08.2	Various Improvements to Muncpal Buildings		375,250.00	375,250.00	59,528.30		315,721.70
23-08.3	Completion of Stormwater Infrastructure		118,750.00	118,750.00	8,632.94		110,117.06
23-08.4	Acquisition of Various Capital Equipment		66,500.00	66,500.00	23,529.97		42,970.03
23-08.5	Completion of Various Park Improvements		1,662,500.00	1,662,500.00			1,662,500.00
23-08.6	Acquisition of Various Trucks for Public Works		641,250.00	641,250.00	633,977.09		7,272.91
		<u>\$ 4,106,844.00</u>	<u>\$ 3,149,250.00</u>	<u>\$ 7,256,094.00</u>	<u>\$ 778,432.30</u>	<u>\$ 4,106,000.00</u>	<u>\$ 2,371,661.70</u>
Balance of Unfunded Improvement Authorizations							\$ 3,280,238.76
Less Unexpended Proceeds of Bond Anticipation Notes:							
Ordinance Number:							
19-06.1						\$ 29,385.11	
19-06.4						895.00	
20-07.2						158,926.30	
20-07.3						6,655.34	
20-07.6						255.32	
20-07.7						3,010.62	
20-07.8						146,558.86	
21-08.2						308,750.00	
21-08.3						9,500.00	
21-08.4						638.31	
21-08.5						4,750.66	
21-08.6						801.83	
21-08.7						1,813.18	
22-06.1						23,699.47	
22-06.2						61,596.59	
22-06.3						3,449.62	
22-06.4						5,306.00	
22-06.5						42,857.00	
22-06.7						<u>99,727.85</u>	
							908,577.06
							<u>\$ 2,371,661.70</u>

BERLIN BOROUGH
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 226,533.00
Increased by:	
Budget Appropriation	<u>938,782.22</u>
	1,165,315.22
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>365,750.00</u>
Balance Dec. 31, 2023	<u><u>\$ 799,565.22</u></u>

BERLIN BOROUGH
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 431,176.93
Increased by:		
Charges to Improvement Authorizations		400,000.00
		831,176.93
Decreased by:		
Canceled	\$ 3,754.40	
Disbursed	410,779.94	
		414,534.34
Balance Dec. 31, 2023		\$ 416,642.59

Schedule of Contracts Payable Dec. 31, 2023

Vendor	Ordinance #	Amount
South State, Inc.	19-6.1	\$ 276.36
Pennoni Associates Inc.	21-08.1	11,216.95
Pennoni Associates Inc.	22-06.1	5,149.28
HA DeHart & Sons Inc	23-08.6	400,000.00
		\$ 416,642.59

Exhibit SC-8

GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 90,774.94
Increased by:		
Charges to Improvement Authorizations		140,645.40
		231,420.34
Decreased by:		
Cancellations -- Improvement Authorizations	\$ 19,960.29	
Disbursements	52,113.41	
		72,073.70
Balance Dec. 31, 2023		\$ 159,346.64

Exhibit SC-9

GENERAL CAPITAL FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2023

Increased by:		
Due From Current Fund -- Budget Appropriation		
Budget Appropriation - Capital Improvement Fund	\$ 938,782.22	
Disbursed:		
2023 Budget Appropriation -- Interest on Notes	184,256.75	
Interest Remitted to Current Fund	45,488.30	
		\$ 1,168,527.27
		1,168,527.27
Decreased by:		
Receipts:		
Interest Earned on Deposits		45,488.30
Balance Dec. 31, 2023		\$ 1,123,038.97

BERLIN BOROUGH
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2023</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2023</u>
			<u>Date</u>	<u>Amount</u>				
2013 General Improvement Bonds	10-15-13	\$ 3,854,000.00	11-01-24	\$ 300,000.00	3.000%	\$ 1,879,000.00	\$ 275,000.00	\$ 1,604,000.00
			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	09-15-24	415,000.00	3.125%	<u>6,040,000.00</u>	<u>415,000.00</u>	<u>5,625,000.00</u>
			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%			

BERLIN BOROUGH
 GENERAL CAPITAL FUND
 Statement of Green Acres Loan
 For the Year Ended December 31, 2023

<u>Purpose</u>	<u>Loan Amount</u>	<u>Payment Schedule</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2023</u>
		<u>Date</u>	<u>Amount</u>				
Franklin Avenue Recreation Field	\$ 500,000.00	6/13/2023	\$ 16,073.29	2.00%	<u>\$ 16,073.29</u>	<u>\$ 16,073.29</u>	<u>-</u>

BERLIN BOROUGH
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance			
						Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
19-06.1	Road Reconstruction	9-29-2021	9-25-2023	3-27-2024	4.500%		\$ 190,000.00		\$ 190,000.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	\$ 190,000.00		\$ 190,000.00	
19-06.2	Acquisition of Police Vehicles and Equipment	9-29-2021	9-25-2023	3-27-2024	4.500%		138,500.00		138,500.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	138,500.00		138,500.00	
19-06.3	Acquisition of Fire Equipment and Vehicles	9-29-2021	9-25-2023	3-27-2024	4.500%		47,500.00		47,500.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	47,500.00		47,500.00	
19-06.4	Acquisition of Public Works Equipment	9-29-2021	9-25-2023	3-27-2024	4.500%		85,500.00		85,500.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	85,500.00		85,500.00	
19-06.5	Improvements to Municipal Facilities	9-29-2021	9-25-2023	3-27-2024	4.500%		142,500.00		142,500.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	142,500.00		142,500.00	
20-07.1	Reconstruction / Repaving Borough Roads	9-29-2021	9-25-2023	3-27-2024	4.500%		76,000.00		76,000.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	76,000.00		76,000.00	
20-07.2	Improvements to Park Facilities	9-29-2021	9-25-2023	3-27-2024	4.500%		190,000.00		190,000.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	190,000.00		190,000.00	
20-07.3	Acquisition of an Ambulance	9-29-2021	9-25-2023	3-27-2024	4.500%		218,500.00		218,500.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	218,500.00		218,500.00	
20-07.4	Acquisition of Various Police Equipment	9-29-2021	9-25-2023	3-27-2024	4.500%		131,100.00		131,100.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	131,100.00		131,100.00	
20-07.5	Acquisition of Various Fire Equipment	9-29-2021	9-25-2023	3-27-2024	4.500%		52,685.00		52,685.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	52,685.00		52,685.00	
20-07.6	Acquisition of Various Construction Equipment	9-29-2021	9-25-2023	3-27-2024	4.500%		10,640.00		10,640.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	10,640.00		10,640.00	
20-07.7	Acquisition of Various Public Works Equipment	9-29-2021	9-25-2023	3-27-2024	4.500%		439,375.00		439,375.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	439,375.00		439,375.00	
20-07.8	Various Improvements to Municipal and Library Facilities	9-29-2021	9-25-2023	3-27-2024	4.500%		285,000.00		285,000.00
		9-29-2021	9-27-2022	9-26-2023	4.500%	285,000.00		285,000.00	
21-08.1	Reconstruction / Repaving Borough Roads	9-27-2022	9-25-2023	3-27-2024	4.500%		95,000.00		95,000.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	95,000.00		95,000.00	
21-08.2	Various Improvements to Municipal and Library Facilities	9-27-2022	9-25-2023	3-27-2024	4.500%		308,750.00		308,750.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	308,750.00		308,750.00	
21-08.3	Acquisition of Information Technology Equipment	9-27-2022	9-25-2023	3-27-2024	4.500%		9,500.00		9,500.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	9,500.00		9,500.00	
21-08.4	Acquisition of Various Equipment and Utility Vehicles	9-27-2022	9-25-2023	3-27-2024	4.500%		88,825.00		88,825.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	88,825.00		88,825.00	
21-08.5	Acquisition of a Fire Truck and Related Equipment	9-27-2022	9-25-2023	3-27-2024	4.500%		712,500.00		712,500.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	712,500.00		712,500.00	
21-08.6	Acquisition of Various Office Equipment	9-27-2022	9-25-2023	3-27-2024	4.500%		2,375.00		2,375.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	2,375.00		2,375.00	
21-08.7	Acquisition of Various Heavy Equipment	9-27-2022	9-25-2023	3-27-2024	4.500%		308,750.00		308,750.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	308,750.00		308,750.00	
22-06.1	Road and Traffic Improvements	9-27-2022	9-25-2023	3-27-2024	4.500%		116,190.00		116,190.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	116,190.00		116,190.00	
22-06.2	Various Improvements to Municipal Facilities	9-27-2022	9-25-2023	3-27-2024	4.500%		73,333.00		73,333.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	73,333.00		73,333.00	

(Continued)

BERLIN BOROUGH
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance			
						Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
22-06.3	Acquisition and Installation of Office Equipment	9-27-2022	9-25-2023	3-27-2024	4.500%		\$ 21,428.00		\$ 21,428.00
22-06.4	Upgrades to EMS Equipment	9-27-2022	9-27-2022	9-26-2023	4.500%	\$ 21,428.00		\$ 21,428.00	
		9-27-2022	9-25-2023	3-27-2024	4.500%		33,333.00		33,333.00
22-06.5	Acquisition of Equipment for the Fire Department	9-27-2022	9-27-2022	9-26-2023	4.500%	33,333.00		33,333.00	
		9-27-2022	9-25-2023	3-27-2024	4.500%		42,857.00		42,857.00
22-06.6	Acquisition of Equipment for the Police Department	9-27-2022	9-27-2022	9-26-2023	4.500%	42,857.00		42,857.00	
		9-27-2022	9-25-2023	3-27-2024	4.500%		74,761.00		74,761.00
22-06.7	Acquisition of Equipment for the Public Works Department	9-27-2022	9-27-2022	9-26-2023	4.500%	74,761.00		74,761.00	
		9-27-2022	9-25-2023	3-27-2024	4.500%		211,098.00		211,098.00
		9-27-2022	9-27-2022	9-26-2023	4.500%	211,098.00		211,098.00	
						<u>\$ 4,106,000.00</u>	<u>\$ 4,106,000.00</u>	<u>\$ 4,106,000.00</u>	<u>\$ 4,106,000.00</u>
Renewals							<u>\$ 4,106,000.00</u>	<u>\$ 4,106,000.00</u>	

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement Reserve for Payment of Debt Service
For the Year Ended December 31, 2023

Increased By:	
Cancellation of Improvement Authorizations	<u>\$ 708,348.00</u>
Balance Dec. 31, 2023	<u><u>\$ 708,348.00</u></u>

BERLIN BOROUGH
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Authorizations</u>	<u>Balance Dec. 31, 2023</u>
<u>General Improvements:</u>				
13-03.6	Construction of Police Facility	\$ 250.00		\$ 250.00
19-06.2	Acquisition of Police Equipment	200.00		200.00
20-07.5	Acquisition of Various Fire Equipment	64.00		64.00
22-06.7	Acquisition of Equipment for the Public Works Department	330.00		330.00
23-08.1	Reconstruction / Repaving Borough Roads		\$ 285,000.00	285,000.00
23-08.2	Various Improvements to Municipal Buildings		375,250.00	375,250.00
23-08.3	Completion of Stormwater Infrastructure Improvements		118,750.00	118,750.00
23-08.4	Acquisition of Various Capital Equipment		66,500.00	66,500.00
23-08.5	Completion of Various Park Improvements		1,662,500.00	1,662,500.00
23-08.6	Acquisition of Various Trucks for Public Works		641,250.00	641,250.00
		<u>\$ 844.00</u>	<u>\$ 3,149,250.00</u>	<u>\$ 3,150,094.00</u>

SUPPLEMENTAL EXHIBITS

WATER UTILITY FUND

BERLIN BOROUGH
WATER UTILITY FUND
 Statement of Water Utility Cash
 Per N.J.S.A.40A:5-5 -- Chief Financial Officer
 For the Year Ended December 31, 2023

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2022	\$ 2,582,017.89	\$ 4,139,214.84
Increased by Receipts:		
Turnover from Collector	\$ 3,391,157.85	
Revenue - Miscellaneous	105,483.83	
2023 Appropriation Refunds	<u>88,548.25</u>	
	<u>3,585,189.93</u>	<u>-</u>
	6,167,207.82	4,139,214.84
Decreased by Disbursements:		
2023 Budget Appropriations	2,883,433.25	
2022 Appropriation Reserves	117,610.37	
Water Overpayments	200.00	
Improvement Authorizations		1,481,771.19
Operations -- Refund of Prior Year Revenue		
Accrued Interest on Bonds and Loans	51,456.14	
Contracts Payable		465,290.80
Reserve for Encumbrances		<u>55,125.94</u>
	<u>3,052,699.76</u>	<u>2,002,187.93</u>
Balance Dec. 31, 2023	<u>\$ 3,114,508.06</u>	<u>\$ 2,137,026.91</u>

BERLIN BOROUGH
WATER UTILITY OPERATING FUND
Statement of Water Utility Operating Cash
Per N.J.S.A.40A:5-5 -- Collector
For the Year Ended December 31, 2023

Increased by Receipts:	
Water Rents Receivable	\$ 2,747,041.38
Water Rent Overpayments	20,435.01
Fire Hydrant and Sprinkler Rents Receivable	579,675.64
Fire Hydrant and Sprinkler Rent Overpayments	62.21
Miscellaneous Revenue	<u>43,943.61</u>
	\$ 3,391,157.85
Decreased by Disbursements:	
Payments to Treasurer	<u>\$ 3,391,157.85</u>

BERLIN BOROUGH
WATER UTILITY CAPITAL FUND
Analysis of Water Capital Cash
For the Year Ended December 31, 2023

	Balance (Deficit) <u>Dec. 31, 2022</u>	<u>Disbursements</u>			Balance (Deficit) <u>Dec. 31, 2023</u>
		<u>Improvement Authorizations</u>	<u>From</u>	<u>Transfers To</u>	
Capital Improvement Fund	\$ 266,876.71				\$ 266,876.71
Fund Balance	74,724.96			\$ 5,560.76	80,285.72
Reserve for Payment of Debt	273,274.53			69,407.46	342,681.99
Improvement Authorizations:					
04-09.1 Route 73 Water Main Extension	6,200.00		\$ 6,200.00		
06-14.1 Purchase of Computer Software	1,560.43		1,560.43		
06-14.2 Equipment and System Improvements	1,108.51		1,108.51		
07-17.1 Plant Improvements and Controls	297.59		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		\$ 6,675.90	5,550.31	12,226.21	
15-17.2 System Improvements	679.42	1,751.20	1,631.68	2,703.46	
16-05.7 Water System Improvements	380.00		380.00		
16-05.8 Acquisition of Equipment	(685.00)				(685.00)
17-07.1 Acquisition of Equipment	7,549.71		7,549.71		
17-07.2 Acquisition of Replacement Pumps	20,844.88		20,844.88		
19-07.1 Acquisition of Various Equipment	836.52				836.52
19-07.2 Water System Improvements	207,939.78	168,523.35	32,655.13	6.41	6,767.71
19-07.3 Water System Improvements	51.00				51.00
20-05.1 Acquisition of Various Equipment	9,875.00	9,875.00			
20-05.2 Water Meter Replacement	651.28				651.28
20-05.3 Water System Improvements	55,353.62	2,717.50	10,864.04		41,772.08
21-07.1 Acquisition of Various Equipment	28,000.00	28,000.00			
21-07.3 Water System Improvements	431,734.00	36,095.31	28,653.69		366,985.00
22-08 Water System Improvements	1,577,460.89	1,228,132.93	93,000.00	44,073.00	300,400.96
Due Current Fund	8,309.64				8,309.64
Due General Capital Fund			5,560.76		(5,560.76)
Contracts Payable	1,044,257.76	465,290.80	44,073.00	93,000.00	627,893.96
Reserve for Encumbrances	92,583.66	55,125.94	14,936.08	77,938.46	100,460.10
	<u>\$ 4,139,214.84</u>	<u>\$ 2,002,187.93</u>	<u>\$ 304,915.76</u>	<u>\$ 304,915.76</u>	<u>\$ 2,137,026.91</u>

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Water Rents Receivable
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 416,451.73
Increased by:		
Water Rents Levied		<u>2,744,881.48</u>
		3,161,333.21
Decreased by:		
Collections -- Collector	\$ 2,747,041.38	
Overpayments Applied	7,536.79	
Canceled	<u>4,769.01</u>	
		<u>2,759,347.18</u>
Balance Dec. 31, 2023		<u><u>\$ 401,986.03</u></u>

WATER UTILITY OPERATING FUND
Statement of Fire Hydrants and Sprinkler Rents Receivable
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 35,870.09
Increased by:		
Fire Hydrant and Sprinkler Rents Levied		<u>567,120.00</u>
		602,990.09
Decreased by:		
Collections -- Collector	\$ 579,675.64	
Overpayments Applied	<u>21.45</u>	
		<u>579,697.09</u>
Balance Dec. 31, 2023		<u><u>\$ 23,293.00</u></u>

BERLIN BOROUGH
WATER UTILITY OPERATING FUND
Statement of Water Overpayments
For the Year Ended December 31, 2023

Balance Dec. 31, 2022:			
Water Rent Overpayments	\$	10,447.39	
Hydrant and Sprinkler Rents Overpayments		21.45	
			\$ 10,468.84
Increased by:			
Receipts -- Collector:			
Water Rent Overpayments		20,435.01	
Fire Hydrant and Sprinkler Rent Overpayments		62.21	
			20,497.22
			30,966.06
Decreased by:			
Applied to Water Rent Receivables		7,536.79	
Applied to Fire Hydrant and Sprinkler Rents Receivable		21.45	
Canceled		3,060.79	
Refunds -- Treasurer		200.00	
			10,819.03
Balance Dec. 31, 2023:			
Water Rent Overpayments		20,142.00	
Hydrant and Sprinkler Rents Overpayments		5.03	
			\$ 20,147.03

Exhibit SD-7

WATER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2023

	<u>Balance Dec. 31, 2022</u>		<u>Balance After Transfers</u>	<u>Disbursed</u>	<u>Lapsed to Fund Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>			
Operations:					
Salaries and Wages		\$ 89,480.38	\$ 89,480.38		\$ 89,480.38
Other Expenses	\$ 112,268.13	224,448.24	336,716.37	\$ 117,610.37	219,106.00
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation Insurance		1,620.24	1,620.24		1,620.24
Social Security System (O.A.S.I.)		11,767.40	11,767.40		11,767.40
	\$ 112,268.13	\$ 327,316.26	\$ 439,584.39	\$ 117,610.37	\$ 321,974.02

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2023

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2023</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	\$ 1,884,175.49	5,964,892.01
Electric Power Pumping Equipment	139,117.12	40,000.00	179,117.12
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	123,000.00	440,540.48
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	1,292,900.00	4,260,501.09
Purchase of Computer Equipment	59,500.00	18,000.00	77,500.00
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>\$ 3,358,075.49</u>	<u>\$ 21,137,717.93</u>

BERLIN BOROUGH
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2022</u>	<u>Transferred To Fixed Capital</u>	<u>Balance Dec. 31, 2023</u>
04-09.1	Route 73 Water Main Extension	6-3-04	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	
06-14.1	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
21-07.1	Acquisition of Various Equipment	6-10-21	28,000.00	28,000.00	28,000.00	
21-07.2	Water Meter Replacement	6-10-21	360,000.00	360,000.00		360,000.00
21-07.3	Water System Improvements	6-10-21	635,000.00	635,000.00		635,000.00
22-08	Water System Improvements	6-9-22	4,058,000.00	4,058,000.00		4,058,000.00
				<u>\$ 10,309,705.49</u>	<u>3,358,075.49</u>	<u>\$ 6,951,630.00</u>

BERLIN BOROUGH
WATER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Loans and Analysis of Balance
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 66,134.28
Increased by:		
Budget Appropriations		262,646.02
		328,780.30
Decreased by:		
Paid by Water Utility Operating Fund	\$ 51,456.14	
Paid by General Capital Fund	204,540.25	
Disbursements		255,996.39
Balance Dec. 31, 2023		\$ 72,783.91

Analysis of Accrued Interest Dec. 31, 2023

Principal Outstanding <u>Dec. 31, 2023</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 393,000.00	Various	11-01-23	12-31-23	60 Days	\$ 2,017.71
1,020,000.00	Various	09-15-23	12-31-23	106 Days	9,718.51
N.J. Environmental Infrastructure Trust Loan:					
354,089.40	Various	8-01-23	12-31-23	150 Days	6,351.69
Bond Anticipation Notes:					
4,558,000.00	4.50%	09-29-23	12-31-23	92 Days	54,696.00
					\$ 72,783.91

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2022		Increased	Decreased	Balance Dec. 31, 2023		
				Funded	Unfunded			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	1,560.43			1,560.43			
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	297.59			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		\$ 12,226.21		12,226.21			
15-17.2	Water System Improvements	8-13-15	29,175.49	679.42	2,703.46		3,382.88			
16-05.7	Water System Improvements	3-10-16	470,000.00	380.00			380.00			
17-07.1	Acquisition of Equipment	5-11-17	145,000.00	7,549.71			7,549.71			
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		207,939.78	6.41	201,178.48		6,767.71	
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		9,875.00		9,875.00			
20-05.2	Water Meter Replacement	6-12-20	360,000.00		651.28				651.28	
20-05.3	Water System Improvements	6-12-20	650,000.00		55,353.62		13,581.54		41,772.08	
21-07.1	Acquisition of Various Equipment	6-10-21	28,000.00		28,000.00		28,000.00			
21-07.3	Water System Improvements	6-10-21	635,000.00		431,734.00		64,749.00		366,985.00	
22-08	Water System Improvements	6-9-22	4,058,000.00		3,442,221.89	44,073.00	1,321,132.93		2,165,161.96	
				<u>\$ 68,670.49</u>	<u>\$ 4,176,663.09</u>	<u>\$ 59,009.08</u>	<u>\$ 1,722,117.11</u>	<u>\$ -</u>	<u>\$ 2,582,225.55</u>	
Disbursed							\$ 1,481,771.19			
Canceled to Reserve to Pay Debt Service							69,407.46			
Reserve for Encumbrances							77,938.46			
Contracts Payable							93,000.00			
Encumbrances Canceled							\$ 14,936.08			
Contracts Payable Canceled							44,073.00			
							<u>\$ 59,009.08</u>	<u>\$ 1,722,117.11</u>		

BERLIN BOROUGH
WATER UTILITY CAPITAL FUND
 Statement of Reserve for Amortization
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$	19,201,574.23
Increased by:			
Paid by Operating Budget:			
Serial Bonds		\$	125,000.00
New Jersey Environmental Infrastructure Loan			<u>216,106.53</u>
			<u>341,106.53</u>
Balance Dec. 31, 2023		\$	<u><u>19,542,680.76</u></u>

WATER UTILITY CAPITAL FUND
 Statement of Deferred Reserve for Amortization
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2022</u>	<u>Fixed Capital Authorized</u>	<u>Transferred To Reserve For Amortization</u>	<u>Balance Dec. 31, 2023</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	22,385.00			22,385.00
22-08	Water System Improvements	6-9-22	<u>193,239.00</u>			<u>193,239.00</u>
			<u>\$ 355,431.77</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 355,431.77</u>

WATER UTILITY CAPITAL FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$	92,583.66
Increased by:			
Charges to Improvement Authorizations			<u>77,938.46</u>
			170,522.12
Decreased by:			
Cancellations		\$	14,936.08
Disbursements			<u>55,125.94</u>
			<u>70,062.02</u>
Balance Dec. 31, 2023		\$	<u><u>100,460.10</u></u>

BERLIN BOROUGH
WATER UTILITY CAPITAL FUND
Statement of Contract Payable
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 1,044,257.76
Increased by:		
Charges to Improvement Authorizations		<u>93,000.00</u>
		1,137,257.76
Decreased by:		
Disbursements	\$ 465,290.80	
Cancellations	<u>44,073.00</u>	
		<u>509,363.80</u>
Balance Dec. 31, 2023		<u><u>\$ 627,893.96</u></u>

BERLIN BOROUGH
WATER UTILITY CAPITAL FUND
Statement of Water Serial Bonds
For the Year Ended December 31, 2023

<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, 2022</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2023</u>
			<u>Outstanding Dec. 31, 2023</u>	<u>Date</u>				
2013 General Water Bonds	10-15-13	\$ 973,000.00	11-01-24	\$ 70,000.00	3.000%	\$ 463,000.00	\$ 70,000.00	\$ 393,000.00
			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%			
2018 General Water Bonds	08-29-18	1,270,000.00	09-15-24	55,000.00	3.125%	1,075,000.00	55,000.00	1,020,000.00
			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>\$ 1,538,000.00</u>	<u>\$ 125,000.00</u>	<u>\$ 1,413,000.00</u>

BERLIN BOROUGH
 WATER UTILITY CAPITAL FUND
 Statement of New Jersey Environmental Infrastructure Trust Loan Payable
 For the Year Ended December 31, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Maturities Outstanding Dec. 31, 2023</u>		<u>Total</u>	<u>Interest Rate(A)</u>	<u>Balance Dec. 31, 2022</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2023</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	2-1-2024		\$ 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>\$ 570,195.93</u>	<u>\$ 216,106.53</u>	<u>\$ 354,089.40</u>

(A) Interest applicable to Trust Loan only.

BERLIN BOROUGH
WATER UTILITY CAPITAL FUND
Statement of Water Bond Anticipation Notes
For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance	Increased	Decreased	Balance
						Dec. 31, 2022			Dec. 31, 2023
19-07.1	Acquisition of Various Equipment for the Borough's Water Utility System	9-29-2021	9-27-2022	9-26-2023	4.50%	\$ 70,000.00		\$ 70,000.00	\$ 70,000.00
		9-29-2021	9-25-2023	3-27-2024	4.50%		\$ 70,000.00		\$ 70,000.00
19-07.2	Various Improvements to the Borough's Water Utility System	9-29-2021	9-27-2022	9-26-2023	4.50%	260,000.00		260,000.00	260,000.00
		9-29-2021	9-25-2023	3-27-2024	4.50%		260,000.00		260,000.00
19-07.3	Various Improvements to the Borough's Water Utility System	9-29-2021	9-27-2022	9-26-2023	4.50%	150,000.00		150,000.00	150,000.00
		9-29-2021	9-25-2023	3-27-2024	4.50%		150,000.00		150,000.00
20-05.1	Various Equipment for the Borough's Water Utility System	9-29-2021	9-27-2022	9-26-2023	4.50%	45,000.00		45,000.00	45,000.00
		9-29-2021	9-25-2023	3-27-2024	4.50%		45,000.00		45,000.00
20-05.2	Water Meter Replacement	9-29-2021	9-27-2022	9-26-2023	4.50%	360,000.00		360,000.00	360,000.00
		9-29-2021	9-25-2023	3-27-2024	4.50%		360,000.00		360,000.00
20-05.3	Various Improvements to the Borough's Water Utility System	9-29-2021	9-27-2022	9-26-2023	4.50%	650,000.00		650,000.00	650,000.00
		9-29-2021	9-25-2023	3-27-2024	4.50%		650,000.00		650,000.00
21-07.1	Acquisition of Various Equipment	9-27-2022	9-27-2022	9-26-2023	4.50%	28,000.00		28,000.00	28,000.00
		9-27-2022	9-25-2023	3-27-2024	4.50%		28,000.00		28,000.00
21-07.2	Water Meter Replacement	9-27-2022	9-27-2022	9-26-2023	4.50%	360,000.00		360,000.00	360,000.00
		9-27-2022	9-25-2023	3-27-2024	4.50%		360,000.00		360,000.00
21-07.3	Water System Improvements	9-27-2022	9-27-2022	9-26-2023	4.50%	635,000.00		635,000.00	635,000.00
		9-27-2022	9-25-2023	3-27-2024	4.50%		635,000.00		635,000.00
22-08	Water System Improvements	9-27-2022	9-27-2022	9-26-2023	4.50%	2,000,000.00		2,000,000.00	2,000,000.00
		9-27-2022	9-25-2023	3-27-2024	4.50%		2,000,000.00		2,000,000.00
						<u>\$ 4,558,000.00</u>	<u>\$ 4,558,000.00</u>	<u>\$ 4,558,000.00</u>	<u>\$ 4,558,000.00</u>
Renewals							<u>\$ 4,558,000.00</u>	<u>\$ 4,558,000.00</u>	

BERLIN BOROUGH
WATER UTILITY CAPITAL FUND
Statement of Reserve for Payment of Debt Service
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 273,274.53
Increased by:	
Cancellation of Improvement Authorizations	<u>69,407.46</u>
Balance Dec. 31, 2023	<u>\$ 342,681.99</u>

BERLIN BOROUGH
WATER UTILITY CAPITAL FUND
Statement of Water Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Authorizations</u>	<u>Balance Dec. 31, 2023</u>
13-03.7	Acquisition of Equipment	\$ 700.00		\$ 700.00
16-05.8	Acquisition of Equipment	685.00		685.00
22-08	Water System Improvements	<u>1,864,761.00</u>		<u>1,864,761.00</u>
		<u>\$ 1,866,146.00</u>	<u>-</u>	<u>\$ 1,866,146.00</u>

SUPPLEMENTAL EXHIBITS
SEWER UTILITY FUND

BERLIN BOROUGH
SEWER UTILITY FUND
Statement of Sewer Utility Cash
Per N.J.S.A.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2023

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2022	\$ 801,875.31	\$ 2,500,932.65
Increased by Receipts		
Turnover from Collector	\$ 1,011,484.59	
Interest on Deposits	60,876.93	
Appropriation Refunds	<u>40,844.38</u>	
	<u>1,113,205.90</u>	<u>-</u>
	1,915,081.21	2,500,932.65
Decreased by Disbursements		
2023 Budget Appropriations	829,292.21	
2022 Appropriation Reserves	4,673.50	
Accrued Interest on Bonds and Notes	36,620.02	
Improvement Authorizations		\$ 570,845.00
Refund of Overpayments	777.12	
Reserve for Encumbrances		60,309.23
Contracts Payable		<u>61,262.85</u>
	<u>871,362.85</u>	<u>692,417.08</u>
Balance Dec. 31, 2023	<u>\$ 1,043,718.36</u>	<u>\$ 1,808,515.57</u>

SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Operating Cash
Per N.J.S.A.40A:5-5 -- Collector
For the Year Ended December 31, 2023

Increased by Receipts		
Sewer Rents Receivable	\$ 992,173.65	
Sewer Overpayments	2,415.77	
Miscellaneous Revenue	<u>16,895.17</u>	
		\$ 1,011,484.59
Decreased by Disbursements		
Payments to Treasurer		<u>\$ 1,011,484.59</u>

BERLIN BOROUGH
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Year Ended December 31, 2023

	Balance (Deficit) <u>Dec. 31, 2022</u>	Disbursements		Balance (Deficit) <u>Dec. 31, 2023</u>
		Improvement Authorizations	Transfers From To	
Capital Improvement Fund	\$ 53,267.95		\$ 50,000.00	\$ 103,267.95
Fund Balance	32,182.19		2,925.56	35,107.75
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	2,196.87		4,356.66	2,159.79
14-02.7 Sewer Utility Improvements	140,808.39	\$ 1,784.03	139,024.36	
15-10.8 Sewer Utility Improvements	164,919.26		164,919.26	
16-05.9 Sewer Utility Improvements	197,862.07	500.00	197,837.07	(475.00)
19-08.2 Various Improvements to Sewer Utility System				31,020.69
19-08.3 Repairs of Borough's Pump Stations				7,820.50
19-08.4 Acquisition of Robotic Camera System	15,000.00			15,000.00
20-06.1 Acquisition of Utility Vehicle and SCADA Equipment	27,344.72	27,344.72		
20-06.2 Rehabilitation / Replacement of Sewer Mains	300,000.00	2,225.50		297,774.50
22-07 Improvements to Sewer Utility System	1,266,938.73	538,990.75	355,830.00	372,117.98
Reserve for Encumbrances	92,992.81	60,309.23	9,980.29	26,320.00
Contracts Payable	203,585.94	61,262.85	31,020.69	329,510.00
Due General Capital Fund			2,925.56	(2,925.56)
Due Sewer Utility Operating Fund			50,000.00	(50,000.00)
Reserve for Payment of Debt				509,971.07
	<u>\$ 2,500,932.65</u>	<u>\$ 692,417.08</u>	<u>\$ 959,727.61</u>	<u>\$ 959,727.61</u>
				<u>\$ 1,808,515.57</u>

BERLIN BOROUGH
SEWER UTILITY OPERATING FUND
 Statement of Sewer Rents Receivable
 For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$ 134,617.51
Increased by:		
Sewer Rents Levied		977,181.38
		1,111,798.89
Decreased by:		
Collections -- Collector	\$ 992,173.65	
Overpayments Applied	142.79	
		\$ 992,316.44
Canceled		992.00
		993,308.44
Balance Dec. 31, 2023		\$ 118,490.45

SEWER UTILITY OPERATING FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2023

	Balance Dec. 31, 2022		Balance After Transfers	Disbursed	Balance Lapsed
	Encumbered	Reserved			
Operating:					
Salaries		\$ 51,378.73	\$ 51,378.73		\$ 51,378.73
Other Expenses	\$ 5,080.35	86,849.14	91,929.49	\$ 4,673.50	87,255.99
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation Insurance		637.34	637.34		637.34
Social Security System (O.A.S.I.)		3,056.98	3,056.98		3,056.98
Total	\$ 5,080.35	\$ 141,922.19	\$ 147,002.54	\$ 4,673.50	\$ 142,329.04

BERLIN BOROUGH
SEWER UTILITY CAPITAL FUND
 Statement of Fixed Capital
 For the Year Ended December 31, 2023

<u>Account</u>	<u>Balance Dec. 31, 2022</u>	<u>Additions By Ordinance</u>	<u>Balance Dec. 31, 2023</u>
Facility Improvements	\$ 372,360.77	\$ 515,000.00	\$ 887,360.77
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	49,980.00	50,950.00
Fencing	9,679.39		9,679.39
Base Station Equipment	1,363.70	100,000.00	101,363.70
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	500,000.00	508,868.46
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	130,000.00	145,639.13
Dump Truck with Plow	13,145.77		13,145.77
Sewer Jetter	402,000.00		402,000.00
	<u>\$ 3,998,701.65</u>	<u>\$ 1,294,980.00</u>	<u>\$ 5,293,681.65</u>

BERLIN BOROUGH
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2022</u>	<u>To Fixed Capital</u>	<u>Balance Dec. 31, 2023</u>
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	
19-08.2	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
22-07	Improvements to Sewer Utility System	6-9-22	1,521,000.00	1,521,000.00		1,521,000.00
				<u>\$ 3,735,980.00</u>	<u>\$ 1,294,980.00</u>	<u>\$ 2,441,000.00</u>

BERLIN BOROUGH
SEWER UTILITY FUND
Statement of Accrued Interest on Bonds
For the Year Ended December 31, 2023

Balance Dec. 31, 2022				\$ 37,664.35
Increased by:				
Budget Appropriations				144,336.71
				182,001.06
Decreased by:				
Paid by Sewer Utility Operating Fund			\$ 36,620.02	
Paid by Sewer General Capital Fund			107,610.25	
Disbursements				144,230.27
Balance Dec. 31, 2023				\$ 37,770.79

Analysis of Accrued Interest Dec. 31, 2023

<u>Principal Outstanding Dec. 31, 2023</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
2013 Bonds \$ 268,000.00	Various	11/1/2023	12/31/2023	60 Days	\$ 1,563.75
2018 Bonds 780,000.00	Various	9/15/2023	12/31/2023	106 Days	7,431.04
					8,994.79
Bond Anticipation Notes:					
2,398,000.00	4.50%	9/25/2023	12/31/2023	92 Days	28,776.00
					\$ 37,770.79

SEWER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2023

Balance Dec. 31, 2022				\$ 53,267.95
Increased by:				
Budget Appropriation				50,000.00
Balance Dec. 31, 2023				\$ 103,267.95

BERLIN BOROUGH
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$	92,992.81
Increased by:			
Charges to Improvement Authorizations			26,320.00
			119,312.81
Decreased by:			
Disbursements	\$	60,309.23	
Cancellations		9,980.29	
			70,289.52
Balance Dec. 31, 2023		\$	49,023.29

SEWER UTILITY CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2023

Balance Dec. 31, 2022		\$	203,585.94
Increased by:			
Charges to Improvement Authorizations			329,510.00
			533,095.94
Decreased by:			
Disbursements	\$	61,262.85	
Cancellations		31,020.69	
			92,283.54
Balance Dec. 31, 2023		\$	440,812.40

BERLIN BOROUGH
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2022		Increased	Decreased	Balance Dec. 31, 2023		
			Amount		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		2,196.87		\$ 2,159.79	4,356.66			
14-02.7	Sewer Utility Improvements	3-5-14	500,000.00		140,808.39			140,808.39			
15-10.8	Sewer Utility Improvements	6-11-15	315,000.00		164,919.26			164,919.26			
16-05.9	Sewer Utility Improvements	3-10-16	200,000.00		197,862.07			198,337.07			
19-08.2	Various Improvements to Sewer Utility System	5-16-19	50,000.00				31,020.69			31,020.69	
19-08.3	Repairs of Borough's Pump Stations	5-16-19	25,000.00				7,820.50			7,820.50	
19-08.4	Acquisition of Robotic Camera System	5-16-19	15,000.00							15,000.00	
20-06.1	Acquisition of Utility Vehicle and SCADA Equipment	6-12-20	230,000.00					27,344.72			
20-06.2	Rehabilitation / Replacement of Sewer Mains	6-12-20	300,000.00					2,225.50		297,774.50	
22-07	Improvements to Sewer Utility System	6-9-22	1,521,000.00					894,820.75		372,688.98	
					<u>\$ 509,620.31</u>	<u>\$ 1,610,829.45</u>	<u>\$ 41,000.98</u>	<u>\$ 1,436,646.07</u>	<u>\$ -</u>	<u>\$ 724,804.67</u>	
Disbursements								\$ 570,845.00			
Canceled to Reserve to Pay Debt Service								509,971.07			
Encumbrances								26,320.00			
Contracts Payable								329,510.00			
Encumbrances Canceled								\$ 9,980.29			
Contracts Payable Canceled								31,020.69			
								<u>\$ 41,000.98</u>	<u>\$ 1,436,646.07</u>		

BERLIN BOROUGH
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 4,071,301.65
Increased by:	
Serial Bonds Paid by Operating Budget	65,000.00
Balance Dec. 31, 2023	\$ 4,136,301.65

Exhibit SE-14

SEWER UTILITY OPERATING FUND
Statement of Sewer Overpayments
For the Year Ended December 31, 2023

Balance Dec. 31, 2022	\$ 1,859.26
Increased by:	
Collections	2,415.77
	4,275.03
Decreased by:	
Refund Disbursed	\$ 777.12
Cancellations -- Operations	424.66
Applied to Sewer Rents Receivable	142.79
	1,344.57
Balance Dec. 31, 2023	\$ 2,930.46

Exhibit SE-15

SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2022	Fixed Capital Authorized	Balance Dec. 31, 2023
07-17	Purchase of Submersible Wells	9-6-07	\$ 2,380.00		\$ 2,380.00
12-6.6	Acquisition of Capital Equipment	3-5-12	1,500.00		1,500.00
13-3.8	Line Repair and Acquisition of Equipment	4-1-13	25,000.00		25,000.00
14-2.7	Sewer Utility Improvements	3-5-14	25,000.00		25,000.00
15-10.8	Sewer Utility Improvements	6-11-15	15,000.00		15,000.00
16-05.9	Sewer Utility Improvements	3-10-16	9,525.00		9,525.00
22-07	Improvements to Sewer Utility System	6-9-22	72,429.00		72,429.00
			\$ 150,834.00	\$ -	\$ 150,834.00

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Sewer Serial Bonds
For the Year Ended December 31, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding Dec. 31, 2023</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2023</u>					
			<u>Date</u>	<u>Amount</u>									
2013 General Sewer Bonds	10-15-13	\$ 503,000.00	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%								
											\$ 293,000.00	\$ 25,000.00	\$ 268,000.00
2018 General Sewer Bonds	08-29-18	965,000.00	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%								
											820,000.00	40,000.00	780,000.00
											<u>\$ 1,113,000.00</u>	<u>\$ 65,000.00</u>	<u>\$ 1,048,000.00</u>

BERLIN BOROUGH
SEWER UTILITY CAPITAL FUND
Statement of Sewer Bond Anticipation Note
For the Year Ended December 31, 202

Ordinance Number	Improvement Descriptor	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
19-08.1	Acquisition of Various Equipment	9-29-2021	9-27-2022	9-26-2023	4.50%	\$ 330,000.00		\$ 330,000.00	
		9-29-2021	9-25-2023	3-27-2024	4.50%		\$ 330,000.00		\$ 330,000.00
19-08.2	Various Improvements to Sewer Utility System	9-29-2021	9-27-2022	9-26-2023	4.50%	50,000.00		50,000.00	
		9-29-2021	9-25-2023	3-27-2024	4.50%		50,000.00		50,000.00
19-08.3	Repairs of Borough's Pump Stations	9-29-2021	9-27-2022	9-26-2023	4.50%	25,000.00		25,000.00	
		9-29-2021	9-25-2023	3-27-2024	4.50%		25,000.00		25,000.00
19-08.4	Acquisition of Robotic Camera System	9-29-2021	9-27-2022	9-26-2023	4.50%	15,000.00		15,000.00	
		9-29-2021	9-25-2023	3-27-2024	4.50%		15,000.00		15,000.00
20-06.1	Acquisition of Utility Vehicle and SCADA Equipment	9-29-2021	9-27-2022	9-26-2023	4.50%	230,000.00		230,000.00	
		9-29-2021	9-25-2023	3-27-2024	4.50%		230,000.00		230,000.00
20-06.2	Rehabilitation / Replacement of Sewer Main	9-29-2021	9-27-2022	3-27-2024	4.50%	300,000.00		300,000.00	
		9-29-2021	9-25-2023	9-24-2024	4.50%		300,000.00		300,000.00
22-07	Improvements to Sewer Utility System	9-29-2021	9-27-2022	3-27-2024	4.50%	1,448,000.00		1,448,000.00	
		9-29-2021	9-25-2023	9-24-2024	4.50%		1,448,000.00		1,448,000.00
						<u>2,398,000.00</u>	<u>\$ 2,398,000.00</u>	<u>\$ 2,398,000.00</u>	<u>\$ 2,398,000.00</u>
Renewals							<u>\$ 2,398,000.00</u>	<u>\$ 2,398,000.00</u>	

BERLIN BOROUGH
SEWER UTILITY CAPITAL FUND
 Statement of Sewer Bonds and Notes Authorized But Not Issued
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Authorizations</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2023</u>
12-06.6	Acquisition of Capital Equipment	\$ 500.00			\$ 500.00
16-05.9	Sewer Utility Improvements	475.00		\$ 475.00	
22-07	Improvements to Sewer Utility System	571.00			571.00
		<u>\$ 1,546.00</u>	<u>-</u>	<u>475.00</u>	<u>\$ 1,071.00</u>

PART 2
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

**REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited the Borough of Berlin's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Borough's major federal program for the year ended December 31, 2023. The Borough's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Borough of Berlin, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on The Major Federal Program

We conducted our audit of compliance 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; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards, and the Uniform Guidance, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough's Federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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Report on Internal Control over Compliance (Cont'd)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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
August 30, 2024

BERLIN BOROUGH
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2023

Federal Grantor/ Pass-Through Grantor/ Cluster or Program Title	Federal Assistance Listing Number	Additional Award Identification	Pass Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance Dec. 31, 2022	Receipts or Revenues Recognized	Adjustments	Disbursed/ Expended	Canceled	Balance Dec. 31, 2023	(Memo Only)		
					From	To							Cash Collected	Pass-Through To Subrecipients	Cumulative Expenditures
U.S. Department of Agriculture:															
U.S. Forest Service:															
Passed thru New Jersey Department of Environmental Protection:															
State & Private Forestry Cooperative Fire Assistance	10.698		Unknown	\$ 573.20	N/A	N/A	\$ 573.20	-	-	-	-	\$ 573.20	-	-	-
U.S. Department of Housing and Urban Development:															
Passed thru the County of Camden:															
Community Development Block Grants/Entitlement Grants Cluster	14.218		B-19-UC-34-0107	5,000.00	07-01-19	Completion	5,000.00	-	-	\$ 482.02	-	4,517.98	-	-	\$ 482.02
U.S. Department of Transportation:															
Highway Safety Cluster:															
National Priority Safety Programs:															
Passed thru New Jersey Department of Law and Public Safety:															
Click It or Ticket	20.616		Unknown	975.00	N/A	N/A	975.00					975.00			
Drive Sober or Get Pulled Over	20.616		Unknown	6,000.00	N/A	N/A	1,580.00					1,580.00			4,420.00
Total U.S. Department of Transportation - Highway Safety Cluster							2,555.00	-	-	-	-	2,555.00	-	-	4,420.00
U.S. Department of the Treasury:															
Coronavirus State and Local Fiscal Recovery Funds:															
Passed thru New Jersey Department of Community Affairs:															
Coronavirus State and Local Fiscal Recovery - Replacement Revenue	21.027	COVID-19, 20.027	Unknown	788,782.22	03-03-21	12-31-26		\$ 788,782.22		788,782.22					788,782.22
American Rescue Plan - Firefighter Grant	21.027	COVID-19, 20.027	Unknown	33,000.00	03-13-20	09-30-23		33,000.00		33,000.00					33,000.00
Total U.S. Department of the Treasury - Coronavirus State and Local Fiscal Recovery Funds							-	821,782.22	-	821,782.22	-	-	-	-	821,782.22
U.S. Environmental Protection Agency:															
Sewer Overflow and Stormwater Reuse Municipal Grant Program:															
Passed thru New Jersey Department of Environmental Protection:															
Municipal Stormwater Regulation Grant	66.447		Unknown	2,132.40	N/A	N/A	2,132.40	-	-	-	-	2,132.40	-	-	-
U.S. Department of Homeland Security:															
Assistance to Firefighters Grant (Direct Funding):															
Volunteer Firefighter Assistance Grant	97.044	EMW-2018-FH-00129		101,680.00	09-18-20	09-17-21	29,474.93			29,474.93					101,680.00
FEMA SAFER Grant	97.044	EMW-2018-FH-00129		101,680.00	09-18-21	09-17-22	63,521.72			63,521.72		\$ 50,417.72			101,680.00
FEMA SAFER Grant	97.044	EMW-2018-FH-00129		113,360.00	09-18-22	09-17-23	113,360.00			107,970.74		5,389.26	109,317.28		107,970.74
FEMA SAFER Grant	97.044	EMW-2018-FH-00129		101,680.00	09-18-23	09-17-24		101,680.00				101,680.00			
Total U.S. Department of Homeland Security - Assistance to Firefighters Grant							206,356.65	101,680.00	-	200,967.39	-	107,069.26	159,735.00	-	311,330.74
Total Federal Financial Assistance							\$ 216,617.25	\$ 923,462.22	-	\$ 1,023,231.63	-	\$ 116,847.84	\$ 159,735.00	-	\$ 1,138,014.98

The accompanying Notes to the Financial Statements and Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

BOROUGH OF BERLIN
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes federal award activity of the Borough of Berlin (hereafter referred to as the "Borough") under programs of the federal government for the year ended December 31, 2023. The Borough is defined in note 1 to the financial statements. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. Because the schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position and changes in operations of the Borough.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and present expenditures on the modified accrual basis of accounting with minor exceptions as mandated by the *Requirements*. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedule are presented at the federal participation level; thus, any matching portion is not included.

Note 3: INDIRECT COST RATE

The Borough has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 5: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

PART 3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

BOROUGH OF BERLIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Adverse and Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	
	_____ yes <u> X </u> no

Identification of major programs:

Assistance Listings Number(s)

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

BOROUGH OF BERLIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

(THIS SECTION IS NOT APPLICABLE)

Internal control over major programs:

Material weakness(es) identified? _____ yes _____ no

Significant deficiency(ies) identified? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? _____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to distinguish between type A and type B programs: _____

Auditee qualified as low-risk auditee? _____ yes _____ no

BOROUGH OF BERLIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 2 - 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.

No current year findings.

BOROUGH OF BERLIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

No current year findings.

BOROUGH OF BERLIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

A State Single Audit was not required.

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.

FINANCIAL STATEMENT FINDINGS

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)
Jake Miller	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)
Millard Wilkinson	Councilman	1,000,000.00(A)
Carl Mascarenhas	Councilman	1,000,000.00(A)
Mike Kwasizur	Chief Financial Officer	1,000,000.00(A)
Charleen Santora	Borough Administrator	1,000,000.00(A)
William Behnke	Borough Administrator	1,000,000.00(A)
Dee Ober	Borough Clerk (from 10/31/23)	1,000,000.00(A)
Leigha Bogdanowicz	Tax Collector, Water Clerk, Sewer Clerk, and Tax Search Officer	1,000,000.00(A)
Stacey DiVello	Treasurer, Payroll Clerk	1,000,000.00(A)
Rachel Von Der Tann	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)
Mike Bernardin	Assessor	1,000,000.00(A)
John White	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)
Francis Falkenstein	Public Defender	1,000,000.00(A)
Michael Scheer	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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant