

BOROUGH OF BERLIN
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED 2025

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BOROUGH OF BERLIN
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BOROUGH OF BERLIN
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2025

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Regulatory Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds of the Borough of Berlin, in the County of Camden, State of New Jersey (the "Borough"), as of December 31, 2025, and the related statements of operations and changes in reserve for future use and fund balance - regulatory basis, 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, 2025, and the related notes to the financial statements, which collectively comprise the Borough'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 balance sheets - regulatory basis of the various funds of the Borough, as of December 31, 2025, and the results of its operations and changes in reserve for future use and fund balance - regulatory basis of such funds for the year 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, 2025, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), 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, as of December 31, 2025, or the results of its operations and changes in reserve for future use and fund balance for the year 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, 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 *Auditors' 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, 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.

Report on Prior Year Financial Statements

The financial statements of the Borough, as of and for the year ended December 31, 2024, were audited by Bowman & Company LLP whose owners became partners with PKF O'Connor Davies, LLP, and whose report dated July 24, 2025, expressed an unmodified opinion on the regulatory basis of accounting and an adverse opinion on accounting principles generally accepted in the United States of America.

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. 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.

Auditors' 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 auditors' 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, requirements prescribed by the Division, 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, requirements prescribed by the Division, 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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, and are 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 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 27, 2026 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 the Borough of Berlin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Berlin's internal control over financial reporting and compliance.

PKF O'CONNOR DAVIES, LLP
Voorhees, New Jersey
August 27, 2026

Daniel M. DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

**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 AUDITORS' REPORT

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

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 "Division"), the financial statements prepared on a regulatory basis of accounting prescribed by the Division, of the Borough of Berlin, in the County of Camden, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2025, 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 27, 2026. That report indicated that the Borough'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.

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.

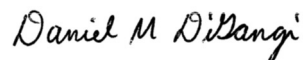
Report on Compliance and Other Matters

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.

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 in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'CONNOR DAVIES, LLP
Certified Public Accountants
Voorhees, New Jersey
August 27, 2026



Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

BOROUGH OF BERLIN
CURRENT FUND
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>			
Regular Fund:			
Cash - Treasurer	SA-1	\$ 8,564,431.32	\$ 8,557,503.89
Cash - Collector	SA-2	632,495.25	44,925.56
Cash - Change Funds	SA-3	600.00	600.00
		<u>9,197,526.57</u>	<u>8,603,029.45</u>
Receivables and Other Assets with			
Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	265,554.60	260,986.87
Tax Title Liens Receivable	SA-9	183,983.70	160,471.11
Revenue Accounts Receivable	SA-5	31,830.63	46,647.73
Due from Federal and State Grant Fund	SA-23	68,419.20	67,846.00
Due from Trust Other Fund	SB-6	12,700.65	
Due from General Capital Fund	SC-9	200,000.00	
Due from Sewer Utility Operating Fund	SE-1	19,979.44	
Due from State - Marriage Licenses	SA-1	300.00	
		<u>782,768.22</u>	<u>535,951.71</u>
		<u>9,980,294.79</u>	<u>9,138,981.16</u>
Federal and State Grant Fund:			
Cash	SA-1	4,330.74	
Grants Receivable	SA-18	1,151,042.98	1,082,236.90
		<u>1,155,373.72</u>	<u>1,082,236.90</u>
		<u>\$ 11,135,668.51</u>	<u>\$ 10,221,218.06</u>

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-7	\$ 950,105.32	\$ 1,044,876.61
Reserve for Encumbrances	SA-14	86,709.57	92,660.62
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	SA-6	15,670.39	18,170.39
State Training Fees	SA-8	2,664.00	5,325.00
Prepaid Taxes	SA-10	267,483.05	206,854.00
Tax Overpayments	SA-11	3,908.68	6,799.14
Reserve for Preparation of Master Plan	A		25,116.46
Due County for Added and Omitted Taxes	SA-12	10,197.98	21,553.76
Local District School Taxes Payable	SA-15	1,046,301.40	1,095,454.38
Regional High School Taxes Payable	SA-17	1,204,322.88	927,675.88
Due to Municipal Open Space Trust Fund	SA-16	121,768.80	411.82
Due to Trust Other Fund	SB-6		39,521.06
		<u>3,709,132.07</u>	<u>3,484,419.12</u>
Reserves for Receivables and Other Assets	A	782,768.22	535,951.71
Fund Balance	A-1	<u>5,488,394.50</u>	<u>5,118,610.33</u>
		<u>9,980,294.79</u>	<u>9,138,981.16</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-19	2,960.00	17,843.20
Appropriated Reserves	SA-20	1,026,123.15	978,810.05
Due to Trust Other Fund	B	982.02	982.02
Due to Current Fund	SA-23	68,419.20	67,846.00
Reserve for Encumbrances	SA-21	26,389.35	16,755.63
Contracts Payable	SA-22	30,500.00	
		<u>1,155,373.72</u>	<u>1,082,236.90</u>
		<u>\$ 11,135,668.51</u>	<u>\$ 10,221,218.06</u>

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

BOROUGH OF BERLIN

CURRENT FUND

Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2025 and 2024

	Ref.	2025	2024
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	\$ 1,297,000.00	\$ 858,500.00
Miscellaneous Revenues Anticipated	A-2	2,920,577.87	3,213,582.56
Receipts from Delinquent Taxes	A-2	258,779.71	265,359.05
Receipts from Current Taxes	A-2	27,791,597.78	27,242,767.56
Non-Budget Revenue	A-2	307,476.10	549,949.38
Other Credits to Income:			
Cancellation of Reserve for Master Plan	A	25,116.46	
Unexpended Balance of Appropriation Reserves	SA-7	969,469.76	524,217.97
Cancellation of Tax Overpayments	SA-11	31,166.91	1,983.61
Cancellation of Payroll Deductions Payable			34,206.40
Cancellation of Appropriated Grants	SA-20	573.20	210,891.79
Liquidation of Reserve for:			
Due Water Utility Capital Fund			8,309.64
Due Sewer Utility Operating Fund			0.63
Total Income		<u>33,601,757.79</u>	<u>32,909,768.59</u>
Expenditures			
Budget Appropriations:			
Within "CAPS":			
Operations -- Salaries and Wages	A-3	3,497,007.00	3,432,502.00
Operations -- Other Expenses	A-3	3,635,501.44	3,347,776.00
Deferred Charges and Statutory Expenditures	A-3	1,030,361.00	1,066,087.50
Excluded from "CAPS":			
Operations -- Salaries and Wages	A-3	42,500.00	163,660.00
Operations -- Other Expenses	A-3	867,602.26	1,368,749.28
Capital Improvements--Excluded from "CAPS"	A-3	50,000.00	
Municipal Debt Service--Excluded from "CAPS"	A-3	1,471,706.25	1,147,031.68
Transfer to Local School Districts	A-3	45,476.00	45,181.00
Regional High School Tax	SA-17	5,832,131.00	5,279,193.00
Local District School Tax	SA-15	8,807,380.00	8,905,844.00
Municipal Open Space Tax	SA-16	121,160.85	120,730.59
Due Municipal Open Space for Added and Omitted Taxes	SA-16	196.13	411.82
County Taxes	SA-13	6,289,794.94	6,313,282.49
Due County for Added and Omitted Taxes	SA-12	10,197.98	21,554.02
Other Debits to Expenditures:			
Refund of Prior Year Revenue			108,139.53
Prior Year Senior and Veteran Deductions Disallowed	SA-6	405.48	2,250.00
Cancellation of Grants Receivable			100,405.43
Cancellation of Police Outside Services Receivable -- Due Trust Fund Other			12,511.33
Creation of Reserve for:			
Due Trust Other Fund	A	12,700.65	
Due General Capital	A	200,000.00	
Due Sewer Utility Operating Fund	A	19,979.44	
Due Federal and State Grant Fund	A	573.20	67,846.00
Due State - Marriage Licenses	A	300.00	
Total Expenditures		<u>31,934,973.62</u>	<u>31,503,155.67</u>
Statutory Excess to Fund Balance		1,666,784.17	1,406,612.92
Fund Balance			
Balance Jan. 1	A	<u>5,118,610.33</u>	<u>4,570,497.41</u>
		6,785,394.50	5,977,110.33
Decreased by:			
Utilized as Revenue	A-2	<u>1,297,000.00</u>	<u>858,500.00</u>
Balance Dec. 31	A	<u>\$ 5,488,394.50</u>	<u>\$ 5,118,610.33</u>

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, 2025

		<u>Anticipated</u>	<u>Special N.J.S.A.</u>		<u>Excess or</u>
	<u>Ref.</u>	<u>Budget</u>	<u>40A: 4-87</u>	<u>Realized</u>	<u>(Deficit)</u>
Fund Balance Anticipated	A-1	\$ 1,297,000.00	-	\$ 1,297,000.00	-
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	SA-5	10,000.00		11,864.40	\$ 1,864.40
Other	SA-5	65,000.00		70,454.00	5,454.00
Fees and Permits	SA-5	35,000.00		317,937.52	282,937.52
Fines and Costs -- Municipal Court	SA-5	125,295.00		117,699.20	(7,595.80)
Interest and Costs on Taxes	SA-2	90,000.00		82,838.58	(7,161.42)
Interest on Investments and Deposits	SA-5	150,000.00		246,266.28	96,266.28
Payment in Lieu of Taxes -- Virtua Hospital	SA-5	110,000.00		118,526.32	8,526.32
Payment in Lieu of Taxes -- Jet Associates		22,000.00			(22,000.00)
Cable TV Franchise Fee	SA-5	100,952.56		100,952.56	
Rental of Borough Property:					
U.S. Post Office	SA-5	18,000.00		19,766.70	1,766.70
Bell Telephone / Verizon Rental	SA-5	75,000.00		84,329.12	9,329.12
Cable T.C. Co. (AT&T)	SA-5	20,000.00		22,800.00	2,800.00
Energy Receipts Taxes	SA-1	705,004.81		705,004.87	0.06
Reserve to Pay Debt Service	SC-11	250,000.00		250,000.00	
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	SA-5	130,000.00		165,029.00	35,029.00
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	SA-19	1,000.00	\$ 10,448.36	11,448.36	
Pedestrian Safety Grant	SA-19	15,000.00		15,000.00	
Clean Communities Grant	SA-19		20,601.56	20,601.56	
Body Armor Replacement Grant	SA-19	1,843.20		1,843.20	
Behind the Badge	SA-19		2,000.00	2,000.00	
New Jersey Department of Transportation 2026 Road Program	SA-19		197,685.00	197,685.00	
Hazardous Discharge Site Remediation Fund	SA-19		116,717.00	116,717.00	
County Recreation Grant	SA-19		82,000.00	82,000.00	
COVID ARP SLFRF	SA-19		2,470.87	2,470.87	
NJ Click-it-or-Ticket Grant	SA-19		7,000.00	7,000.00	
NJSACOP Accredation Grant	SA-19		4,000.00	4,000.00	
Other Special Items:					
Uniform Fire Safety Act	SA-1	75,000.00		65,693.33	(9,306.67)
Rental and Inspection Fees	SA-1	95,000.00		80,650.00	(14,350.00)
		<u>2,094,095.57</u>	<u>442,922.79</u>	<u>2,920,577.87</u>	<u>383,559.51</u>
Receipts from Delinquent Taxes	A-2	<u>250,000.00</u>	<u>-</u>	<u>258,779.71</u>	<u>8,779.71</u>
Amount to be Raised by Taxes for					
Support of Municipal Budget:					
Local Tax for Municipal Purposes					
Including Reserve for Uncollected Taxes		6,607,238.14		6,781,835.68	174,597.54
Minimum Library Tax		<u>368,986.27</u>		<u>368,986.27</u>	
	A-2	<u>6,976,224.41</u>	<u>-</u>	<u>7,150,821.95</u>	<u>174,597.54</u>
Budget Totals		<u>10,617,319.98</u>	<u>442,922.79</u>	<u>11,627,179.53</u>	<u>566,936.76</u>
Non-Budget Revenue	A-1	<u>-</u>	<u>-</u>	<u>307,476.10</u>	<u>307,476.10</u>
		<u>\$ 10,617,319.98</u>	<u>\$ 442,922.79</u>	<u>\$ 11,934,655.63</u>	<u>\$ 874,412.86</u>
	<u>Ref.</u>	<u>A-3</u>	<u>A-3</u>		

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2025

<u>Analysis of Realized Revenue</u>		<u>Ref.</u>	
Allocation of Current Tax Collections:			
Revenue from Collections	A-1, SA-4	\$	27,791,597.78
Allocated to County, School, and Open Space Taxes	SA-4		<u>21,060,860.90</u>
Amount for Support of Municipal Budget Appropriations			6,730,736.88
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>420,085.07</u>
	A-2	\$	<u><u>7,150,821.95</u></u>
Receipts from Delinquent Taxes:			
Receipts:			
Delinquent Tax	SA-4	\$	253,122.20
Overpayments Applied	SA-4, SA-11		<u>5,657.51</u>
		\$	<u><u>258,779.71</u></u>
<u>Revenue Accounts Receivable</u>			
Fees and Permits--Other:			
Clerk		\$	293,457.52
Searches for Municipal Improvements			60.00
Planning			5,750.00
Zoning			6,550.00
Police			<u>12,120.00</u>
		\$	<u><u>317,937.52</u></u>
<u>Analysis of Non-Budget Revenues</u>			
Miscellaneous Revenue not Anticipated:			
Receipts -- Treasurer:			
Senior Citizen and Veteran Administrative Fee	\$	866.89	
MVC Inspection Fees		254.83	
Police Outside Service Administrative Fees		44,087.32	
Sale of Municipal Assets		13,511.09	
Camp Fees		49,920.00	
Community Center Fees		28,395.00	
Hotel Tax		18,029.41	
Miscellaneous		52,021.30	
Refund of Prior Year Expenditures		44,328.92	
Revenue Accounts Receivable:			
Rental of Borough Property -- 93 Clementon Rd.		26,226.00	
Rental of Borough Property -- PNC		<u>14,200.80</u>	
		\$	291,841.56
Receipts -- Collector:			
Tax Sale Advertising Fees		8,336.71	
Tax Sale Costs		3,398.53	
Miscellaneous		<u>3,899.30</u>	
			<u>15,634.54</u>
		\$	<u><u>307,476.10</u></u>

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, 2025

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government</u>						
Mayor and Council						
Salaries and Wages	\$ 27,000.00	\$ 27,000.00	\$ 26,965.08		\$ 34.92	
Other Expenses	8,700.00	8,700.00	2,163.40	\$ 76.98	6,459.62	
Administrative and Executive						
Salaries and Wages	64,000.00	66,500.00	66,188.45		311.55	
Other Expenses	87,750.00	87,750.00	42,972.37	2,476.39	42,301.24	
Add'l Other Expenses	52,750.00	55,750.00	49,751.51	320.04	5,678.45	
Financial Administration						
Salaries and Wages	53,000.00	55,000.00	54,478.10		521.90	
Other Expenses	30,300.00	30,300.00	23,274.30	2,701.18	4,324.52	
Audit Services						
Other Expenses	28,000.00	43,000.00	41,803.50		1,196.50	
Engineering Services						
Other Expenses	65,000.00	65,000.00	28,266.06	1,050.50	35,683.44	
Collection of Taxes						
Salaries and Wages	26,000.00	33,500.00	33,092.67		407.33	
Other Expenses	16,725.00	16,725.00	11,573.93	2,980.92	2,170.15	
Public Employees' Award Program (NJSA 40A:9-8) (NJSA 40A:5-31)						
Other Expenses	1,500.00	1,500.00	1,010.68	123.13	366.19	
Assessment of Taxes						
Salaries and Wages	13,500.00	14,000.00	13,913.64		86.36	
Other Expenses	5,000.00	5,000.00	4,452.12		547.88	
Municipal Court						
Salaries and Wages	150,000.00	153,500.00	152,355.96	160.00	984.04	
Other Expenses	16,745.00	17,040.00	12,732.28	534.02	3,773.70	
Legal Services and Costs						
Other Expenses	115,000.00	150,000.00	137,096.27		12,903.73	
Economic Development Committee						
Redevelopment Other Expenses	10,000.00	10,000.00			10,000.00	
Municipal Land Use Law (NJSA 40:55D-1):						
Planning Board						
Salaries and Wages	4,300.00	4,550.00	4,364.01		185.99	
Other Expenses	23,350.00	23,350.00	6,786.68	188.62	16,374.70	
Zoning Enforcement Officer						
Salaries and Wages	15,000.00	15,000.00	12,231.25		2,768.75	
Other Expenses	1,050.00	1,050.00	300.00		750.00	
Historic Committee						
Other Expenses	10,000.00	10,000.00	7,014.22	525.00	2,460.78	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2025

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>General Government (Cont'd)</u>						
Insurance						
Health Benefit Waiver	\$ 20,000.00	\$ 70,000.00	\$ 58,538.99		\$ 11,461.01	
Workers Compensation	62,677.96	62,677.96	62,677.96			
Other Insurance	132,808.48	152,808.48	148,041.47		4,767.01	
Unemployment Compensation Insurance	15,000.00	20,000.00	15,518.16		4,481.84	
Group Insurance for Employees	820,000.00	750,000.00	475,815.84		274,184.16	
<u>Public Safety</u>						
Police						
Salaries and Wages	2,125,200.00	2,000,200.00	1,896,999.74		103,200.26	
Other Expenses	270,800.00	280,800.00	232,339.34	\$ 22,907.65	25,553.01	
Fire						
Aid to Volunteer Fire Company	35,000.00	35,000.00	35,000.00			
Salaries and Wages	20,000.00	20,000.00	10,716.12		9,283.88	
Miscellaneous Other Expenses	187,400.00	187,400.00	161,503.20	25,835.26	61.54	
Aid to Volunteer Ambulance/Emergency Squad						
Other Expenses	93,000.00	93,000.00	45,250.00		47,750.00	
Public Defender						
Other Expenses	5,250.00	5,250.00			5,250.00	
Uniform Fire Safety Act (P.L. 1983 CH 383):						
Fire						
Salaries and Wages	85,000.00	85,000.00	79,111.80		5,888.20	
Other Expenses	12,400.00	12,400.00	5,745.48		6,654.52	
Emergency Management Services						
Salaries and Wages	7,600.00	7,850.00	7,501.56		348.44	
Other Expenses	2,600.00	2,600.00	841.32	56.60	1,702.08	
Municipal Prosecutor						
Other Expenses	20,000.00	25,100.00	25,000.00		100.00	
<u>Streets and Roads</u>						
Road Repairs and Maintenance						
Salaries and Wages	156,000.00	168,205.00	167,639.88		565.12	
Other Expenses	46,750.00	61,750.00	50,040.03	2,759.84	8,950.13	
Public Buildings and Grounds						
Salaries and Wages	105,000.00	110,500.00	110,046.54		453.46	
Other Expenses	122,500.00	126,500.00	113,000.41	2,869.29	10,630.30	
Garbage and Trash Collection						
Salaries and Wages	316,000.00	275,900.00	268,914.66		6,985.34	
Other Expenses	24,800.00	24,800.00	19,777.44	486.78	4,535.78	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Streets and Roads (Cont'd)						
Vehicle and Equipment Maintenance						
Salaries and Wages	\$ 141,000.00	\$ 141,000.00	\$ 122,821.94		\$ 18,178.06	
Other Expenses	147,000.00	147,000.00	124,576.53	\$ 13,303.27	9,120.20	
Recreation and Education						
Senior Citizen Coordinator						
Salaries and Wages	1.00	1.00			1.00	
Other Expenses	10,000.00	10,000.00			10,000.00	
Animal Control						
Other Expenses	12,000.00	17,000.00	12,317.38	1,200.00	3,482.62	
Parks and Playgrounds						
Salaries and Wages	51,300.00	51,300.00	42,127.90		9,172.10	
Other Expenses	22,000.00	33,000.00	13,174.02		19,825.98	
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	12,500.00	12,500.00	8,676.00		3,824.00	
Uniform Construction Code -- Appropriations Offset						
by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Official						
Salaries and Wages	145,000.00	145,000.00	98,578.46		46,421.54	
Other Expenses	17,750.00	17,750.00	5,391.69	622.88	11,735.43	
Other Code Enforcement						
Salaries and Wages	67,000.00	67,000.00	60,044.04		6,955.96	
Sub-Code Officials:						
Fire						
Salaries and Wages	6,000.00	6,000.00	5,680.56		319.44	
Unclassified						
Electricity	95,000.00	95,000.00	77,581.38	518.25	16,900.37	
Water Service	33,000.00	33,000.00	26,520.61		6,479.39	
Sewer Service	14,000.00	14,000.00	8,722.74		5,277.26	
Telephone	65,000.00	72,000.00	71,799.67		200.33	
Gas / Fuel Oil	40,000.00	40,000.00	22,025.94		17,974.06	
Trash Disposal	445,000.00	445,000.00	412,839.28	1,900.00	30,260.72	
Street Lighting	176,000.00	176,000.00	175,822.23		177.77	
Gasoline / Motor Fuel	140,000.00	138,000.00	117,711.04	2,915.53	17,373.43	
Accumulated Sickleave	1.00	1.00			1.00	
TOTAL OPERATIONS--WITHIN "CAPS"	7,150,008.44	7,132,508.44	6,129,217.83	86,512.13	916,778.48	-
Detail:						
Salaries and Wages	3,577,902.00	3,497,007.00	3,281,595.23	160.00	215,251.77	
Other Expenses	3,572,106.44	3,635,501.44	2,847,622.60	86,352.13	701,526.71	

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2025

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES --MUNICIPAL--WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
Police and Firemen's Retirement System of N.J.	\$ 585,165.00	\$ 585,165.00	\$ 585,165.00			
Public Employees Retirement System	135,196.00	135,196.00	135,196.00			
Defined Contribution Retirement Program	10,000.00	10,000.00	2,846.70		\$ 7,153.30	
Social Security System (O.A.S.I.)	285,000.00	300,000.00	292,110.41		7,889.59	
Total Deferred Charges and Statutory Expenditures Within--"CAPS"	1,015,361.00	1,030,361.00	1,015,318.11	-	15,042.89	-
Total General Appropriations for Municipal Purposes Within--"CAPS"	8,165,369.44	8,162,869.44	7,144,535.94	\$ 86,512.13	931,821.37	-
<u>OPERATIONS-- EXCLUDED FROM "CAPS"</u>						
Solid Waste Disposal						
Recycling Tax (P.L. 2007, c. 311)	15,000.00	15,000.00	11,463.12		3,536.88	
Maintenance of Free Public Library						
Contribution	368,986.27	368,986.27	368,986.00		0.27	
Storm Water Management						
Salaries and Wages	40,000.00	42,500.00	41,847.91		652.09	
Other Expenses	22,850.00	22,850.00	8,557.85	197.44	14,094.71	
<u>State and Federal Programs Off-set by Revenues:</u>						
Recycling Tonnage Grant						
Other Expenses (NJSA 40A:4-87 \$10,448.36)	1,000.00	11,448.36	11,448.36			
Clean Communities Grant						
Other Expenses (NJSA 40A:4-87 \$20,601.56)		20,601.56	20,601.56			
County Recreation Grant						
Other Expenses (NJSA 40A:4-87 \$82,000.00)		82,000.00	82,000.00			
Body Armor Replacement Grant						
Other Expenses	1,843.20	1,843.20	1,843.20			
Hazardous Discharge Site Remediation Fund Grant						
Other Expenses (NJSA 40A:4-87 \$116,717.00)		116,717.00	116,717.00			
New Jersey Department of Transportation 2026 Grant						
Other Expenses (NJSA 40A:4-87 \$197,685.00)		197,685.00	197,685.00			
NJSACOP Accreditation Grant						
Other Expenses (NJSA 40A:4-87 \$4,000.00)		4,000.00	4,000.00			
Pedestrian Safety Grant						
Other Expenses	15,000.00	15,000.00	15,000.00			
Behind The Badge Grant						
Other Expenses (NJSA 40A:4-87 \$2,000.00)		2,000.00	2,000.00			
COVID ARP SLFRF						
Other Expenses (NJSA 40A:4-87 \$2,470.87)		2,470.87	2,470.87			
New Jersey Click It or Ticket Grant						
Other Expenses (NJSA 40A:4-87 \$7,000.00)		7,000.00	7,000.00			
Total Operations--Excluded from "CAPS"	464,679.47	910,102.26	891,620.87	197.44	18,283.95	-

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS-- EXCLUDED FROM "CAPS" (CONT'D)</u>						
Detail:						
Salaries and Wages	\$ 40,000.00	\$ 42,500.00	\$ 41,847.91		\$ 652.09	
Other Expenses	424,679.47	867,602.26	849,772.96	\$ 197.44	17,631.86	
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Total Capital Improvements--Excluded from "Caps"	50,000.00	50,000.00	50,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	1,040,000.00	1,040,000.00	1,040,000.00			
Interest on Bonds	431,710.00	431,710.00	431,706.25			\$ 3.75
Total Municipal Debt Service--Excluded from "CAPS"	1,471,710.00	1,471,710.00	1,471,706.25	-	-	3.75
<u>TRANSFERRED TO BOARD OF EDUCATION FOR USE OF LOCAL SCHOOLS (NJSA 40:48-17.1 & 17.3)</u>						
	45,476.00	45,476.00	45,476.00	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,031,865.47	2,477,288.26	2,458,803.12	197.44	18,283.95	3.75
Subtotal General Appropriations	10,197,234.91	10,640,157.70	9,603,339.06	86,709.57	950,105.32	3.75
Reserve for Uncollected Taxes	420,085.07	420,085.07	420,085.07	-	-	-
Total	<u>\$ 10,617,319.98</u>	<u>\$ 11,060,242.77</u>	<u>\$ 10,023,424.13</u>	<u>\$ 86,709.57</u>	<u>\$ 950,105.32</u>	<u>\$ 3.75</u>
<u>Reference</u>	A-2			A	A	
	Ref.					
Adopted Budget	A-2	\$ 10,617,319.98				
Appropriation by NJSA 40A:4-87	A-2	442,922.79				
		<u>\$ 11,060,242.77</u>				
Disbursed	SA-1		\$ 9,351,209.61			
Refunds	SA-1		(258,636.54)			
Reserve for Uncollected Taxes	A-2		420,085.07			
Reserve for Federal and State Grants Appropriated	SA-20		460,765.99			
Due General Capital Fund	SC-9		50,000.00			
			<u>\$ 10,023,424.13</u>			

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

BOROUGH OF BERLIN
TRUST FUNDS
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	SB-1	\$ 7,267.90	\$ 9,098.88
Due from State of New Jersey	SB-5	1.20	
		<u>7,269.10</u>	<u>9,098.88</u>
Open Space Fund:			
Cash	SB-1	549,162.13	632,449.93
Due from Current Fund	SA-16	121,768.80	411.82
		<u>670,930.93</u>	<u>632,861.75</u>
Other Funds:			
Cash -- Treasurer	SB-1	1,426,966.54	1,256,954.59
Cash -- Collector	SB-2	429,050.56	540,371.61
Police Outside Services Receivable	SB-1;SB-7	89,297.70	38,198.84
Due from Developers	SB-4	25,477.40	24,856.00
Due from Camden County Municipal Drug Alliance	B	955.89	955.89
Due from Federal and State Grant Fund	A	982.02	982.02
Due from Current Fund	SB-6		39,521.06
		<u>1,972,730.11</u>	<u>1,901,840.01</u>
		<u>\$ 2,650,930.14</u>	<u>\$ 2,543,800.64</u>

(Continued)

BOROUGH OF BERLIN
TRUST FUNDS
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey	SB-5		\$ 70.80
Reserve for Encumbrances	B	\$ 315.00	315.00
Reserve for Animal Control Fund Expenditures	SB-3	6,954.10	8,713.08
		<u>7,269.10</u>	<u>9,098.88</u>
Open Space Fund:			
Reserve for Future Use	B-1	670,930.93	632,861.75
Other Funds:			
Reserve for Recreation Facilities	SB-7	68,887.03	68,887.03
Reserve for Parking Offenses Adjudication Act	SB-7	978.10	952.10
Reserve for Accumulated Leave	SB-7	130,000.00	130,000.00
Reserve for Celebration	SB-7	4,279.92	4,279.92
Reserve for Payroll Deductions Payable	SB-7	69,942.26	27,082.92
Reserve for Affordable Housing	SB-7	633,227.84	604,230.38
Reserve for COAH Fees	SB-7	5,038.71	5,038.35
Reserve for Developers' Escrow Deposits	SB-7	257,913.21	184,750.23
Reserve for Municipal Alliance	SB-7	6,426.31	6,426.31
Reserve for Tax Title Lien Redemptions	SB-7	65,854.98	120,997.74
Reserve for Premiums Received at Tax Sale	SB-7	372,200.00	480,600.00
Reserve for Recycling Funds	SB-7	24,171.47	25,549.26
Reserve for Community Development Block Grant	SB-7	382.00	382.00
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	22,872.80	21,000.00
Reserve for Public Defender	SB-7	1,794.00	5,625.00
Reserve for Performance Bonds	SB-7	146,780.43	56,046.15
Reserve for Storm Recovery	SB-7	6,244.68	18,433.00
Reserve for Investigation Fund	SB-7	45.00	45.00
Reserve for Fire Safety	SB-7	1,890.40	2,302.58
Reserve for Police Donation	SB-7	5,036.82	5,036.82
Reserve for Police Outside Services	SB-7	606.48	
Reserve for Special Law Enforcement	SB-7	47,560.10	46,278.30
Due State of NJ - VCCB	SB-7	81,383.07	81,383.07
Due to Current Fund	SB-6	12,700.65	
		<u>1,972,730.11</u>	<u>1,901,840.01</u>
		<u>\$ 2,650,930.14</u>	<u>\$ 2,543,800.64</u>

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

BOROUGH OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statements of Operations and Changes in Reserve for Future Use --Regulatory Basis
For the Years Ended December 31, 2025 and 2024

<u>Revenue and Other</u>			
<u>Income Realized</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
Amount to be Raised by Taxation	B-2	\$ 121,356.98	\$ 121,142.41
Interest Income	B-2	<u>10,463.45</u>	<u>3,852.51</u>
Total Income		<u>131,820.43</u>	<u>124,994.92</u>
<u>Expenditures</u>			
Operating	B-3	<u>93,751.25</u>	<u>74,721.34</u>
Statutory Excess to Reserve		38,069.18	50,273.58
<u>Reserve for Future Use</u>			
Balance Jan. 1	B	<u>632,861.75</u>	<u>582,588.17</u>
Balance Dec. 31	B	<u>\$ 670,930.93</u>	<u>\$ 632,861.75</u>

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

BOROUGH OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2025

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Amount to be Raised by Taxation	\$ 121,160.85	\$ 121,356.98	\$ 196.13
Interest Income		<u>10,463.45</u>	<u>10,463.45</u>
Budget Totals	<u>\$ 121,160.85</u>	<u>\$ 131,820.43</u>	<u>\$ 10,659.58</u>
	<u>Ref.</u> B-3		
<u>Analysis of Realized Revenues</u>			
Analysis of Current Tax Collections:			
Due Current Fund:			
Open Space Tax Levy		\$ 121,160.85	
Added / Omitted Taxes		<u>196.13</u>	
	SA-16	<u>\$ 121,356.98</u>	
Analysis of Miscellaneous Revenue:			
Receipts:			
Interest on Deposits	SB-1	<u>\$ 10,463.45</u>	

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

BOROUGH OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2025

	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Disbursed</u>	<u>Unexpended Balance Canceled</u>
Operating:				
Salaries and Wages	\$ 100,000.00	\$ 100,000.00	\$ 87,117.61	\$ 12,882.39
Other Expenses	21,160.85	21,160.85	6,633.64	14,527.21
	<u>121,160.85</u>	<u>121,160.85</u>	<u>93,751.25</u>	<u>27,409.60</u>
Total Operating	<u>121,160.85</u>	<u>121,160.85</u>	<u>93,751.25</u>	<u>27,409.60</u>
Total Open Space Appropriations	<u>\$ 121,160.85</u>	<u>\$ 121,160.85</u>	<u>\$ 93,751.25</u>	<u>\$ 27,409.60</u>
<u>Reference</u>	B-2		SB-1	

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

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

<u>ASSETS</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
Cash	SC-1	\$ 1,493,920.12	\$ 3,556,510.43
Due from State of New Jersey	C	23,531.40	23,531.40
Due from Sewer Utility Capital Fund	E	4,519.53	4,519.53
Deferred Charges to Future Taxation:			
Funded	SC-3	11,729,000.00	12,769,000.00
Unfunded	SC-4	<u>2,820,694.00</u>	<u>2,001,094.00</u>
		<u>\$ 16,071,665.05</u>	<u>\$ 18,354,655.36</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Capital Improvement Fund	SC-5	\$ 88,915.22	\$ 82,065.22
Improvement Authorizations:			
Funded	SC-6	1,756,171.92	2,249,504.23
Unfunded	SC-6	991,707.06	1,053,512.86
Reserve for the Payment of Debt	SC-11	461,479.00	708,348.00
Contracts Payable	SC-7	276,337.52	918,083.00
Reserve For Encumbrances	SC-8	127,588.65	133,676.37
Due to Current Fund	SC-9	200,000.00	
General Serial Bonds	SC-10	11,729,000.00	12,769,000.00
Fund Balance	C	<u>440,465.68</u>	<u>440,465.68</u>
		<u>\$ 16,071,665.05</u>	<u>\$ 18,354,655.36</u>
Bonds and Notes Authorized But Not Issued	SC-12	<u>\$ 2,820,694.00</u>	<u>\$ 2,001,094.00</u>

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

BOROUGH OF BERLIN
WATER UTILITY FUND
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>			
Operating Fund:			
Cash -- Treasurer	SD-1	\$ 3,686,699.75	\$ 3,318,868.23
Due from Sewer Operating Fund	D-1	15.94	
		<u>3,686,715.69</u>	<u>3,318,868.23</u>
Receivables with Full Reserves:			
Water Rents Receivable	SD-4	443,839.58	415,979.84
Fire Hydrant and Sprinkler Rents Receivable	SD-5	27,114.44	26,403.00
Due from Sewer Operating Fund	SD-1		15.94
		<u>470,954.02</u>	<u>442,398.78</u>
Total Operating Fund		<u>4,157,669.71</u>	<u>3,761,267.01</u>
Capital Fund:			
Cash -- Treasurer	SD-1	1,569,345.10	2,923,772.19
Due from Sewer Operating Fund	E	29,015.93	29,015.93
Fixed Capital	SD-8	21,610,213.60	21,137,717.93
Fixed Capital Authorized and Uncompleted	SD-9	8,321,630.00	7,621,630.00
Total Capital Fund		<u>31,530,204.63</u>	<u>31,712,136.05</u>
		<u>\$ 35,687,874.34</u>	<u>\$ 35,473,403.06</u>

(Continued)

BOROUGH OF BERLIN
WATER UTILITY FUND
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Water Overpayments	SD-6	\$ 22,197.00	\$ 15,960.90
Reserve for Encumbrances	D-3;SD-7	83,376.26	99,787.17
Appropriation Reserves	D-3;SD-7	61,200.75	122,465.53
Accrued Interest on Bonds and Loans	SD-10	81,682.74	82,510.88
		<u>248,456.75</u>	<u>320,724.48</u>
Reserve for Receivables	D	470,954.02	442,398.78
Fund Balance	D-1	<u>3,438,258.94</u>	<u>2,998,143.75</u>
Total Operating Fund		<u>4,157,669.71</u>	<u>3,761,267.01</u>
Capital Fund:			
Capital Improvement Fund	D	266,876.71	266,876.71
Improvement Authorizations:			
Funded	SD-11	718,884.75	827,789.28
Unfunded	SD-11	769,281.28	516,754.00
Contracts Payable	SD-15	885,740.67	1,214,924.05
Reserve for Amortization	SD-12	20,184,125.52	19,751,926.19
Deferred Reserve for Amortization	SD-13	355,431.77	355,431.77
Reserve for Encumbrances	SD-14	59,672.75	56,043.54
Serial Bonds	SD-16	7,403,000.00	7,710,000.00
New Jersey Environmental Trust Loan	SD-17	137,140.31	269,843.97
Reserve for Payment of Debt	SD-18	350,186.32	342,681.99
Fund Balance	D	<u>399,864.55</u>	<u>399,864.55</u>
Total Capital Fund		<u>31,530,204.63</u>	<u>31,712,136.05</u>
		<u>\$ 35,687,874.34</u>	<u>\$ 35,473,403.06</u>
Bonds and Notes Authorized But Not Issued	SD-19	<u>\$ 1,852,146.00</u>	<u>\$ 672,146.00</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, 2025 and 2024

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>Revenue and Other</u>			
<u>Income Realized</u>			
Operating Surplus Anticipated	D-2	\$ 378,117.60	\$ 191,561.75
Water Rents	D-2	3,461,663.23	2,995,853.04
Fire Hydrant and Sprinkler Service	D-2	616,029.56	588,353.15
Miscellaneous	D-2	158,784.33	154,785.55
Other Credits to Income:			
Cancellation of Water Overpayments	SD-6	1,489.38	3,476.72
Liquidation of Reserve for Receivable	D	15.94	
Unexpended Balance of Appropriation Reserves	SD-7	118,983.40	303,616.01
Total Income		<u>4,735,083.44</u>	<u>4,237,646.22</u>
<u>Expenditures</u>			
Operating	D-3	3,056,000.00	2,858,229.52
Debt Service	D-3	720,733.05	470,397.66
Deferred Charges and Statutory Expenditures	D-3	140,117.60	146,839.50
Total Expenditures		<u>3,916,850.65</u>	<u>3,475,466.68</u>
Statutory Excess to Fund Balance		818,232.79	762,179.54
<u>Fund Balance</u>			
Balance Jan. 1	D	<u>2,998,143.75</u>	<u>2,427,525.96</u>
		3,816,376.54	3,189,705.50
Decreased by:			
Utilized as Revenue	D-2	<u>378,117.60</u>	<u>191,561.75</u>
Balance Dec. 31	D	<u>\$ 3,438,258.94</u>	<u>\$ 2,998,143.75</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, 2025

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 378,117.60	\$ 378,117.60	
Water Rents		2,900,000.00	3,461,663.23	\$ 561,663.23
Fire Hydrant and Sprinkler Service		550,000.00	616,029.56	66,029.56
Miscellaneous		100,000.00	158,784.33	58,784.33
		<u>\$ 3,928,117.60</u>	<u>\$ 4,614,594.72</u>	<u>\$ 686,477.12</u>
	<u>Ref.</u>	D-3		
<u>Analysis of Realized Revenues</u>				
Water Rents Receivable:				
Receipts - Collector	SD-2		\$ 3,442,645.36	
Overpayments Applied	SD-6		19,017.87	
			<u>\$ 3,461,663.23</u>	
Fire Hydrant and Sprinkler Service:				
Receipts - Collector	SD-2		\$ 616,029.56	
Miscellaneous:				
Receipts:				
Treasurer:				
Interest on Deposits	SD-1		\$ 84,323.62	
Collector:				
New Meter Fee - Connections		\$ 32,710.00		
Interest on Delinquent Accounts		28,956.10		
Water Ret Ck Fee		60.00		
Turn-On Charges		1,450.78		
Radio Read Charges		4,640.00		
Miscellaneous		6,643.83		
	SD-2		74,460.71	
			<u>\$ 158,784.33</u>	

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

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2025

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 650,000.00	\$ 701,700.00	\$ 701,615.87		\$ 84.13	
Other Expenses	2,406,000.00	2,354,300.00	2,214,973.88	\$ 83,376.26	55,949.86	
Total Operating	3,056,000.00	3,056,000.00	2,916,589.75	83,376.26	56,033.99	-
Debt Service:						
Payment of Bond Principal	307,000.00	307,000.00	307,000.00			
Interest on Bonds	270,000.00	271,000.00	270,161.67			\$ 838.33
Interest on Notes	11,000.00	10,000.00				10,000.00
New Jersey Environmental Infrastructure Loan	144,000.00	144,000.00	143,571.38			428.62
Total Debt Service	732,000.00	732,000.00	720,733.05	-	-	11,266.95
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Unemployment Compensation Insurance	4,000.00	4,000.00	2,862.47		1,137.53	
Public Employees Retirement System	81,117.60	81,117.60	81,117.60			
Social Security System (O.A.S.I.)	55,000.00	55,000.00	50,970.77		4,029.23	
Total Deferred Charges and Statutory Expenditures	140,117.60	140,117.60	134,950.84	-	5,166.76	-
	<u>\$ 3,928,117.60</u>	<u>\$ 3,928,117.60</u>	<u>\$ 3,772,273.64</u>	<u>\$ 83,376.26</u>	<u>\$ 61,200.75</u>	<u>\$ 11,266.95</u>

Reference

D-2

D

D

Ref.

Accrued Interest on Bonds, Loans and Notes

SD-10

\$ 275,632.50

Refunds

SD-1

(109,474.48)

Disbursed

SD-1

3,606,115.62

\$ 3,772,273.64

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

BOROUGH OF BERLIN
SEWER UTILITY FUND
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>			
Operating Fund:			
Cash -- Treasurer	SE-1	\$ 983,893.65	\$ 998,694.88
Due Sewer Utility Capital Fund	SE-18	50,000.00	
		<u>1,033,893.65</u>	<u>998,694.88</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	SE-4	116,788.29	117,421.01
Sewer Liens Receivable	E-1;SE-4	313.86	264.79
		<u>117,102.15</u>	<u>117,685.80</u>
Total Operating Fund		<u>1,150,995.80</u>	<u>1,116,380.68</u>
Capital Fund:			
Cash -- Treasurer	SE-1	970,215.41	1,484,766.54
Fixed Capital	SE-6	5,381,326.84	5,293,681.65
Fixed Capital Authorized and Uncompleted	SE-7	3,206,000.00	2,441,000.00
Total Capital Fund		<u>9,557,542.25</u>	<u>9,219,448.19</u>
		<u>\$ 10,708,538.05</u>	<u>\$ 10,335,828.87</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3;SE-5	\$ 46,837.84	\$ 90,373.24
Reserve for Encumbrances	E-3;SE-5	588.06	3,715.22
Due to Current Fund	SE-1	19,979.44	
Sewer Rent Overpayments	SE-14	8,962.06	2,189.50
Accrued Interest on Bonds	SE-8	35,775.00	39,371.66
Due to Water Utility Operating Fund	D	15.94	15.94
		<u>112,158.34</u>	<u>135,665.56</u>
Reserve for Receivables	E	117,102.15	117,685.80
Fund Balance	E-1	921,735.31	863,029.32
Total Operating Fund		<u>1,150,995.80</u>	<u>1,116,380.68</u>
Capital Fund:			
Serial Bonds	SE-16	3,223,000.00	3,376,000.00
Improvement Authorizations Funded	SE-12	499,113.36	678,355.74
Improvement Authorizations Unfunded	SE-12	387,922.99	1,071.00
Reserve for Encumbrances	SE-10	35,983.51	21,317.76
Contracts Payable	SE-11	150,172.52	34,353.82
Due to General Capital Fund	C	4,519.53	4,519.53
Due to Water Utility Capital Fund	D	29,015.93	29,015.93
Due Sewer Utility Operating Fund	SE-18	50,000.00	
Capital Improvement Fund	SE-9	203,267.95	153,267.95
Deferred Reserve for Amortization	SE-15	149,334.00	150,834.00
Reserve for Amortization	SE-13	4,328,946.84	4,206,301.65
Reserve for Payment of Debt	SE-17	341,825.88	409,971.07
Fund Balance	E	154,439.74	154,439.74
		<u>9,557,542.25</u>	<u>9,219,448.19</u>
Total Capital Fund		<u>\$ 10,708,538.05</u>	<u>\$ 10,335,828.87</u>
Bonds and Notes Authorized But Not Issued	SE-19	<u>\$ 885,571.00</u>	<u>\$ 1,071.00</u>

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

BOROUGH OF BERLIN
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2025 and 2024

<u>Revenue and Other</u>			
<u>Income Realized</u>	<u>Ref.</u>	<u>2025</u>	<u>2024</u>
Operating Surplus Anticipated	E-2	\$ 150,566.00	\$ 73,378.74
Sewer Rents	E-2	1,080,892.78	1,041,921.18
Interest on Deposits	E-2	43,145.12	55,854.28
Miscellaneous	E-2	31,830.48	8,559.47
Reserve for Payment of Debt	E-2	100,000.00	100,000.00
Cancellation of Overpayments	SE-14	7,086.40	6,774.98
Unexpended Balance of Appropriation Reserves	SE-5	90,114.31	204,450.87
Deletion of Reserve for:			
Due Water Operating Fund			15.94
Total Income		<u>1,503,635.09</u>	<u>1,490,955.46</u>
<u>Expenditures</u>			
Operating	E-3	895,987.60	855,271.20
Debt Service	E-3	267,797.10	200,933.26
Capital Improvements	E-3	50,000.00	50,000.00
Deferred Charges and Statutory Expenditures	E-3	<u>80,578.40</u>	<u>88,393.00</u>
Total Expenditures		<u>1,294,363.10</u>	<u>1,194,597.46</u>
Excess (Deficit) in Revenue		209,271.99	296,358.00
<u>Fund Balance</u>			
Balance Jan. 1	E	<u>863,029.32</u>	<u>640,050.06</u>
		1,072,301.31	936,408.06
Less:			
Utilized as Revenue in Sewer Operating Budget	E-2	<u>150,566.00</u>	<u>73,378.74</u>
Balance Dec. 31	E	<u>\$ 921,735.31</u>	<u>\$ 863,029.32</u>

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

BOROUGH OF BERLIN
SEWER UTILITY FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2025

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	E-1	\$ 150,566.00	\$ 150,566.00	
Sewer Rents		1,000,000.00	1,080,892.78	\$ 80,892.78
Interest on Investments and Deposits		45,000.00	43,145.12	(1,854.88)
Miscellaneous		7,000.00	31,830.48	24,830.48
Reserve to Pay Debt Service	SE-17	100,000.00	100,000.00	
		<u>\$ 1,302,566.00</u>	<u>\$ 1,406,434.38</u>	<u>\$ 103,868.38</u>
 <u>Analysis of Realized Revenues</u>				
	<u>Ref.</u>	<u>E-3</u>		
Sewer Rents Receivable:				
Receipts - Collector	SE-2		<u>\$ 1,080,892.78</u>	
Interest on Investments and Deposits:				
Treasurer:				
Receipts	SE-1		<u>\$ 43,145.12</u>	
Miscellaneous:				
Collector:				
Receipts:				
Interest on Delinquent Accounts		\$ 6,127.20		
Connection Fees		<u>25,703.28</u>		
	SE-2		<u>\$ 31,830.48</u>	

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

BOROUGH OF BERLIN
SEWER UTILITY FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2025

	<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	\$ 328,000.00	\$ 343,000.00	\$ 340,710.51		\$ 2,289.49	
Other Expenses	567,987.60	552,987.60	508,414.54	\$ 588.06	43,985.00	
Total Operating	895,987.60	895,987.60	849,125.05	588.06	46,274.49	-
Capital Improvements:						
Down Payments on Improvements						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Debt Service:						
Payment of Bond Principal	153,000.00	153,000.00	153,000.00			
Interest on Bonds	115,000.00	115,000.00	114,797.10			\$ 202.90
Interest on Notes	8,000.00	8,000.00				8,000.00
Total Debt Service	276,000.00	276,000.00	267,797.10	-	-	8,202.90
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	54,078.40	54,078.40	54,078.40			
Social Security System (O.A.S.I.)	25,000.00	25,000.00	24,598.69		401.31	
Unemployment Compensation Insurance	1,500.00	1,500.00	1,337.96		162.04	
Total Deferred Charges and Statutory Expenditures	80,578.40	80,578.40	80,015.05	-	563.35	-
Total	\$ 1,302,566.00	\$ 1,302,566.00	\$ 1,246,937.20	\$ 588.06	\$ 46,837.84	\$ 8,202.90
<u>Reference</u>	E-2			E	E	

	<u>Ref.</u>	
Accrued Interest on Bonds	SE-8	\$ 114,797.10
Due Sewer Capital Fund	SE-18	50,000.00
Refunds	SE-1	(47,179.56)
Disbursed	SE-1	1,129,319.66
		<u>\$ 1,246,937.20</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, 2025

	Balance <u>Dec. 31, 2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2025</u>
General Fixed Assets:				
Land	\$ 4,003,405.57		\$ 120,000.00	\$ 3,883,405.57
Buildings	4,843,712.07			4,843,712.07
Vehicles and Equipment	<u>8,754,216.41</u>	<u>\$ 1,173,666.69</u>	<u>484,344.55</u>	<u>9,443,538.55</u>
	<u>\$ 17,601,334.05</u>	<u>\$ 1,173,666.69</u>	<u>\$ 604,344.55</u>	<u>\$ 18,170,656.19</u>
Investment in General Fixed Assets:				
General Capital Fund	<u>\$ 17,601,334.05</u>	<u>\$ 1,173,666.69</u>	<u>\$ 604,344.55</u>	<u>\$ 18,170,656.19</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, 2025

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 was 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 units of the Borough are 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 units 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 offices of these component units 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)

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.

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

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.

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. 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.

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

General Fixed Assets (Cont'd) - 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.

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.

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

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, 2024 to June 30, 2025, increased by the amount deferred at December 31, 2024 and decreased by the amount deferred at December 31, 2025.

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.

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.

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

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 paid time off (PTO), sick leave, vacation leave, compensatory time, and certain types of sabbatical 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 statements that have an effective date that may affect future financial presentations:

Statement No. 104, "*Disclosure of Certain Capital Assets*" in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements of the Borough.

Statement No. 105, "*Subsequent Events*". The objective of this Statement is to improve financial reporting requirements for subsequent events. The purposes of the improvements are to (a) clarify the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (b) specifies the information items that are required to be disclosed about subsequent events. The Statement will become effective for the Borough in the year ending December 31, 2027. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements 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, 2025, the Borough's bank balances of \$20,406,162.55 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 19,973,323.72
Uninsured and Uncollateralized	<u>432,838.83</u>
Total	<u><u>\$ 20,406,162.55</u></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:

	<u>Year Ended</u>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$ 3.472</u>	<u>\$ 3.411</u>	<u>\$ 3.380</u>	<u>\$ 3.381</u>	<u>\$ 3.310</u>
Apportionment of Tax Rate:					
Municipal	\$.879	\$.864	\$.861	\$.858	\$.841
County	.780	.785	.793	.788	.796
Regional School	.722	.656	.636	.645	.579
Local School	1.091	1.106	1.090	1.090	1.094

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2025	\$ 807,363,272.00
2024	804,870,579.00
2023	795,350,885.00
2022	771,544,825.00
2021	756,952,653.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2025	\$ 28,072,021.71	\$ 27,791,597.78	99.00%
2024	27,547,343.36	27,242,767.56	98.89%
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%

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>
2025	\$ 183,983.70	\$ 265,554.60	\$ 449,538.30	1.60%
2024	160,471.11	260,986.87	421,457.98	1.53%
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%

Note 3: PROPERTY TAXES (CONT'D)

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>
2025	3
2024	3
2023	2
2022	2
2021	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, 2025 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>					
2025	\$ 442,398.78	\$ -	\$	4,107,800.30	\$	4,550,199.08	\$ 4,077,692.79
2024	425,279.03	-		3,690,057.06		4,115,336.09	3,584,206.19
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

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>					
2025	\$ 117,421.01	\$ 313.86	\$	1,080,883.82	\$	1,198,618.69	\$ 1,080,892.78
2024	118,490.45	264.79		1,041,161.74		1,159,916.98	1,041,921.18
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

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, 2025, the balance of the lease's receivable is \$473,427.22. 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.

The following is a summary of the leases as of December 31, 2025:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Office Lease	\$ 37,893.91	\$ 30,396.24	\$ 1,109.44
Cell Towers	435,533.31	95,416.80	9,869.08
	<u>\$ 473,427.22</u>	<u>\$ 125,813.04</u>	<u>\$ 10,978.52</u>

Under the provisions of GASB 87, for the year ended December 31, 2025, the Borough would have recognized a \$49,381.89 increase of lease receivable and \$10,978.52 in interest revenue related to the leases. In addition, \$125,813.04 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 \$145,265.27 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>
2025	\$ 5,488,394.50	\$ 1,557,500.00	28.38%
2024	5,118,610.33	1,297,000.00	25.34%
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%

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>
2025	\$ 3,438,258.94	\$ 685,945.40	19.95%
2024	2,998,143.75	378,117.60	12.61%
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%

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>
2025	\$ 921,735.31	\$ 260,916.50	28.31%
2024	863,029.32	150,566.00	17.45%
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%

Note 9: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various balance sheets as of December 31, 2025:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 301,099.29	\$ 121,768.80
Federal and State Grant	-	69,401.22
Trust - Open Space	121,768.80	-
Trust - Other	982.02	12,700.65
General Capital	4,519.53	200,000.00
Water Utility Operating	15.94	-
Water Utility Capital	29,015.93	-
Sewer Utility Operating	50,000.00	19,995.38
Sewer Utility Capital	-	83,535.46
	<u>\$ 507,401.51</u>	<u>\$ 507,401.51</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 2026, 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 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>

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

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 are available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62.

Note 10: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Service retirement benefits of 1/60th of final average salary for each year of service credit are 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.

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. 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.

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

Public Employees' Retirement System (Cont'd) - *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 legislation, which legally obligates 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.

The Employer's contractually required contribution rate for the year ended December 31, 2025 was 16.33% 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, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025 is \$285,413.00, and is payable by April 1, 2026. 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, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 was \$260,939.00, which was paid on April 1, 2025.

Employee contributions to the Plan for the year ended December 31, 2025 were \$134,139.60.

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, 2025 was .50% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2025, 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, 2025 was \$8,825.00. For the prior year measurement date of June 30, 2024, 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, 2024 was \$8,401.00.

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

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 are 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, 2025 was 36.54% 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.

Based on the most recent PFRS measurement date of June 30, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025 is \$595,261.00, and is payable by April 1, 2026. 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, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 was \$561,456.00, which was paid on April 1, 2025.

Employee contributions to the Plan for the year ended December 31, 2025 were \$165,150.88.

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, 2025 was 6.17% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2025, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2025 was \$100,535.00, and is payable by April 1, 2026. For the prior year measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was \$95,072.00, which was paid on April 1, 2025.

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

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.

For the year ended December 31, 2025, employee contributions totaled \$12,505.84, and the Employer's contributions were \$13,914.41. There were no forfeitures during the year.

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, 2025, 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 \$2,568,423.00. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2025. 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, 2025 measurement date, the Employer's proportion was 0.0208837761%, which was an increase of 0.0017072438% from its proportion measured as of June 30, 2024.

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, 2025, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2025 measurement date was \$40,222.00. 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, 2025, the Employer's contribution to PERS was \$260,939.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, 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, 2025 measurement date, was \$8,825.00. 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, 2025, the Employer's and State of New Jersey's proportionate share of the PERS net pension liability were as follows:

Employer's Proportionate Share of Net Pension Liability	\$ 4,178,303.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	848,184.00
	<u>\$ 5,026,487.00</u>

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)****Police and Firemen's Retirement System (Cont'd)**

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2025. 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, 2025 measurement date, the Employer's proportion was .0416620700%, which was an increase of .0010692400% from its proportion measured as of June 30, 2024. Likewise, at June 30, 2025, the State of New Jersey's proportion, on-behalf of the Employer, was .0416621800%, which was an increase of .0010695500% from its proportion, on-behalf of the Employer, measured as of June 30, 2024.

Pension (Benefit) Expense - For the year ended December 31, 2025, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2025 measurement date was \$174,832.00. 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, 2025, the Employer's contribution to PFRS was \$561,456.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2025 measurement date, was \$100,535.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2025, 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		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 73,231.00	\$ 342,314.00	\$ 415,545.00	\$ 2,745.00	\$ 79,412.00	\$ 82,157.00
Changes of Assumptions	406.00	208,998.00	209,404.00	29,591.00	52,822.00	82,413.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	214,173.00	204,685.00	418,858.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	337,963.00	339,293.00	677,256.00	360,899.00	480,630.00	841,529.00
Employer's Contributions Subsequent to the Measurement Date	142,707.00	297,631.00	440,338.00	-	-	-
	<u>\$ 554,307.00</u>	<u>\$ 1,188,236.00</u>	<u>\$ 1,742,543.00</u>	<u>\$ 607,408.00</u>	<u>\$ 817,549.00</u>	<u>\$ 1,424,957.00</u>

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) - Deferred outflows of resources in the amounts of \$142,707.00 and \$257,631.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2026. These amounts were based on an estimated April 1, 2027 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2025 to the Employer's year end of December 31, 2025.

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, 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	-
June 30, 2024	5.08	-	6.09	-
June 30, 2025	5.15	-	5.86	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
June 30, 2025	-	5.15	5.86	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
June 30, 2025	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2024	5.08	5.08	6.09	6.09
June 30, 2025	5.15	5.15	5.86	5.86

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>
2026	\$ 8,949.00	\$ 241,346.00	\$ 250,295.00
2027	(84,042.00)	(137,882.00)	(221,924.00)
2028	(122,177.00)	(67,674.00)	(189,851.00)
2029	(5,870.00)	(35,685.00)	(41,555.00)
2030	7,332.00	72,951.00	80,283.00
	<u>\$ (195,808.00)</u>	<u>\$ 73,056.00</u>	<u>\$ (122,752.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2025. 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%	2.50%
Wage	3.25%	3.00%
Salary Increases:	3.25% - 7.75%	4.00% - 17.50%
	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, 2021 - June 30, 2024	July 1, 2021 - June 30, 2024

Note 10: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

Police and Firemen's Retirement System

Employee mortality rates were based on the Pub-2016 Safety Employee mortality tables projected generationally from 2016 with Scale MP-2021. 5% of deaths are assumed to be accidental. Healthy annuitants, mortality rates were 100% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for males and 98% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for females, projected generationally from 2016 with Scale MP-2021 mortality projection. For contingent annuitants, mortality rates were 100% of the Pub-2016 Contingent Survivor Below Median amount-weighted mortality tables for males and 102% Pub-2016 Contingent Survivor Below Median amount-weighted tables for females, projected generationally from 2016 with Scale MP-2021. Disability mortality rates were 134% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2016 Safety Disabled Retiree amount-weighted table for females, projected generationally from 2016 with Scale MP-2021 mortality projection.

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, 2025) 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.

Note 10: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2025 are summarized in the table that follows:

<u>PERS</u>			<u>PFRS</u>		
	Target	Long-Term		Target	Long-Term
<u>Asset Class</u>	<u>Allocation</u>	<u>Expected Real</u>	<u>Asset Class</u>	<u>Allocation</u>	<u>Expected Real</u>
		<u>Rate of Return</u>			<u>Rate of Return</u>
U.S. Equity	28.00%	8.55%	U.S. Large-Cap Equity	24.00%	6.90%
Non-U.S. Developed Markets Equity	12.75%	8.77%	U.S. Small/Mid Cap Equity	4.00%	7.40%
International Small Cap Equity	1.25%	8.77%	Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Emerging Markets Equity	5.50%	10.30%	Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Private Equity	13.00%	12.00%	Emerging Markets Large-Cap Equity	6.00%	9.60%
Real Estate	8.00%	10.78%	Emerging Markets Small-Cap Equity	1.50%	9.60%
Real Assets	3.00%	7.90%	U.S. Treasury Bond	7.00%	4.10%
High Yield	4.50%	6.63%	U.S. Corporate Bond	5.00%	5.90%
Private Credit	8.00%	9.00%	U.S. Mortgage-Backed Securities	5.00%	4.40%
Investment Grade Credit	7.00%	5.47%	Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.61%	Cash	2.00%	3.40%
U.S. Treasuries	4.00%	3.61%	Real Estate Core	3.00%	5.10%
Risk Mitigation Strategies	3.00%	7.26%	Real Estate Non-Core	4.00%	6.50%
			Infrastructure	3.00%	7.00%
			Private Debt/Credit	8.00%	9.10%
			Private Equity	10.00%	10.10%
	<u>100.00%</u>			<u>100.00%</u>	

Discount Rate -

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. 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, 2025 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 rate used:

	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
Employer's Proportionate Share of the			
Net Pension Liability	<u>\$ 3,516,018.00</u>	<u>\$ 2,568,423.00</u>	<u>\$ 1,760,820.00</u>

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

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2025 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 rate used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	\$ 6,078,367.00	\$ 4,178,303.00	\$ 2,593,050.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>1,233,892.00</u>	<u>848,184.00</u>	<u>526,382.00</u>
	<u>\$ 7,312,259.00</u>	<u>\$ 5,026,487.00</u>	<u>\$ 3,119,432.00</u>

Pension Plan Fiduciary Net Position

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

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN**

Plan Description and Benefits Provided – The Borough is referred to as “Employer” throughout this note. The Employer provides postretirement health care benefits through a health plan for retirees, which includes a Medicare Part B reimbursement, dental insurance and life insurance. The Employer 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: eligible retirees who retire from active employment with the Employer under various classifications who have at least twenty (25) years of service in a state retirement system. This provision is part of various Labor Agreements between the Employer and its employees. The plan is administered by the Employer; therefore, premium payments are made directly to the insurance carriers. For dental insurance purposes, reimbursements by retirees are paid after the Employer provides the retirees with a detailed accounting of the costs.

Employees Covered by Benefit Terms - As of December 31, 2024, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	36
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	30
	<u>66</u>

Total OPEB Liability

The Employer’s total OPEB liability of \$23,616,372.82 was measured as of December 31, 2025 and was determined by an actuarial valuation as of December 31, 2024.

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

Inflation	2.50%
Salary Increases	2.50% Annually
Discount Rate	4.83%
Healthcare Cost Trend Rates	7.50% Decreasing to 4.50% Ultimate
Retirees' Share of Benefit-Related Costs	Based on NJ Chapter 78

The discount rate was based on the Bond Buyer 20 year index.

Mortality rates were based on Pub 2010 “General” classification headcount weighted mortality with generational improvement using Scale MP-2021.

An experience study was not performed on the actuarial assumptions used in the December 31, 2024 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 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Changes in Total OPEB Liability**

Balance at December 31, 2024		\$ 25,671,462.64
Changes for the Year:		
Service Cost	\$ 327,112.29	
Interest Cost	1,047,675.47	
Benefit Payments	(640,507.16)	
Changes in Assumptions	(2,789,370.42)	
Difference between Expected and Actual Experience	-	
Net Changes		<u>(2,055,089.82)</u>
Balance at December 31, 2025		<u>\$ 23,616,372.82</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 4.08% at December 31, 2024.

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

	December 31, 2025		
	1.00% Decrease (3.83%)	Current Discount Rate (4.83%)	1.00% Increase (5.83%)
Total OPEB Liability	<u>\$ 27,506,790.00</u>	<u>\$ 23,616,372.82</u>	<u>\$ 21,225,617.00</u>

The following presents the total OPEB liability of the Employer, as well as what the Employer'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:

	December 31, 2025		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	<u>\$ 21,493,062.00</u>	<u>\$ 23,616,372.82</u>	<u>\$ 27,157,102.00</u>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**BOROUGH OF BERLIN POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2025, the Employer recognized OPEB (benefit) expense of \$1,021,294.00. As of December 31, 2025, the Employer 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>
Subtotals Based on Prior Valuations		\$ 2,774,556.27
Change in Recognition of Fiduciary Net Position		
Difference Between Expected and Actual Experience		
Changes of Assumptions	<u>\$ 11,531,310.52</u>	
	<u>\$ 11,531,310.52</u>	<u>\$ 2,774,556.27</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:

Year Ending <u>Dec 31,</u>	
2026	\$ 797,847.38
2027	1,760,140.59
2028	693,689.97
2029	1,178,525.11
2030	1,178,525.11
Thereafter	<u>3,148,026.10</u>
	<u>\$ 8,756,754.26</u>

Note 12: ON-BEHALF PAYMENTS

Pension Costs

Certain Berlin Borough Public 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, 2025 totaled \$10,036.83.

Other Post Employment Benefit Costs

Certain Borough of Berlin Public Library employees are members of 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, which is administered by the New Jersey Division of Pensions and Benefits. The Library participates in the Plan as part of the Borough of Berlin. The Borough does not require the Library to pay any portion of required employer contributions.

The Borough of Berlin, on-behalf of the Library, was billed monthly by the Plan and paid \$10,036.83 for the year ended December 31, 2025.

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, 2025, accrued benefits for compensated absences are valued at \$439,326.44.

The Borough has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2025, the balance of the fund was \$130,000.00.

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, 2024, 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, 2025:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2025</u>	<u>2024</u>
Copiers	\$ 791.39	\$ 2,121.53
	<u>\$ 791.39</u>	<u>\$ 2,121.53</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, 2025:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 791.39	\$ 6.61	\$ 798.00

Under the provisions of GASB 87, for the year ended December 31, 2025, the Borough would have reported assets in the amount of \$6,423.50 and a financed purchase obligation in the amount of \$791.39. In addition, for the year ended December 31, 2025, the Borough would have recognized a reduction of the financed purchase obligation of \$1,330.14 and interest expense of \$70.67.

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 \$798.00 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 financed 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.

General, Water and Sewer Improvement Bonds, Series 2024 - On March 26, 2024, the Borough issued \$6,255,000.00 of general improvement bonds, \$6,422,000.00 of water improvement bonds and \$2,398,000.00 of sewer improvement bonds, with interest rates ranging from 2.00% to 4.00%. The purpose of the bonds is to fund various capital ordinances, specifically 2019-06, 2019-07, 2019-08, 2020-05, 2020-06, 2020-07, 2021-07, 2021-08, 2022-06, 2022-07, 2022-08 and 2023-08. The final maturity of the bonds is March 15, 2044.

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>
2026	\$ 1,075,000.00	\$ 402,593.76	\$ 320,000.00	\$ 263,568.76
2027	1,100,000.00	372,187.50	465,000.00	254,062.50
2028	1,129,000.00	339,281.26	473,000.00	241,268.76
2029	1,010,000.00	297,800.00	395,000.00	225,187.50
2030-2034	5,015,000.00	930,500.00	2,005,000.00	895,675.00
2035-2039	2,400,000.00	126,000.00	1,995,000.00	509,612.50
2040-2044	-	-	1,750,000.00	174,125.00
	<u>\$ 11,729,000.00</u>	<u>\$ 2,468,362.52</u>	<u>\$ 7,403,000.00</u>	<u>\$ 2,563,500.02</u>

<u>Year</u>	<u>Sewer Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 155,000.00	\$ 114,557.50	\$ 2,330,720.02
2027	160,000.00	110,445.00	2,461,695.00
2028	160,000.00	105,882.50	2,448,432.52
2029	165,000.00	100,420.00	2,193,407.50
2030-2034	913,000.00	401,072.50	10,160,247.50
2035-2039	920,000.00	223,487.50	6,174,100.00
2040-2044	750,000.00	74,625.00	2,748,750.00
	<u>\$ 3,223,000.00</u>	<u>\$ 1,130,490.00</u>	<u>\$ 28,517,352.54</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 the 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>
2026	\$ 137,140.31	\$ 5,485.62	\$ 142,625.93
	<u>\$ 137,140.31</u>	<u>\$ 5,485.62</u>	<u>\$ 142,625.93</u>

Note 16: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement**

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 11,729,000.00	\$ 12,769,000.00	\$ 11,335,000.00
Water Utility:			
Bonds, Loans and Notes	7,540,140.31	7,979,843.97	6,325,089.40
Sewer Utility:			
Bonds and Notes	3,223,000.00	3,376,000.00	3,446,000.00
Total Issued	<u>22,492,140.31</u>	<u>24,124,843.97</u>	<u>21,106,089.40</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	2,820,694.00	2,001,094.00	3,150,094.00
Water Utility:			
Bonds and Notes	1,852,146.00	672,146.00	1,866,146.00
Sewer Utility:			
Bonds and Notes	885,571.00	1,071.00	1,071.00
Total Authorized but not Issued	<u>5,558,411.00</u>	<u>2,674,311.00</u>	<u>5,017,311.00</u>
Total Issued and Authorized but not Issued	<u>28,050,551.31</u>	<u>26,799,154.97</u>	<u>26,123,400.40</u>
<u>Deductions</u>			
Cash Pledged to Debt	461,479.00	708,348.00	708,348.00
Self-Liquidating Debt	<u>13,500,857.31</u>	<u>12,029,060.97</u>	<u>11,638,306.40</u>
Total Deductions	<u>13,962,336.31</u>	<u>12,737,408.97</u>	<u>12,346,654.40</u>
Net Debt	<u>\$ 14,088,215.00</u>	<u>\$ 14,061,746.00</u>	<u>\$ 13,776,746.00</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 1.275%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 18,625,000.00	\$ 18,625,000.00	
Water Utility	9,392,286.31	9,392,286.31	
Sewer Utility	4,108,571.00	4,108,571.00	
General	<u>14,549,694.00</u>	<u>461,479.00</u>	<u>\$ 14,088,215.00</u>
	<u>\$ 46,675,551.31</u>	<u>\$ 32,587,336.31</u>	<u>\$ 14,088,215.00</u>

Net debt \$14,088,215.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,104,813,491.00 equals 1.275%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 38,668,472.19
Less: Net Debt	<u>14,088,215.00</u>
Remaining Borrowing Power	<u>\$ 24,580,257.19</u>

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

Fund Balance Anticipated and Cash Receipts from Fees, Rents, Other Investment Income and Other Charges for the Year	\$ 4,614,594.72
Deductions:	
Operating and Maintenance Costs	\$ 3,196,117.60
Debt Service per Water Fund	<u>720,733.05</u>
Total Deductions	<u>3,916,850.65</u>
Excess in Revenue	<u>\$ 697,744.07</u>

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

Fund Balance Anticipated and Cash Receipts from Fees, Rents, Other Investment Income and Other Charges for the Year	\$ 1,406,434.38
Deductions:	
Operating and Maintenance Costs	\$ 976,566.00
Debt Service per Sewer Fund	<u>267,797.10</u>
Total Deductions	<u>1,244,363.10</u>
Excess in Revenue	<u>\$ 162,071.28</u>

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>2025</u>	<u>2024</u>
Balance of Tax	\$ 4,417,965.40	\$ 4,467,118.38
Deferred	<u>3,371,664.00</u>	<u>3,371,664.00</u>
Payable	<u>\$ 1,046,301.40</u>	<u>\$ 1,095,454.38</u>

Regional School District:

	<u>Balance December 31,</u>	
	<u>2025</u>	<u>2024</u>
Balance of Tax	\$ 2,924,529.42	\$ 2,647,882.42
Deferred	<u>1,720,206.54</u>	<u>1,720,206.54</u>
Payable	<u>\$ 1,204,322.88</u>	<u>\$ 927,675.88</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 are 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, 2024, 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 purpose 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: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2025, 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>
Water Utility Improvements	June 11, 2026	\$ 280,000.00
General Improvements	June 11, 2026	425,000.00
General Improvements	June 11, 2026	890,476.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF BERLIN
CURRENT FUND
Statement of Current Cash
Per N.J.S.A.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2025

	<u>Regular</u>	<u>Grant Fund</u>
Balance Dec. 31, 2024	\$ 8,557,503.89	
Increased by Receipts:		
From Tax Collector	\$ 27,755,143.42	
Energy Receipts Tax	705,004.87	
Uniform Fire Safety Act Fees	65,693.33	
Rental and Inspection Fees	80,650.00	
Miscellaneous Revenue Not Anticipated	291,841.56	
Revenue Accounts Receivable	1,073,297.67	
Due from State of New Jersey:		
Senior Citizen and Veteran Deductions	43,344.52	
State Training Fees	10,412.00	
State Marriage Fees	1,500.00	
Grants Receivable		\$ 376,868.51
Due Trust Other Fund	32,519.97	
Due Animal Control Fund	139.95	
Due General Capital	42,517.18	
2025 Appropriation Refunds	258,636.54	
Contra	<u>950,098.75</u>	
	<u>31,310,799.76</u>	<u>\$ 376,868.51</u>
Decreased by Disbursements:		
2025 Appropriations	9,351,209.61	
2024 Appropriation Reserves	168,067.47	
Due to State of New Jersey -- State Training Fees	13,073.00	
Due to State of New Jersey -- Marriage Fees	1,800.00	
Refund of Tax Overpayments	8,124.98	
Due County for Added and Omitted Taxes	21,553.76	
County Taxes Payable	6,289,794.94	
Local District School Taxes Payable	8,856,532.98	
Regional High School Taxes Payable	5,555,484.00	
Reserve for Grants--Appropriated		355,857.14
Reserve for Encumbrances		16,680.63
Due Sewer Operating Fund	19,979.44	
Due Trust Other Fund	68,153.40	
Contra	<u>950,098.75</u>	
	<u>31,303,872.33</u>	<u>372,537.77</u>
Balance Dec. 31, 2025	<u><u>\$ 8,564,431.32</u></u>	<u><u>\$ 4,330.74</u></u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Current Cash
Per N.J.S.A.40A:5-5 -- Collector
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$	44,925.56
Increased by Receipts:			
Taxes Receivable	\$	27,791,615.98	
Tax Overpayments		42,058.94	
Prepaid Taxes		267,483.05	
Interest and Costs on Taxes		82,838.58	
Revenue Accounts Receivable:			
Miscellaneous Revenue		143,082.02	
Miscellaneous Revenue Not Anticipated		15,634.54	
			<u>28,342,713.11</u>
			28,387,638.67
Decreased by Disbursements:			
Turnover to Treasurer			<u>27,755,143.42</u>
Balance Dec. 31, 2025		\$	<u><u>632,495.25</u></u>

CURRENT FUND
Schedule of Change Funds
As of December 31, 2025

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

BOROUGH OF BERLIN
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2025

<u>Year</u>	<u>Balance Dec. 31, 2024</u>	<u>Levy</u>	<u>Added Taxes</u>	<u>2024</u>	<u>Collections 2025</u>	<u>Due from State of New Jersey</u>	<u>Canceled</u>	<u>Overpayments Applied</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance Dec. 31, 2025</u>
2019	\$ 0.81									\$ 0.81
2021	3.31									3.31
2022	3.38									3.38
2023	398.18									398.18
2024	<u>260,581.19</u>		<u>\$ 6,436.11</u>		<u>\$ 253,122.20</u>		<u>\$ 0.01</u>	<u>\$ 5,657.51</u>	<u>\$ 1,736.20</u>	<u>6,501.38</u>
	260,986.87	-	6,436.11	-	253,122.20	-	0.01	5,657.51	1,736.20	6,907.06
2025	<u>-</u>	<u>\$ 28,072,021.71</u>	<u>-</u>	<u>\$ 206,854.00</u>	<u>27,538,493.78</u>	<u>\$ 46,250.00</u>	<u>-</u>	<u>-</u>	<u>21,776.39</u>	<u>258,647.54</u>
	<u>\$ 260,986.87</u>	<u>\$ 28,072,021.71</u>	<u>\$ 6,436.11</u>	<u>\$ 206,854.00</u>	<u>\$ 27,791,615.98</u>	<u>\$ 46,250.00</u>	<u>\$ 0.01</u>	<u>\$ 5,657.51</u>	<u>\$ 23,512.59</u>	<u>\$ 265,554.60</u>

Analysis of 2025 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 28,026,691.20
Added and Omitted Taxes (54:63.1 et seq.)	<u>45,330.51</u>
	<u>\$ 28,072,021.71</u>

Tax Levy

Regional High School Tax	\$ 5,832,131.00
Local District School Tax	8,807,380.00
County Taxes:	
County Taxes	\$ 6,067,431.76
County Open Space Tax	222,363.18
Due County for Added and Omitted Taxes	<u>10,197.98</u>
Total County Taxes	6,299,992.92
Municipal Open Space Taxes:	
Municipal Open Space Tax	121,160.85
Municipal Added and Omitted Taxes	<u>196.13</u>
Total Municipal Open Space Taxes	121,356.98
Local Tax for Municipal Purposes	6,607,238.14
Municipal Library Tax	368,986.27
Add: Added and Omitted Taxes	<u>34,936.40</u>
Local Tax for Municipal Purposes Levied	<u>7,011,160.81</u>
	<u>\$ 28,072,021.71</u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024	Accrued 2025	Collector	Decreased Treasurer	Due From Animal Control Fund	Due From Trust Other Fund	Due From General Capital Fund	Canceled	Balance Dec. 31, 2025
Licenses:									
Alcoholic Beverages		\$ 11,864.40		\$ 11,864.40					
Other		70,454.00		70,454.00					
Fees and Permits - Other:									
Clerk	\$ 23,207.52	293,457.52		293,457.52					\$ 23,207.52
Searches for Municipal Improvements		60.00		60.00					
Planning		5,750.00		5,750.00					
Zoning		6,550.00		6,550.00					
Police		12,120.00		12,120.00					
Construction Code:									
Fees and Permits		165,029.00		165,029.00					
Cable TV Franchise Fees		100,952.56		100,952.56					
Municipal Court:									
Fines and Costs	10,506.75	115,815.56		117,699.20					8,623.11
Interest on Investments:									
Current Fund		187,020.87	\$ 24,555.70	162,465.17					
Animal Control Fund		139.95			\$ 139.95				
Trust Other Fund - Treasurer		9,812.22				\$ 9,812.22			
Trust Other Fund - Collector		6,776.06				6,776.06			
General Capital Fund		42,517.18					\$ 42,517.18		
Payment in Lieu of Taxes:									
Virtua Hospital		118,526.32	118,526.32						
Rentals of Borough Property:									
U.S. Post Office	833.31	19,766.70		19,766.70				\$ 833.31	
Bell Telephone / Verizon Rental	12,100.15	84,329.12		84,329.12				12,100.15	
Cable T.C. Co. (AT&T)		22,800.00		22,800.00					
93 Clementon Rd.		26,226.00		26,226.00					
PNC Bank		14,200.80		14,200.80					
	<u>\$ 46,647.73</u>	<u>\$ 1,314,168.26</u>	<u>\$ 143,082.02</u>	<u>\$ 1,113,724.47</u>	<u>\$ 139.95</u>	<u>\$ 16,588.28</u>	<u>\$ 42,517.18</u>	<u>\$ 12,933.46</u>	<u>\$ 31,830.63</u>
Collections:									
Miscellaneous Revenue			\$ 143,082.02	\$ 1,073,297.67					
Miscellaneous Revenue Not Anticipated				40,426.80					
			<u>\$ 143,082.02</u>	<u>\$ 1,113,724.47</u>					

BOROUGH OF BERLIN

CURRENT FUND

Statement of Due to State of New Jersey--Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$ 18,170.39
Increased by:		
Deductions Disallowed per Tax Collector -- Prior Year	\$ 405.48	
Cash Received	<u>43,344.52</u>	
		<u>43,750.00</u>
		61,920.39
Decreased by:		
Deductions Allowed per Tax Billing	44,500.00	
Deductions Allowed per Tax Collector -- Current Year	<u>1,750.00</u>	
		<u>46,250.00</u>
Balance Dec. 31, 2025		<u>\$ 15,670.39</u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024				
	Encumbered	Reserved	Balance After Modification	Disbursed	Balance Lapsed
OPERATIONS--WITHIN "CAPS"					
General Government					
Mayor and Council					
Salaries and Wages		\$ 319.60	\$ 319.60		\$ 319.60
Other Expenses		3,003.62	3,003.62		3,003.62
Administrative and Executive					
Salaries and Wages		34,587.56	34,587.56		34,587.56
Other Expenses	\$ 9,264.04	28,564.05	37,828.09	\$ 9,209.86	28,618.23
Financial Administration					
Salaries and Wages		1,475.77	1,475.77		1,475.77
Other Expenses	944.52	19,744.58	20,689.10	1,873.83	18,815.27
Audit Services					
Other Expenses		2,344.50	2,344.50		2,344.50
Engineering Services					
Other Expenses	671.25	31,932.95	32,604.20	3,877.60	28,726.60
Collection of Taxes					
Salaries and Wages		2,257.85	2,257.85		2,257.85
Other Expenses	1,052.20	3,232.69	4,284.89	805.52	3,479.37
Public Employees' Award Program (N.J.S.A.40A:9-8) (N.J.S.A.40A:5-31) Other Expenses		83.04	83.04		83.04
Assessment of Taxes					
Salaries and Wages		491.94	491.94		491.94
Other Expenses	82.47	705.07	787.54	82.47	705.07
Municipal Court					
Salaries and Wages		2,823.86	2,823.86	80.00	2,743.86
Other Expenses	590.29	351.38	941.67	573.41	368.26
Legal Services and Costs					
Other Expenses	1,961.25	22,226.91	24,188.16	21,705.13	2,483.03
Economic Development Committee					
Other Expenses		9,450.00	9,450.00	525.00	8,925.00
Municipal Land Use Law (N.J.S.A.40:55D-1):					
Planning Board					
Salaries and Wages		120.08	120.08		120.08
Other Expenses	2,705.32	11,604.20	14,309.52	274.32	14,035.20
Zoning Enforcement Officer					
Salaries and Wages		1,073.25	1,073.25		1,073.25
Other Expenses		1,050.00	1,050.00		1,050.00
Historic Committee					
Other Expenses	1,005.00	7,883.37	8,888.37	950.00	7,938.37
Insurance					
Health Benefit Waiver		814.92	814.92		814.92
Other Insurance	956.70	3,909.54	4,866.24		4,866.24
Unemployment Compensation Insurance		1,550.18	1,550.18		1,550.18
Group Insurance for Employees		262,717.32	262,717.32		262,717.32
Public Safety					
Police					
Salaries and Wages		189,311.91	189,311.91		189,311.91
Other Expenses:	26,127.65	16,000.36	42,128.01	30,393.15	11,734.86
Fire					
Fire Hydrant Service					
Salaries and Wages		8,718.50	8,718.50		8,718.50
Miscellaneous Other Expenses	22,441.63	40,981.72	63,423.35	22,174.90	41,248.45
Public Defender					
Other Expenses		250.04	250.04		250.04
Uniform Fire Safety Act (P.L. 1983 CH 383):					
Fire					
Salaries and Wages		14,056.64	14,056.64		14,056.64
Other Expenses	936.79	3,382.25	4,319.04	936.79	3,382.25
Emergency Management Services					
Salaries and Wages		220.92	220.92		220.92
Other Expenses	61.28	1,940.38	2,001.66	61.28	1,940.38
Municipal Prosecutor					
Other Expenses		2,000.00	2,000.00		2,000.00

(Continued)

BOROUGH OF BERLIN
CURRENT FUND
Statement of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024		Balance After		Balance
	Encumbered	Reserved	Modification	Disbursed	Lapsed
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>					
<u>Streets and Roads</u>					
Road Repairs and Maintenance					
Salaries and Wages		\$ 7,419.19	\$ 7,419.19		\$ 7,419.19
Other Expenses	\$ 2,528.13	4,029.15	6,557.28	\$ 2,182.90	4,374.38
Public Buildings and Grounds					
Salaries and Wages		1,291.21	1,291.21		1,291.21
Other Expenses	706.54	5,850.31	6,556.85	4,215.84	2,341.01
Garbage and Trash Collection					
Salaries and Wages		682.55	682.55		682.55
Other Expenses	255.00	12,091.23	12,346.23	5,417.19	6,929.04
Vehicle and Equipment Maintenance					
Salaries and Wages		28,697.66	28,697.66		28,697.66
Other Expenses	15,379.31	24,528.84	39,908.15	20,547.41	19,360.74
<u>Recreation and Education</u>					
Senior Citizens Coordinator					
Salaries and Wages		1.00	1.00		1.00
Other Expenses		5,000.00	5,000.00	95.87	4,904.13
Animal Control					
Other Expenses		5,106.03	5,106.03	2,450.00	2,656.03
Parks and Playgrounds					
Salaries and Wages		1,035.71	1,035.71		1,035.71
Other Expenses	95.87	11,264.10	11,359.97		11,359.97
Celebration of Public Event, Anniversary or Holiday					
Other Expenses		5,000.00	5,000.00		5,000.00
<u>Uniform Construction Code -- Appropriations Offset</u>					
<u>by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Construction Official					
Salaries and Wages		4,800.95	4,800.95		4,800.95
Other Expenses	950.22	11,868.28	12,818.50	885.86	11,932.64
Other Code Enforcement					
Salaries and Wages		6,300.08	6,300.08		6,300.08
Sub-Code Officials:					
Fire					
Salaries and Wages		484.92	484.92		484.92
<u>Unclassified</u>					
Electricity		28,133.72	28,133.72		28,133.72
Water Service		13,678.52	13,678.52		13,678.52
Sewer Service		7,300.78	7,300.78		7,300.78
Telephone	200.00	157.73	357.73	297.59	60.14
Gas / Fuel Oil		19,028.48	19,028.48		19,028.48
Trash Disposal	1,365.00	62,909.98	64,274.98	28,313.43	35,961.55
Street Lighting		3,249.77	3,249.77	1,678.25	1,571.52
Gasoline / Motor Fuel	2,380.16	16,889.75	19,269.91	7,590.26	11,679.65
Accumulated Sickleave		1.00	1.00		1.00
<u>DEFERRED CHARGES AND STATUTORY</u>					
<u>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.)		11,444.46	11,444.46		11,444.46
<u>OPERATIONS-- EXCLUDED FROM "CAPS"</u>					
Solid Waste Disposal					
Recycling Tax (P.L. 2007, c. 311)		4,479.47	4,479.47	869.61	3,609.86
Maintenance of Free Public Library					
Contribution		0.29	0.29		0.29
TRANSFERRED TO BOARD OF EDUCATION FOR USE					
OF LOCAL SCHOOLS (NJSA 40:48-17.1 & 17.3)					
Storm Water Management					
Salaries and Wages		608.05	608.05		608.05
Other Expenses		5,362.45	5,362.45		5,362.45
	\$ 92,660.62	\$ 1,044,876.61	\$ 1,137,537.23	\$ 168,067.47	\$ 969,469.76

Exhibit SA-8

BOROUGH OF BERLIN
CURRENT FUND
Statement of Due to State of New Jersey -- State Training Fees
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 5,325.00
Increased by:	
Receipts -- Treasurer	<u>10,412.00</u>
	15,737.00
Decreased by:	
Disbursed -- Treasurer	<u>13,073.00</u>
Balance Dec. 31, 2025	<u><u>\$ 2,664.00</u></u>

Exhibit SA-9

CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 160,471.11
Increased by:	
Transferred from Taxes Receivable	<u>23,512.59</u>
Balance Dec. 31, 2025	<u><u>\$ 183,983.70</u></u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2025

Balance Dec. 31, 2024 (2025 Taxes)	\$ 206,854.00
Increased by:	
Receipts:	
Collector -- 2026 Taxes	<u>267,483.05</u>
	474,337.05
Decreased by:	
Application to 2025 Taxes Receivable	<u>206,854.00</u>
Balance Dec. 31, 2025 (2026 Taxes)	<u><u>\$ 267,483.05</u></u>

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 6,799.14
Increased by:	
Collector Receipts:	
Overpayments Created	<u>42,058.94</u>
	48,858.08
Decreased by:	
Treasurer Disbursements	\$ 8,124.98
Application to Taxes Receivable	5,657.51
Operations - Overpayments Canceled	<u>31,166.91</u>
	<u>44,949.40</u>
Balance Dec. 31, 2025	<u><u>\$ 3,908.68</u></u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 21,553.76
Increased by:	
County Share of Added and Omitted Taxes	<u>10,197.98</u>
	31,751.74
Decreased by:	
Payments -- Treasurer	<u>21,553.76</u>
Balance Dec. 31, 2025	<u><u>\$ 10,197.98</u></u>

CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		
Increased by:		
2025 Levy:		
General County	\$ 6,067,431.76	
County Open Space	<u>222,363.18</u>	
		\$ 6,289,794.94
Decreased by:		
Payments -- Treasurer		<u><u>\$ 6,289,794.94</u></u>

CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 92,660.62
Increased by:	
Transferred from 2025 Budget Appropriations	<u>86,709.57</u>
	179,370.19
Decreased by:	
Transferred to Appropriation Reserves	<u>92,660.62</u>
Balance Dec. 31, 2025	<u><u>\$ 86,709.57</u></u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2025

Balance Dec. 31, 2024:			
School Tax Payable	\$	1,095,454.38	
School Tax Deferred		<u>3,371,664.00</u>	
	\$		4,467,118.38
Increased by:			
Levy -- School Year July 1, 2025 to June 30, 2026			<u>8,807,380.00</u>
			13,274,498.38
Decreased by:			
Payments -- Treasurer			<u>8,856,532.98</u>
Balance Dec. 31, 2025:			
School Tax Payable		1,046,301.40	
School Tax Deferred		<u>3,371,664.00</u>	
	\$		<u>4,417,965.40</u>
2025 Liability for Local District School Tax:			
Tax Paid	\$		8,856,532.98
Tax Payable Dec. 31, 2025			<u>1,046,301.40</u>
			9,902,834.38
Less: Tax Payable Dec. 31, 2024			<u>1,095,454.38</u>
Amount Charged to 2025 Operations	\$		<u>8,807,380.00</u>

CURRENT FUND
Statement of Due to Municipal Open Space Fund
For the Year Ended December 31, 2025

Balance Dec. 31, 2024			\$	411.82
Increased by:				
Levy	\$	121,160.85		
Open Space Share of Added and Omitted Taxes		<u>196.13</u>		
				<u>121,356.98</u>
Balance Dec. 31, 2025	\$			<u>121,768.80</u>

BOROUGH OF BERLIN
CURRENT FUND
Statement of Regional High School Tax
For the Year Ended December 31, 2025

Balance Dec. 31, 2024:		
School Tax Payable	\$ 927,675.88	
School Tax Deferred	<u>1,720,206.54</u>	
		\$ 2,647,882.42
Increased by:		
Levy -- School Year July 1, 2025		
to June 30, 2026		<u>5,832,131.00</u>
		8,480,013.42
Decreased by:		
Payments -- Treasurer		<u>5,555,484.00</u>
Balance Dec. 31, 2025:		
School Tax Payable	1,204,322.88	
School Tax Deferred	<u>1,720,206.54</u>	
		<u>\$ 2,924,529.42</u>
2025 Liability for Regional High School Tax:		
Tax Paid		\$ 5,555,484.00
Tax Payable Dec. 31, 2025		<u>1,204,322.88</u>
		6,759,806.88
Less: Tax Payable Dec. 31, 2024		<u>927,675.88</u>
Amount Charged to 2025 Operations		<u>\$ 5,832,131.00</u>

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Grants Receivable
For the Year Ended December 31, 2025

<u>Program</u>	<u>Balance Dec. 31, 2024</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2025</u>
Federal Grants:					
Strategic Enforcement (U Text, U Drive, U Pay)	\$ 15,000.00				\$ 15,000.00
Seatbelt Click-it-or-Ticket Grant		\$ 7,000.00	\$ 7,000.00		
FEMA Safer Grant	450,180.00		22,230.00		427,950.00
COVID ARP SLFRF		2,470.87	2,470.87		
ARP - Firefighter Grant	77,470.87				77,470.87
Total Federal Grants	542,650.87	9,470.87	31,700.87	-	520,420.87
State Grants:					
Clean Communities Grant		20,601.56	20,601.56		
Safe and Secure Communities Program	61,026.92		15,876.92		45,150.00
Body Worn Camera Grant	14,266.00		14,057.80	\$ 208.20	
Bulletproof Vest Grant	1,298.11				1,298.11
Recycling Tonnage Grant		11,448.36	11,448.36		
HDSRF		116,717.00			116,717.00
NJSACOP		4,000.00			4,000.00
New Jersey Department of Transportation - 2023	208,558.00		208,558.00		
New Jersey Department of Transportation - 2025	171,437.00				171,437.00
New Jersey Department of Transportation - 2026		197,685.00			197,685.00
Stormwater Assistance Grant	10,000.00				10,000.00
Total State Grants	466,586.03	350,451.92	270,542.64	208.20	546,287.11
Local Grants:					
Behind the Badge		2,000.00	2,000.00		
County DWI Grant		1,960.00	1,960.00		
County Recreation Grant	73,000.00	82,000.00	70,665.00		84,335.00
Total Local Grants	73,000.00	85,960.00	74,625.00	-	84,335.00
Total	\$ 1,082,236.90	\$ 445,882.79	\$ 376,868.51	\$ 208.20	\$ 1,151,042.98
Canceled to Appropriated Grant Reserves				<u>\$ 208.20</u>	

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Grants -- Unappropriated
For the Year Ended December 31, 2025

	<u>Balance Dec. 31, 2024</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue</u>	<u>Balance Dec. 31, 2025</u>
Federal Grants:				
Seatbelt Click-it-or-Ticket Grant		\$ 7,000.00	\$ 7,000.00	
Pedestrian Safety Grant	\$ 15,000.00		15,000.00	
COVID ARP SLFRF		2,470.87	2,470.87	
	<u>15,000.00</u>	<u>9,470.87</u>	<u>24,470.87</u>	<u>-</u>
Total Federal Grants				
	<u>15,000.00</u>	<u>9,470.87</u>	<u>24,470.87</u>	<u>-</u>
State Grants:				
Clean Communities Program		20,601.56	20,601.56	
Body Armor Grant	1,843.20		1,843.20	
Recycling Tonnage Grant	1,000.00	11,448.36	11,448.36	\$ 1,000.00
HDSRF		116,717.00	116,717.00	
NJSACOP		4,000.00	4,000.00	
New Jersey Department of Transportation - 2026		197,685.00	197,685.00	
	<u>2,843.20</u>	<u>350,451.92</u>	<u>352,295.12</u>	<u>1,000.00</u>
Total State Grants				
	<u>2,843.20</u>	<u>350,451.92</u>	<u>352,295.12</u>	<u>1,000.00</u>
Local Grants:				
Behind the Badge		2,000.00	2,000.00	
County DWI Grant		1,960.00		1,960.00
County Recreation Grant		82,000.00	82,000.00	
	<u>-</u>	<u>85,960.00</u>	<u>84,000.00</u>	<u>1,960.00</u>
Total Local Grants				
	<u>-</u>	<u>85,960.00</u>	<u>84,000.00</u>	<u>1,960.00</u>
Total				
	<u>\$ 17,843.20</u>	<u>\$ 445,882.79</u>	<u>\$ 460,765.99</u>	<u>\$ 2,960.00</u>

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Grants -- Appropriated
For the Year Ended December 31, 2025

<u>Program</u>	<u>Balance Dec. 31, 2024</u>	<u>Transferred From 2025 Budget Appropriation</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2025</u>
Federal Grants:				
Strategic Enforcement (U Text, U Drive, U Pay)	\$ 15,000.00			\$ 15,000.00
US Forest Service -- Fire Assistance	573.20		\$ 573.20	
Seatbelt Click-it-or-Ticket Grant		\$ 7,000.00	7,000.00	
COVID ARP SLRF		2,470.87		2,470.87
FEMA Safer Grant	446,670.00		66,427.00	380,243.00
ARP Firefighter Grant	34,331.02		11,402.00	22,929.02
Municipal Stormwater Regulation	2,132.40			2,132.40
Total Federal Grants	498,706.62	9,470.87	85,402.20	422,775.29
State Grants:				
Clean Communities Grant	44,410.41	20,601.56	29,569.52	35,442.45
Safe and Secure Communities	53,365.58		48,510.41	4,855.17
Body Armor Grant	3,325.04	1,843.20	5,168.24	
Body Worn Camera Grant	3,334.20		3,334.20	
Bulletproof Vest Grant	613.82			613.82
Recycling Tonnage Grant	23,001.67	11,448.36	782.04	33,667.99
Alcohol Education and Rehabilitation Grant	2,804.43			2,804.43
NJSACOP		4,000.00		4,000.00
New Jersey Department of Transportation - 2023	159,058.00			159,058.00
New Jersey Department of Transportation - 2024	171,437.00		159,058.00	12,379.00
New Jersey Department of Transportation - 2026		197,685.00		197,685.00
Drunk Driving Enforcement Grant	17,113.28		17,113.28	
Pedestrian Safety Grant		15,000.00		15,000.00
HDSRF		116,717.00	500.00	116,217.00
Total State Grants	478,463.43	367,295.12	264,035.69	581,722.86
Local Grants:				
Behind the Badge Grant		2,000.00		2,000.00
County DWI Grant	1,640.00		1,640.00	
County Recreation Grant		82,000.00	62,375.00	19,625.00
Total Local Grants	1,640.00	84,000.00	64,015.00	21,625.00
Grand Total	\$ 978,810.05	\$ 460,765.99	\$ 413,452.89	\$ 1,026,123.15
Reserve for Encumbrances				
Contracts Payable			\$ 26,314.35	
Canceled to Current Fund			30,500.00	
Canceled to Grants Receivable			573.20	
Disbursed			208.20	
			355,857.14	
			\$ 413,452.89	

Exhibit SA-21

BOROUGH OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 16,755.63
Increased by:	
Charges to Appropriated Grants	<u>26,314.35</u>
	43,069.98
Decreased by:	
Disbursements	<u>16,680.63</u>
Balance Dec. 31, 2025	<u><u>\$ 26,389.35</u></u>

Exhibit SA-22

FEDERAL AND STATE GRANT FUND
Statement of Contracts Payable
For the Year Ended December 31, 2025

Increased by:	
Charges to Appropriated Grants	<u>\$ 30,500.00</u>
Balance Dec. 31, 2025	<u><u>\$ 30,500.00</u></u>

Exhibit SA-23

FEDERAL AND STATE GRANT FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 67,846.00
Increased by:	
Grant Appropriations Cancelled to the Current Fund	<u>573.20</u>
Balance Dec. 31, 2025	<u><u>\$ 68,419.20</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF BERLIN
TRUST FUNDS
Statement of Trust Cash
Per N.J.S.A.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2025

	<u>Animal Control</u>	<u>Open Space</u>	<u>Other</u>
Balance Dec. 31, 2024	\$ 9,098.88	\$ 632,449.93	\$ 1,256,954.59
Increased by Receipts:			
Reserve for Animal Control Expenditures	\$ 4,141.60		
Due to State Department of Health	554.40		
Due Current Fund			\$ 9,812.22
Open Space Miscellaneous Revenue		\$ 10,463.45	
Reserve for Parking Offenses Adjudication Act			26.00
Reserve for Payroll Deductions Payable			2,218,702.00
Reserve for Net Payroll			3,070,177.71
Reserve for Affordable Housing			95,292.81
Reserve for COAH Fees			0.36
Reserve for Developers' Escrow Deposits			116,381.69
Reserve for Recycling Funds			8,639.10
Reserve for Public Defender			8,169.00
Reserve for Performance Bonds			90,734.28
Reserve for Police Outside Services			232,043.71
Reserve for Special Law Enforcement			1,281.80
Contra	<u>139.95</u>		
	<u>4,835.95</u>	<u>10,463.45</u>	<u>5,851,260.68</u>
	13,934.83	642,913.38	7,108,215.27
Decreased by Disbursements:			
Due State Department of Health	626.40		
Due Current Fund			9,812.22
Reserve for Payroll Deductions Payable			2,175,842.66
Reserve for Net Payroll			3,070,177.71
Reserve for Affordable Housing			65,924.35
Reserve for Developers' Escrow Deposits			43,840.11
Reserve for Recycling Funds			8,515.09
Reserve for Public Defender			12,000.00
Reserve for Recreation			12,188.32
Reserve for Fire Safety			412.18
Reserve for Police Outside Services			282,536.09
Reserve for Animal Control Expenditures	5,900.58		
2025 Budget Appropriations		93,751.25	
Contra	<u>139.95</u>		
	<u>6,666.93</u>	<u>93,751.25</u>	<u>5,681,248.73</u>
Balance Dec. 31, 2025	<u>\$ 7,267.90</u>	<u>\$ 549,162.13</u>	<u>\$ 1,426,966.54</u>

BOROUGH OF BERLIN
TRUST--OTHER FUND
Statement of Trust Other Cash
Per N.J.S.A.40A:5-5 -- Collector
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$ 540,371.61
Increased by Receipts:		
Due Current Fund	\$ 74,929.46	
Due CCMUA		
Reserve for Tax Title Lien Redemptions	238,112.48	
Reserve for Premiums Received at Tax Sale	159,500.00	
Contra	<u>82,526.59</u>	
		<u>555,068.53</u>
		1,095,440.14
Decreased by Disbursements:		
Due Current Fund	22,707.75	
Reserve for Tax Title Lien Redemptions	293,255.24	
Reserve for Premiums Received at Tax Sale	267,900.00	
Contra	<u>82,526.59</u>	
		<u>666,389.58</u>
Balance Dec. 31, 2025		<u><u>\$ 429,050.56</u></u>

ANIMAL CONTROL TRUST FUND
Statement of Reserve For Animal Control Expenditures
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$ 8,713.08
Increased by:		
Collections		
Dog License Fees	\$ 3,371.60	
Cat License Fees	<u>770.00</u>	
		<u>4,141.60</u>
		12,854.68
Decreased by:		
Disbursements		<u>5,900.58</u>
Balance Dec. 31, 2025		<u><u>\$ 6,954.10</u></u>

License Fees Collected
Year

	<u>Amount</u>
2024	\$ 4,452.60
2023	<u>4,288.40</u>
	<u><u>\$ 8,741.00</u></u>

BOROUGH OF BERLIN
TRUST--OTHER FUND
Statement of Due from Developers
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 24,856.00
Increased by:	
Escrow Charges	<u>621.40</u>
Balance Dec. 31, 2025	<u><u>\$ 25,477.40</u></u>

ANIMAL CONTROL TRUST FUND
Statement of Due To / From State of New Jersey
For the Year Ended December 31, 2025

Balance Dec. 31, 2024 (Due to)	\$ 70.80
Increased by:	
Dog License Fees Collected	<u>554.40</u>
	625.20
Decreased by:	
Disbursed to State of New Jersey	<u>626.40</u>
Balance Dec. 31, 2025 (Due from)	<u><u>\$ 1.20</u></u>

BOROUGH OF BERLIN
TRUST--OTHER FUND
Statement of Due From / To Current Fund
For the Year Ended December 31, 2025

Balance Dec. 31, 2024 (Due From)			\$	39,521.06
Decreased by:				
Receipts:				
Treasurer:				
Revenue - Interest on Deposits		\$	9,812.22	
Collector:				
Interfunds Received			68,153.40	
Revenue - Interest on Deposits			<u>6,776.06</u>	
				<u>84,741.68</u>
				(45,220.62)
Increased by:				
Disbursements:				
Interfund Loans Returned:				
Collector	\$	15,931.69		
Treasurer		9,812.22		
Collector		<u>6,776.06</u>		
			<u>32,519.97</u>	
				<u>32,519.97</u>
Balance Dec. 31, 2025 (Due to)			\$	<u><u>12,700.65</u></u>

BOROUGH OF BERLIN
TRUST -- OTHER FUND
Statement of Trust Other Reserves
For the Year Ended December 31, 2025

<u>Reserve</u>	<u>Balance Dec. 31, 2024</u>	<u>Increased</u>			<u>Decreased</u>		<u>Balance Dec. 31, 2025</u>
		<u>Receipts</u>	<u>Accounts Receivable</u>	<u>Reserve for Encumbrances</u>	<u>Disbursements</u>	<u>Reserve for Encumbrances</u>	
Reserve for Recreation Facilities	\$ 68,887.03						\$ 68,887.03
Reserve for Parking Offenses Adjudication Act	952.10	\$ 26.00					978.10
Reserve for Accumulated Leave	130,000.00						130,000.00
Reserve for Celebration	4,279.92						4,279.92
Reserve for Payroll Deductions Payable	27,082.92	2,218,702.00			\$ 2,175,842.66		69,942.26
Reserve for Net Payroll		3,070,177.71			3,070,177.71		
Reserve for Affordable Housing	604,230.38	95,292.81			65,924.35	\$ 371.00	633,227.84
Reserve for COAH Fees	5,038.35	0.36					5,038.71
Reserve for Developers' Escrow Deposits	184,750.23	116,381.69	\$ 621.40		43,840.11		257,913.21
Reserve for Municipal Alliance	6,426.31						6,426.31
Reserve for Tax Title Lien Redemptions	120,997.74	238,112.48			293,255.24		65,854.98
Reserve for Premiums Received at Tax Sale	480,600.00	159,500.00			267,900.00		372,200.00
Reserve for Recycling Funds	25,549.26	8,639.10			8,515.09	1,501.80	24,171.47
Reserve for Community Development Block Grant	382.00						382.00
Reserve for Bid Bonds	470.00						470.00
Reserve for Security Deposits	6,043.85						6,043.85
Reserve for Public Defender	5,625.00	8,169.00			12,000.00		1,794.00
Reserve for Performance Bonds	56,046.15	90,734.28					146,780.43
Reserve for Storm Recovery	18,433.00				12,188.32		6,244.68
Reserve for Investigation Fund	45.00						45.00
Reserve for Uniform Fire Safety	2,302.58				412.18		1,890.40
Reserve for Police Donation	5,036.82						5,036.82
Reserve for Police Outside Services		232,043.71	51,098.86		282,536.09		606.48
Reserve for Special Law Enforcement	46,278.30	1,281.80					47,560.10
Reserve for Encumbrances	21,000.00			\$ 1,872.80			22,872.80
	<u>\$ 1,820,456.94</u>	<u>\$ 6,239,060.94</u>	<u>\$ 51,720.26</u>	<u>\$ 1,872.80</u>	<u>\$ 6,232,591.75</u>	<u>\$ 1,872.80</u>	<u>\$ 1,878,646.39</u>
Treasurer		\$ 5,841,448.46			\$ 5,671,436.51		
Collector		397,612.48			561,155.24		
		<u>\$ 6,239,060.94</u>			<u>\$ 6,232,591.75</u>		

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S.40A:5-5 -- Chief Financial Officer
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$ 3,556,510.43
Increased by Receipts:		
Due Current Fund		<u>42,517.18</u>
		3,599,027.61
Decreased by Disbursements:		
Improvement Authorizations	\$ 1,031,219.53	
Reserve for Encumbrances	113,287.78	
Contracts Payable	918,083.00	
Due Current Fund	<u>42,517.18</u>	
		<u>2,105,107.49</u>
Balance Dec. 31, 2025		<u><u>\$ 1,493,920.12</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of General Capital Cash
For the Year Ended December 31, 2025

	Balance (Deficit) Dec. 31, 2024	Receipts		Disbursements			Balance (Deficit) Dec. 31, 2025
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Due from State of New Jersey	\$ (23,531.40)						\$ (23,531.40)
Due Current Fund		\$ 42,517.18		\$ 42,517.18	\$ 50,000.00	\$ 250,000.00	200,000.00
Capital Improvement Fund	82,065.22				43,150.00	50,000.00	88,915.22
Reserve for Payment of Debt	708,348.00				250,000.00	3,131.00	461,479.00
Contracts Payable	918,083.00			918,083.00		276,337.52	276,337.52
Reserve for Encumbrances	133,676.37			113,287.78	8,056.64	115,256.70	127,588.65
Due Sewer Utility Capital Fund	(4,519.53)						(4,519.53)
Fund Balance	440,465.68						440,465.68
Improvement Authorizations:							
19-06.1 Road Reconstruction	21,023.47		\$ 21,023.47				
19-06.2 Acquisition of Police Equipment	(200.00)						(200.00)
19-06.4 Acquisition of Public Works Equipment	895.00				895.00		
20-07.2 Improvements to Park Facilities	60,712.90		28,061.73				32,651.17
20-07.3 Acquisition of an Ambulance	6,655.34						6,655.34
20-07.5 Acquisition of Various Fire Equipment	(64.00)						(64.00)
20-07.6 Acquisition of Various Construction Equipment	255.32						255.32
20-07.7 Acquisition of Various Public Works Equipment	3,010.62						3,010.62
20-07.8 Various Improvements to Municipal and Library Facilities	83,514.16		48,732.81		30,715.53		4,065.82
21-08.1 Reconstruction / Repaving Borough Roads	11,216.95		11,216.95				
21-08.2 Various Improvements to Municipal and Library Facilities	255,656.45		13,095.00				242,561.45
21-08.3 Acquisition of Information Technology Equipment	5,146.94						5,146.94
21-08.4 Acquisition of Various Equipment and Utility Vehicles	638.31		6,316.93			5,820.64	142.02
21-08.6 Acquisition of Various Office Equipment	801.83						801.83
21-08.7 Acquisition of Various Heavy Equipment	1,813.18		1,419.45				393.73
22-06.1 Road and Traffic Improvements	23,699.72		23,699.72				
22-06.2 Various Improvements to Municipal Facilities	10,765.72		9,480.00				1,285.72
22-06.3 Acquisition and Installation of Office Equipment	3,449.62		3,195.30				254.32
22-06.4 Upgrades to EMS Equipment	5,306.00		254.32				5,051.68
22-06.5 Acquisition of Equipment for the Fire Department	35,904.71						35,904.71
22-06.6 Acquisition of Equipment for the Police Department	200.00						200.00
22-06.7 Acquisition of Equipment for the Public Works Department	77,045.69		24,807.15				52,238.54
23-08.1 Reconstruction/Repaving Borough Roads	56,130.40		56,130.40				
23-08.2 Various Improvements to Municipal Buildings	301,137.23		5,770.00		16,625.00		278,742.23
23-08.3 Completion of Stormwater Infrastructure Improvements	45,772.06				17,500.00		28,272.06
23-08.4 Acquisition of Various Capital Equipment	42,970.03						42,970.03
23-08.5 Completion of Various Park Improvements	1,105,849.02		116,226.69		4,875.50		984,746.83
23-08.6 Acquisition of Various Trucks for Public Works	(633,977.09)		5,099.60				(639,076.69)
24-17.1 Acquisition of Various Equipment and Utility Vehicles	(17,740.05)						(17,740.05)
24-17.2 Various Improvements to Municipal Buildings and Grounds	(133,238.00)		353,202.75		44,797.25		(531,238.00)
24-17.3 Acquisition of Trash Trucks	(162,362.00)						(162,362.00)
24-17.4 Various Road and Drainage Improvements	11,905.00		94,335.15		25,465.35		(107,895.50)
24-17.5 Acquisition of Various Equipment	16,321.56						16,321.56
24-19 Purchase of Fire Truck Apparatus	61,707.00		61,132.00		575.00		
25-08.1 Various Drainage Improvements						5,000.00	5,000.00
25-08.2 Acquisition of Various Equipment			46,613.27		224,827.00	14,900.00	(256,540.27)
25-08.3 Acquisition of LED Sign						2,500.00	2,500.00
25-10.1 Acquisition of Various Equipment						7,000.00	7,000.00
25-10.2 Acquisition of 2 Vehicles & Computer Software			97,916.84		20,213.59	6,250.00	(111,880.43)
25-13 Remediation at the Blease Property			3,490.00		6,000.00	7,500.00	(1,990.00)
	<u>\$ 3,556,510.43</u>	<u>\$ 42,517.18</u>	<u>\$ 1,031,219.53</u>	<u>\$ 1,073,887.96</u>	<u>\$ 743,695.86</u>	<u>\$ 743,695.86</u>	<u>\$ 1,493,920.12</u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 12,769,000.00
Decreased by:	
2025 Budget Appropriations:	
Serial Bonds	<u>1,040,000.00</u>
Balance Dec. 31, 2025	<u><u>\$ 11,729,000.00</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Deferred Charges To Future Taxation--Unfunded
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Balance Dec. 31, 2024	Increased by	Decreased by		Analysis of Balance Dec. 31, 2025	
			2025 Authorizations	Improvement Authorizations Cancelled	Balance Dec. 31, 2025	Expenditures	Unexpended Improvement Authorizations
<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	\$ 200.00	
20-07.5	Acquisition of Various Fire Equipment	64.00			64.00	64.00	
22-06.7	Acquisition of Equipment for the Public Works Department	330.00			330.00		\$ 330.00
23-08.5	Completion of Various Park Improvements	359,000.00			359,000.00		359,000.00
23-08.6	Acquisition of Various Trucks for Public Works	641,250.00			641,250.00	639,076.69	2,173.31
24-17.1	Acquisition of Various Equipment and Utility Vehicles	20,000.00			20,000.00	17,740.05	2,259.95
24-17.2	Various Improvements to Municipal Buildings and Grounds	533,333.00			533,333.00	531,238.00	2,095.00
24-17.3	Acquisition of Trash Trucks	203,572.00			203,572.00	162,362.00	41,210.00
24-17.4	Various Road and Drainage Improvements	238,095.00			238,095.00	107,895.50	130,199.50
24-17.5	Acquisition of Various Equipment	5,000.00			5,000.00		5,000.00
25-08.1	Various Drainage Improvements		\$ 95,000.00		95,000.00		95,000.00
25-08.2	Acquisition of Various Equipment		283,100.00		283,100.00	256,540.27	26,559.73
25-08.3	Acquisition of LED Sign		47,500.00		47,500.00		47,500.00
25-10.1	Acquisition of Various Equipment		133,000.00		133,000.00		133,000.00
25-10.2	Acquisition of Vehicles and Computer Software		118,750.00		118,750.00	111,880.43	6,869.57
25-13	Remediation at the Blease Property		142,500.00		142,500.00	1,990.00	140,510.00
		<u>\$ 2,001,094.00</u>	<u>\$ 819,850.00</u>	<u>\$ 250.00</u>	<u>\$ 2,820,694.00</u>	<u>\$ 1,828,986.94</u>	<u>\$ 991,707.06</u>
Balance of Unfunded Improvement Authorizations							\$ 991,707.06

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 82,065.22
Increased by:	
Budget Appropriation	<u>50,000.00</u>
	132,065.22
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>43,150.00</u>
Balance Dec. 31, 2025	<u><u>\$ 88,915.22</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2024		2025 Authorizations		Paid or Charged	Canceled	Balance Dec. 31, 2025	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges To Future Taxation-- Unfunded			Funded	Unfunded
General Improvements											
13-03.6	Construction of Police Facility	4-1-13	\$ 1,641,000.00		\$ 250.00			\$ 250.00			
19-06.1	Road Reconstruction	5-16-19	200,000.00	\$ 21,023.47				23,259.47	\$ 2,236.00		
19-06.4	Acquisition of Public Works Equipment	5-16-19	90,000.00	895.00				895.00			
20-07.2	Improvements to Park Facilities	6-12-20	200,000.00	60,712.90				28,061.73		\$ 32,651.17	
20-07.3	Acquisition of an Ambulance	6-12-20	230,000.00	6,655.34						6,655.34	
20-07.6	Acquisition of Various Construction Equipment	6-12-20	11,200.00	255.32						255.32	
20-07.7	Acquisition of Various Public Works Equipment	6-12-20	462,500.00	3,010.62						3,010.62	
20-07.8	Various Improvements to Municipal and Library Facilities	6-12-20	300,000.00	83,514.16				79,448.34		4,065.82	
21-08.1	Reconstruction / Repaving Borough Roads	6-10-21	100,000.00	11,216.95				11,216.95			
21-08.2	Various Improvements to Municipal and Library Facilities	6-10-21	325,000.00	255,656.45				13,095.00		242,561.45	
21-08.3	Acquisition of Information Technology Equipment	6-10-21	10,000.00	5,146.94						5,146.94	
21-08.4	Acquisition of Various Equipment and Utility Vehicles	6-10-21	93,500.00	638.31				6,316.93	5,820.64	142.02	
21-08.6	Acquisition of Various Office Equipment	6-10-21	2,500.00	801.83						801.83	
21-08.7	Acquisition of Various Heavy Equipment	6-10-21	325,000.00	1,813.18				1,419.45		393.73	
22-06.1	Road and Traffic Improvements	6-9-22	122,000.00	23,699.72				23,699.72			
22-06.2	Various Improvements to Municipal Facilities	6-9-22	77,000.00	10,765.72				9,480.00		1,285.72	
22-06.3	Acquisition and Installation of Office Equipment	6-9-22	22,500.00	3,449.62				3,195.30		254.32	
22-06.4	Upgrades to EMS Equipment	6-9-22	35,000.00	5,306.00				254.32		5,051.68	
22-06.5	Acquisition of Equipment for the Fire Department	6-9-22	45,000.00	35,904.71						35,904.71	
22-06.6	Acquisition of Equipment for the Police Department	6-9-22	78,500.00	200.00						200.00	
22-06.7	Acquisition of Equipment for the Public Works Department	6-9-22	222,000.00	77,045.69	330.00			24,807.15		52,238.54	\$ 330.00
23-08.1	Reconstruction/Repaving Borough Roads	5-11-23	300,000.00	56,130.40				56,130.40			
23-08.2	Various Improvements to Municipal Buildings	5-11-23	395,000.00	301,137.23				22,395.00		278,742.23	
23-08.3	Completion of Stormwater Infrastructure Improvements	5-11-23	125,000.00	45,772.06				17,500.00		28,272.06	
23-08.4	Acquisition of Various Capital Equipment	5-11-23	70,000.00	42,970.03						42,970.03	
23-08.5	Completion of Various Park Improvements	5-11-23	1,750,000.00	1,105,849.02	359,000.00			121,102.19		984,746.83	359,000.00
23-08.6	Acquisition of Various Trucks for Public Works	5-11-23	675,000.00	7,272.91				5,099.60		2,173.31	
24-17.1	Acquisition of Various Equipment and Utility Vehicles	6-13-24	227,500.00	2,259.95						2,259.95	
24-17.2	Various Improvements to Municipal Buildings and Grounds	6-13-24	560,000.00	400,095.00				398,000.00		2,095.00	
24-17.3	Acquisition of Trash Trucks	6-13-24	450,000.00	41,210.00						41,210.00	
24-17.4	Various Road and Drainage Improvements	6-13-24	250,000.00	11,905.00				119,800.50		130,199.50	
24-17.5	Acquisition of Various Equipment	6-13-24	100,000.00	16,321.56	5,000.00					16,321.56	5,000.00
24-19	Purchase of Fire Truck Apparatus	10-10-24	130,000.00	61,707.00				61,707.00		-	
25-08.1	Various Drainage Improvements	5-8-25	100,000.00			\$ 5,000.00	\$ 95,000.00			5,000.00	95,000.00
25-08.2	Acquisition of Various Equipment	5-8-25	298,000.00			14,900.00	283,100.00	271,440.27			26,559.73
25-08.3	Acquisition of LED Sign	5-8-25	50,000.00			2,500.00	47,500.00			2,500.00	47,500.00
25-10.1	Acquisition of Various Equipment	6-12-25	140,000.00			7,000.00	133,000.00			7,000.00	133,000.00
25-10.2	Acquisition of Vehicles and Computer Software	6-12-25	125,000.00			6,250.00	118,750.00	118,130.43			6,869.57
25-13	Remediation at the Blease Property	10-9-25	150,000.00			7,500.00	142,500.00	9,490.00			140,510.00
				\$ 2,249,504.23	\$ 1,053,512.86	\$ 43,150.00	\$ 819,850.00	\$ 1,426,194.75	\$ 8,056.64	\$ 1,756,171.92	\$ 991,707.06
Disbursements								\$ 1,031,219.53			
Contracts Payable								276,337.52			
Reserve for Encumbrances								115,256.70	\$ 8,056.64		
Improvement Authorization Cancelled								3,381.00			
								\$ 1,426,194.75	\$ 8,056.64		

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 918,083.00
Increased by:	
Charges to Improvement Authorizations	<u>276,337.52</u>
	1,194,420.52
Decreased by:	
Disbursed	<u>918,083.00</u>
Balance Dec. 31, 2025	<u><u>\$ 276,337.52</u></u>

Schedule of Contracts Payable Dec. 31, 2025

<u>Vendor</u>	<u>Ordinance #</u>	<u>Amount</u>
Ocean Construction	20-07.8	\$ 22,388.00
Ocean Construction	23.08.2	16,625.00
Ocean Construction	24-17.2	12,497.52
Gabrielli Kenworth of NJ LLC	25-08.2	<u>224,827.00</u>
		<u><u>\$ 276,337.52</u></u>

GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 133,676.37
Increased by:	
Charges to Improvement Authorizations	<u>115,256.70</u>
	248,933.07
Decreased by:	
Cancellations -- Improvement Authorizations	\$ 8,056.64
Disbursements	<u>113,287.78</u>
	<u>121,344.42</u>
Balance Dec. 31, 2025	<u><u>\$ 127,588.65</u></u>

GENERAL CAPITAL FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2025

Increased by:	
Due From Current Fund -- Budget Appropriation	
Budget Appropriation - Capital Improvement Fund	\$ 50,000.00
Disbursed:	
Interest Remitted to Current Fund	<u>42,517.18</u>
	92,517.18
Decreased by:	
Receipts:	
Interest Earned on Deposits	\$ 42,517.18
Reserve for Payment of Debt	<u>250,000.00</u>
Interest Earned on Deposits	<u>292,517.18</u>
Balance Dec. 31, 2025	<u><u>\$ (200,000.00)</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2025

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2024</u>	<u>Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2025</u>
			<u>Outstanding Dec. 31, 2025</u>	<u>Date</u>				
2013 General Improvement Bonds	10-15-13	\$ 3,854,000.00		11-01-26	\$ 325,000.00			
				11-01-27	325,000.00			
				11-01-28	329,000.00	\$ 1,304,000.00	\$ 325,000.00	\$ 979,000.00
2018 General Improvement Bonds	08-29-18	7,288,000.00		09-15-26	400,000.00			
				09-15-27	400,000.00			
				09-15-28	400,000.00			
				09-15-29	400,000.00			
				09-15-30	400,000.00			
				09-15-31	400,000.00			
				09-15-32	400,000.00			
				09-15-33	400,000.00			
				09-15-34	400,000.00			
				09-15-35	400,000.00			
				09-15-36	400,000.00			
				09-15-37	400,000.00	5,210,000.00	410,000.00	4,800,000.00
2024 General Improvement Bonds	3-26-24	6,255,000.00		03-15-26	350,000.00			
				03-15-27	375,000.00			
				03-15-28	400,000.00			
				03-15-29	610,000.00			
				03-15-30	610,000.00			
				03-15-31	605,000.00			
				03-15-32	600,000.00			
				03-15-33	600,000.00			
				03-15-34	600,000.00			
				03-15-35	600,000.00			
				03-15-36	600,000.00			
						6,255,000.00	305,000.00	5,950,000.00
						<u>\$ 12,769,000.00</u>	<u>\$ 1,040,000.00</u>	<u>\$ 11,729,000.00</u>

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

Balance Dec. 31, 2024	\$ 708,348.00
Increased By:	
Cancellation of Improvement Authorizations	<u>3,131.00</u>
	711,479.00
Decreased by:	
Disbursements -- Current Anticipated Revenue	<u>250,000.00</u>
Balance Dec. 31, 2025	<u><u>\$ 461,479.00</u></u>

BOROUGH OF BERLIN
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Balance Dec. 31, 2024	Increased by	Decreased by	Balance Dec. 31, 2025
			2025 Authorizations	Improvement Authorizations Cancelled	
General Improvements:					
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
23-08.5	Completion of Various Park Improvements	359,000.00			359,000.00
23-08.6	Acquisition of Various Trucks for Public Works	641,250.00			641,250.00
24-17.1	Acquisition of Various Equipment and Utility Vehicles	20,000.00			20,000.00
24-17.2	Various Improvements to Municipal Buildings and Grounds	533,333.00			533,333.00
24-17.3	Acquisition of Trash Truck	203,572.00			203,572.00
24-17.4	Various Road and Drainage Improvements	238,095.00			238,095.00
24-17.5	Acquisition of Various Equipment	5,000.00			5,000.00
25-8.1	Various Grainage Improvements		\$ 95,000.00		95,000.00
25-8.2	Acquisition of Various Equipment		283,100.00		283,100.00
25-8.3	Acquisition of LED Sign		47,500.00		47,500.00
25-10.1	Acquisition of Various Equipment		133,000.00		133,000.00
25-10.2	Acquisition of Vehicles and Computer Software		118,750.00		118,750.00
25-13.1	Remediation at the Blease Property		142,500.00		142,500.00
		\$ 2,001,094.00	\$ 819,850.00	\$ 250.00	\$ 2,820,694.00

SUPPLEMENTAL EXHIBITS

WATER UTILITY FUND

BOROUGH OF BERLIN
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, 2025

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2024	\$ 3,318,868.23	\$ 2,923,772.19
Increased by Receipts:		
Turnover from Collector	\$ 4,159,878.98	
Revenue - Miscellaneous	84,323.62	
2025 Appropriation Refunds	109,474.48	
Refunds of Improvement Authorizations		<u>\$ 4,310.27</u>
	<u>4,353,677.08</u>	<u>4,310.27</u>
	7,672,545.31	2,928,082.46
Decreased by Disbursements:		
2025 Budget Appropriations	3,606,115.62	
2024 Appropriation Reserves	103,269.30	
Improvement Authorizations		415,312.02
Accrued Interest on Bonds and Loans	276,460.64	
Contracts Payable		942,367.09
Reserve for Encumbrances		<u>1,058.25</u>
	<u>3,985,845.56</u>	<u>1,358,737.36</u>
Balance Dec. 31, 2025	<u><u>\$ 3,686,699.75</u></u>	<u><u>\$ 1,569,345.10</u></u>

BOROUGH OF BERLIN
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, 2025

Increased by Receipts:

Water Rents Receivable	\$ 3,442,645.36	
Water Rent Overpayments	26,569.59	
Fire Hydrant and Sprinkler Rents Receivable	616,029.56	
Fire Hydrant and Sprinkler Rent Overpayments	173.76	
Miscellaneous Revenue	<u>74,460.71</u>	
		\$ 4,159,878.98

Decreased by Disbursements:

Payments to Treasurer		<u>\$ 4,159,878.98</u>
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BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
 Analysis of Water Capital Cash
 For the Year Ended December 31, 2025

	Balance (Deficit) Dec. 31, 2024	Receipts		Disbursements			Balance (Deficit) Dec. 31, 2025
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	Transfers To	
Due Sewer Utility Capital Fund	\$ (29,015.93)						\$ (29,015.93)
Capital Improvement Fund	266,876.71						266,876.71
Contracts Payable	1,214,924.05			\$ 942,367.09	\$ 223,139.52	\$ 836,323.23	885,740.67
Reserve for Encumbrances	56,043.54			1,058.25		4,687.46	59,672.75
Reserve for Payment of Debt	342,681.99					7,504.33	350,186.32
Fund Balance	399,864.55						399,864.55
Improvement Authorizations:							
13-03.7 Acquisition of Equipment	(700.00)						(700.00)
16-05.8 Acquisition of Equipment	(685.00)						(685.00)
19-07.1 Acquisition of Various Equipment	685.62				685.62		
19-07.2 Water System Improvements	6,767.71				6,767.71		
19-07.3 Water System Improvements	51.00				51.00		
20-05.2 Water Meter Replacement	657.28						657.28
20-05.3 Water System Improvements	26,321.14		\$ 21,756.03				4,565.11
21-07.3 Water System Improvements	252,048.60	\$ 4,310.27	145,903.11			892.52	111,348.28
22-08 Water System Improvements	541,257.93		156,503.39		4,687.46	222,247.00	602,314.08
24-16 Water System Improvements	(154,007.00)		29,972.72				(183,979.72)
25-04 Water System Improvements			61,176.77		836,323.23		(897,500.00)
	<u>\$ 2,923,772.19</u>	<u>\$ 4,310.27</u>	<u>\$ 415,312.02</u>	<u>\$ 943,425.34</u>	<u>\$ 1,071,654.54</u>	<u>\$ 1,071,654.54</u>	<u>\$ 1,569,345.10</u>

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Water Rents Receivable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$ 415,979.84
Increased by:		
Water Rents Levied		<u>3,491,059.30</u>
		3,907,039.14
Decreased by:		
Collections -- Collector	\$ 3,442,645.36	
Overpayments Applied	19,017.87	
Canceled	<u>1,536.33</u>	
		<u>3,463,199.56</u>
Balance Dec. 31, 2025		<u><u>\$ 443,839.58</u></u>

WATER UTILITY OPERATING FUND
Statement of Fire Hydrants and Sprinkler Rents Receivable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$ 26,403.00
Increased by:		
Fire Hydrant and Sprinkler Rents Levied		<u>616,741.00</u>
		643,144.00
Decreased by:		
Collections -- Collector		<u>616,029.56</u>
Balance Dec. 31, 2025		<u><u>\$ 27,114.44</u></u>

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Water Overpayments
For the Year Ended December 31, 2025

Balance Dec. 31, 2024:			
Water Rent Overpayments	\$	15,955.87	
Hydrant and Sprinkler Rents Overpayments		<u>5.03</u>	
			\$ 15,960.90
Increased by:			
Receipts -- Collector:			
Water Rent Overpayments		26,569.59	
Fire Hydrant and Sprinkler Rent Overpayments		<u>173.76</u>	
			<u>26,743.35</u>
			42,704.25
Decreased by:			
Applied to Water Rent Receivables		19,017.87	
Canceled		<u>1,489.38</u>	
			<u>20,507.25</u>
Balance Dec. 31, 2025:			
Water Rent Overpayments		22,196.52	
Hydrant and Sprinkler Rents Overpayments		<u>0.48</u>	
			<u>\$ 22,197.00</u>

WATER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2025

	<u>Balance Dec. 31, 2024</u>		<u>Balance After</u>		<u>Lapsed to</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>Transfers</u>	<u>Disbursed</u>	<u>Fund Balance</u>
Operations:					
Salaries and Wages		\$ 23,633.23	\$ 23,633.23		\$ 23,633.23
Other Expenses	\$ 99,787.17	90,449.38	190,236.55	\$ 103,269.30	86,967.25
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation Insurance		1,701.40	1,701.40		1,701.40
Social Security System (O.A.S.I.)		<u>6,681.52</u>	<u>6,681.52</u>		<u>6,681.52</u>
	<u>\$ 99,787.17</u>	<u>\$ 122,465.53</u>	<u>\$ 222,252.70</u>	<u>\$ 103,269.30</u>	<u>\$ 118,983.40</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2025

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2025</u>
Balance Prior to Jan. 1, 1931 (No Detail Available)	\$ 247,217.88		\$ 247,217.88
Springs, Wells and Filtration System	5,964,892.01	\$ 253,232.29	6,218,124.30
Electric Power Pumping Equipment	179,117.12		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	440,540.48		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
Valve Exerciser		69,314.38	69,314.38
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	4,260,501.09	149,949.00	4,410,450.09
Purchase of Computer Equipment	77,500.00		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>\$ 21,137,717.93</u>	<u>\$ 472,495.67</u>	<u>\$ 21,610,213.60</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2024</u>	<u>Charges to Future Revenue</u>	<u>Transferred To Fixed Capital</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2025</u>
07-17.1	Plant Improvements and Controls	9-6-07	\$ 63,630.00	\$ 63,630.00				\$ 63,630.00
14-06	System Improvements	5-5-14	200,000.00	200,000.00				200,000.00
17-07.1	Acquisition of Equipment	5-11-17	145,000.00	145,000.00				145,000.00
19-07.1	Acquisition of Various Equipment	5-16-19	70,000.00	70,000.00		\$ 69,314.38	\$ 685.62	
19-07.2	Water System Improvements	5-16-19	260,000.00	260,000.00		253,232.29	6,767.71	
19-07.3	Water System Improvements	5-16-19	150,000.00	150,000.00		149,949.00	51.00	
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
21-07.2	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
24-16	Water System Improvements	6-11-24	670,000.00	670,000.00				670,000.00
25-04	Water System Improvements	4-10-25	1,180,000.00		\$ 1,180,000.00			1,180,000.00
				<u>\$ 7,621,630.00</u>	<u>\$ 1,180,000.00</u>	<u>\$ 472,495.67</u>	<u>\$ 7,504.33</u>	<u>\$ 8,321,630.00</u>
					Deferred Charges to Future Revenue		<u>\$ 7,504.33</u>	

BOROUGH OF BERLIN
WATER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Loans and Analysis of Balance
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$ 82,510.88
Increased by:		
Budget Appropriations:		
Interest on Bonds	\$ 270,161.67	
Interest on Loans	<u>5,470.83</u>	
		<u>275,632.50</u>
		358,143.38
Decreased by:		
Paid by Water Utility Operating Fund		<u>276,460.64</u>
Balance Dec. 31, 2025		<u><u>\$ 81,682.74</u></u>

Analysis of Accrued Interest Dec. 31, 2025

<u>Principal</u> <u>Outstanding</u> <u>Dec. 31, 2025</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 253,000.00	Various	11-01-25	12-31-25	60 Days	\$ 1,317.71
905,000.00	Various	09-15-25	12-31-25	106 Days	8,660.35
6,245,000.00	Various	09-15-25	12-31-25	106 Days	<u>67,133.33</u>
					<u>77,111.39</u>
N.J. Environmental Infrastructure Trust Loan:					
137,140.31	Various	08-01-25	12-31-25	150 Days	<u>4,571.35</u>
					<u><u>\$ 81,682.74</u></u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Date	<u>Ordinance</u>		<u>Balance Dec. 31, 2024</u>		Deferred Charges to Future Revenue	Increased	Decreased	<u>Balance Dec. 31, 2025</u>	
			Amount		Funded	Unfunded				Funded	Unfunded
19-07.1	Acquisition of Various Equipment	5-16-19	\$ 70,000.00		\$ 685.62				\$ 685.62		
19-07.2	Water System Improvements	5-16-19	260,000.00		6,767.71				6,767.71		
19-07.3	Water System Improvements	5-16-19	150,000.00		51.00				51.00		
20-05.2	Water Meter Replacement	6-12-20	360,000.00		657.28					\$ 657.28	
20-05.3	Water System Improvements	6-12-20	650,000.00		26,321.14				21,756.03	4,565.11	
21-07.3	Water System Improvements	6-10-21	635,000.00		252,048.60			\$ 5,202.79	145,903.11	111,348.28	
22-08	Water System Improvements	6-9-22	4,058,000.00		541,257.93	\$ 761.00		222,247.00	161,190.85	602,314.08	\$ 761.00
24-16	Water System Improvements	6-11-24	670,000.00			515,993.00			29,972.72		486,020.28
25-04	Water System Improvements	4-10-25	1,180,000.00				\$ 1,180,000.00		897,500.00		282,500.00
					<u>\$ 827,789.28</u>	<u>\$ 516,754.00</u>	<u>\$ 1,180,000.00</u>	<u>\$ 227,449.79</u>	<u>\$ 1,263,827.04</u>	<u>\$ 718,884.75</u>	<u>\$ 769,281.28</u>
Disbursed									\$ 415,312.02		
Canceled to Reserve to Pay Debt Service									7,504.33		
Reserve for Encumbrances									4,687.46		
Contracts Payable									836,323.23		
Contracts Payable Canceled											
Reimbursed									\$ 223,139.52		
									<u>4,310.27</u>		
									<u>\$ 227,449.79</u>	<u>\$ 1,263,827.04</u>	

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2025

Balance Dec. 31, 2024			\$ 19,751,926.19
Increased by:			
Paid by Operating Budget:			
Serial Bonds	\$ 307,000.00		
New Jersey Environmental Infrastructure Loan	132,703.66		
		<u>439,703.66</u>	
			20,191,629.85
Decreased by:			
Cancellation of Improvement Authorizations			<u>7,504.33</u>
Balance Dec. 31, 2025			<u><u>\$ 20,184,125.52</u></u>

WATER UTILITY CAPITAL FUND
Schedule of Deferred Reserve for Amortization
For the Year Ended December 31, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2024</u>	<u>Fixed Capital Authorized</u>	<u>Transferred To Reserve For Amortization</u>	<u>Balance Dec. 31, 2025</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	193,239.00			193,239.00
			<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, 2025

Balance Dec. 31, 2024	\$ 56,043.54
Increased by:	
Charges to Improvement Authorizations	<u>4,687.46</u>
	60,731.00
Decreased by:	
Disbursements	<u>1,058.25</u>
Balance Dec. 31, 2025	<u><u>\$ 59,672.75</u></u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Contract Payable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$ 1,214,924.05
Increased by:		
Charges to Improvement Authorizations		<u>836,323.23</u>
		2,051,247.28
Decreased by:		
Disbursements	\$ 942,367.09	
Cancellations	<u>223,139.52</u>	
		<u>1,165,506.61</u>
Balance Dec. 31, 2025		<u><u>\$ 885,740.67</u></u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Water Serial Bonds
For the Year Ended December 31, 2025

<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, 2024</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2025</u>
			<u>Outstanding Dec. 31, 2025</u>	<u>Date</u>				
2013 General Water Bonds	10-15-13	\$ 973,000.00		11-01-26	\$ 85,000.00			
				11-01-27	85,000.00			
				11-01-28	83,000.00	\$ 323,000.00	\$ 70,000.00	\$ 253,000.00
2018 General Water Bonds	08-29-18	1,270,000.00		09-15-26	60,000.00			
				09-15-27	65,000.00			
				09-15-28	65,000.00			
				09-15-29	70,000.00			
				09-15-30	70,000.00			
				09-15-31	75,000.00			
				09-15-32	75,000.00			
				09-15-33	80,000.00			
				09-15-34	80,000.00			
				09-15-35	85,000.00			
				09-15-36	90,000.00			
				09-15-37	90,000.00	965,000.00	60,000.00	905,000.00
2024 General Water Bonds	03-26-24	6,422,000.00		03-15-26	175,000.00			
				03-15-27	315,000.00			
				03-15-28	325,000.00			
				03-15-29	325,000.00			
				03-15-30	325,000.00			
				03-15-31	325,000.00			
				03-15-32	325,000.00			
				03-15-33	325,000.00			
				03-15-34	325,000.00			
				03-15-35	330,000.00			
				03-15-36	350,000.00			
				03-15-37	350,000.00			
				03-15-38	350,000.00			
				03-15-39	350,000.00			
				03-15-40	350,000.00			
				03-15-41	350,000.00			
				03-15-42	350,000.00			
				03-15-43	350,000.00			
				03-15-44	350,000.00	6,422,000.00	177,000.00	6,245,000.00
						<u>\$ 7,710,000.00</u>	<u>\$ 307,000.00</u>	<u>\$ 7,403,000.00</u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of New Jersey Environmental Infrastructure Trust Loan Payable
For the Year Ended December 31, 2025

Purpose	Date of Issue	Original Issue	Date	Maturities		Total	Interest Rate(A)	Balance Dec. 31, 2024	Reduced by	Balance Dec. 31, 2025
				Outstanding Dec. 31, 2025					Paid by Budget Appropriation	
				Trust Loan	Fund Loan					
Improvement to Chestnut Avenue Water Tank, Acquisition and Installation of Water Meters, and Generator Improvements	11-9-06	\$ 3,817,200.00	8-1-2026	\$ 137,140.31	-	\$ 137,140.31	4.250%	\$ 269,843.97	\$ 132,703.66	\$ 137,140.31

(A) Interest applicable to Trust Loan only.

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Reserve for Payment of Debt Service
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 342,681.99
Increased by:	
Cancellation of Improvement Authorizations	<u>7,504.33</u>
Balance Dec. 31, 2025	<u><u>\$ 350,186.32</u></u>

BOROUGH OF BERLIN
WATER UTILITY CAPITAL FUND
Statement of Water Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2024</u>	<u>2025 Authorizations</u>	<u>Balance Dec. 31, 2025</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	761.00		761.00
24-16	Water System Improvements	670,000.00		670,000.00
25-04	Water System Improvements		\$ 1,180,000.00	1,180,000.00
		<u>\$ 672,146.00</u>	<u>\$ 1,180,000.00</u>	<u>\$ 1,852,146.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF BERLIN
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, 2025

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2024	\$ 998,694.88	\$ 1,484,766.54
Increased by Receipts:		
Turnover from Collector	\$ 1,126,582.22	
Interest on Deposits	43,145.12	
Appropriation Refunds	47,179.56	
Due Current Fund	19,979.44	
	<u>1,236,886.34</u>	<u>-</u>
	2,235,581.22	1,484,766.54
Decreased by Disbursements:		
2025 Budget Appropriations	1,129,319.66	
2024 Appropriation Reserves	3,974.15	
Accrued Interest on Bonds and Notes	118,393.76	
Improvement Authorizations		\$ 503,501.83
Reserve for Encumbrances		2,118.00
Contracts Payable		8,931.30
	<u>1,251,687.57</u>	<u>514,551.13</u>
Balance Dec. 31, 2025	<u>\$ 983,893.65</u>	<u>\$ 970,215.41</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, 2025

Increased by Receipts:		
Sewer Rents Receivable	\$ 1,080,892.78	
Sewer Overpayments	13,858.96	
Miscellaneous Revenue	31,830.48	
		\$ 1,126,582.22
Decreased by Disbursements:		
Payments to Treasurer		<u>\$ 1,126,582.22</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Year Ended December 31, 2025

	Balance (Deficit) <u>Dec. 31, 2024</u>	<u>Disbursements</u>		<u>Transfers</u>		Balance (Deficit) <u>Dec. 31, 2025</u>
		<u>Improvement Authorizations</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>	
Due General Capital Fund	\$ 4,519.53					\$ 4,519.53
Due Sewer Utility Operating Fund				\$ 50,000.00	\$ 100,000.00	50,000.00
Due Water Utility Capital Fund	29,015.93					29,015.93
Reserve for Encumbrances	21,317.76		\$ 2,118.00		16,783.75	35,983.51
Contracts Payable	34,353.82		8,931.30		124,750.00	150,172.52
Capital Improvement Fund	153,267.95				50,000.00	203,267.95
Reserve for Payment of Debt	409,971.07			100,000.00	31,854.81	341,825.88
Fund Balance	154,439.74					154,439.74
Improvement Authorizations:						
16-05.9 Sewer Utility Improvements	(475.00)					(475.00)
19-08.2 Various Improvements to Sewer Utility System	24,027.69			24,027.69		
19-08.3 Repairs of Borough's Pump Stations	7,820.50			7,820.50		
19-08.4 Acquisition of Robotic Camera System	6.62			6.62		
20-06.2 Rehabilitation / Replacement of Sewer Mains	263,852.18	\$ 61,819.80		61,951.20		140,081.18
22-07 Improvements to Sewer Utility System	382,648.75	19,034.02		4,582.55		359,032.18
25-03 Improvements to Sewer Utility System				75,000.00		(75,000.00)
25-09 Improvements to Sewer Utility System		422,648.01				(422,648.01)
	<u>\$ 1,484,766.54</u>	<u>\$ 503,501.83</u>	<u>\$ 11,049.30</u>	<u>\$ 323,388.56</u>	<u>\$ 323,388.56</u>	<u>\$ 970,215.41</u>

BOROUGH OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 117,421.01
Increased by:	
Sewer Rents Levied	<u>1,080,883.82</u>
	1,198,304.83
Decreased by:	
Collections -- Collector	\$ 1,080,892.78
Transfer to Liens	217.98
Canceled	<u>405.78</u>
	<u>1,081,516.54</u>
Balance Dec. 31, 2025	<u><u>\$ 116,788.29</u></u>

SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2025

	<u>Balance Dec. 31, 2024</u>		<u>Balance</u>		<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Transfers</u>		
Operating:					
Salaries		\$ 37,534.25	\$ 37,534.25		\$ 37,534.25
Other Expenses	\$ 3,715.22	48,099.48	51,814.70	\$ 3,974.15	47,840.55
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation Insurance		4,238.74	4,238.74		4,238.74
Social Security System (O.A.S.I.)		500.77	500.77		500.77
Total	<u>\$ 3,715.22</u>	<u>\$ 90,373.24</u>	<u>\$ 94,088.46</u>	<u>\$ 3,974.15</u>	<u>\$ 90,114.31</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2025

<u>Account</u>	<u>Balance Dec. 31, 2024</u>	<u>Additions By Ordinance</u>	<u>Balance Dec. 31, 2025</u>
Facility Improvements	\$ 887,360.77		\$ 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	\$ 25,972.31	119,591.11
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
Pump Station Generator		29,500.00	29,500.00
Alterations to Wet Well	50,950.00		50,950.00
Fencing	9,679.39		9,679.39
Base Station Equipment	101,363.70		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
Camera Equipment		14,993.38	14,993.38
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	508,868.46	17,179.50	526,047.96
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	145,639.13		145,639.13
Dump Truck with Plow	13,145.77		13,145.77
Sewer Jetter	402,000.00		402,000.00
	<u>\$ 5,293,681.65</u>	<u>\$ 87,645.19</u>	<u>\$ 5,381,326.84</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2024	2025 Authorizations		To Fixed Capital	Canceled	Balance Dec. 31, 2025
					Deferred Charges to Future Revenue				
General Improvements:									
12-06.6	Acquisition of Capital Equipment	3-05-12	\$ 30,000.00	\$ 30,000.00			\$ 29,500.00	\$ 500.00	
14-02.7	Sewer Utility Improvements	3-5-14	500,000.00	500,000.00					\$ 500,000.00
19-08.2	Various Improvements to Sewer Utility System	5-16-19	50,000.00	50,000.00			25,972.31	24,027.69	
19-08.3	Repairs of Borough's Pump Stations	5-16-19	25,000.00	25,000.00			17,179.50	7,820.50	
19-08.4	Acquisition of Robotic Camera System	5-16-19	15,000.00	15,000.00			14,993.38	6.62	
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
25-03	Improvements to Sewer Utility System	4-10-25	325,000.00		\$ 325,000.00				325,000.00
25-09	Improvements to Sewer Utility System	5-8-25	560,000.00		560,000.00				560,000.00
				\$ 2,441,000.00	\$ 885,000.00	\$ 87,645.19	\$ 32,354.81	\$ 3,206,000.00	

BOROUGH OF BERLIN
SEWER UTILITY FUND
Statement of Accrued Interest on Bonds
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 39,371.66
Increased by:	
Budget Appropriations:	
Interest on Bonds	<u>114,797.10</u>
	154,168.76
Decreased by:	
Paid by Sewer Utility Operating Fund	<u>118,393.76</u>
Balance Dec. 31, 2025	<u><u>\$ 35,775.00</u></u>

Analysis of Accrued Interest Dec. 31, 2025

Principal Outstanding Dec. 31, 2025		Interest Rate	From	To	Period	Amount
Serial Bonds:						
2013 Bonds	\$ 213,000.00	Various	11/1/2025	12/31/2025	60 Days	\$ 1,288.75
2018 Bonds	690,000.00	Various	9/15/2025	12/31/2025	106 Days	6,602.92
2024 Bonds	2,320,000.00	Various	9/15/2025	12/31/2025	106 Days	<u>27,883.33</u>
						<u><u>\$ 35,775.00</u></u>

SEWER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 153,267.95
Increased by:	
Budget Appropriation	<u>50,000.00</u>
Balance Dec. 31, 2025	<u><u>\$ 203,267.95</u></u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 21,317.76
Increased by:	
Charges to Improvement Authorizations	<u>16,783.75</u>
	38,101.51
Decreased by:	
Disbursements	<u>2,118.00</u>
Balance Dec. 31, 2025	<u><u>\$ 35,983.51</u></u>

SEWER UTILITY CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 34,353.82
Increased by:	
Charges to Improvement Authorizations	<u>124,750.00</u>
	159,103.82
Decreased by:	
Disbursements	<u>8,931.30</u>
Balance Dec. 31, 2025	<u><u>\$ 150,172.52</u></u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2024		Deferred Charges to Future Revenue	Decreased	Balance Dec. 31, 2025	
				Funded	Unfunded			Funded	Unfunded
12-06.6	Acquisition of Capital Equipment	3-5-12	\$ 30,000.00		\$ 500.00		\$ 500.00		
19-08.2	Various Improvements to Sewer Utility System	5-16-19	50,000.00	\$ 24,027.69			24,027.69		
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	6.62			6.62		
20-06.2	Rehabilitation / Replacement of Sewer Mains	6-12-20	300,000.00	263,852.18			123,771.00	\$ 140,081.18	
22-07	Improvements to Sewer Utility System	6-9-22	1,521,000.00	382,648.75	571.00		23,616.57	359,032.18	\$ 571.00
25-03	Sewer Utility Improvements	4-10-25	325,000.00			\$ 325,000.00	75,000.00		250,000.00
25-09	Sewer Utility Improvements	5-8-25	560,000.00			560,000.00	422,648.01		137,351.99
				<u>\$ 678,355.74</u>	<u>\$ 1,071.00</u>	<u>\$ 885,000.00</u>	<u>\$ 677,390.39</u>	<u>\$ 499,113.36</u>	<u>\$ 387,922.99</u>
Disbursements							\$ 503,501.83		
Canceled to Reserve to Pay Debt Service							31,854.81		
Cancel to Fixed Capital Authorized & Unissued							500.00		
Encumbrances							16,783.75		
Contracts Payable							124,750.00		
							<u>\$ 677,390.39</u>		

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		\$ 4,206,301.65
Increased by:		
Serial Bonds Paid by Operating Budget	\$ 153,000.00	
Transferred from Deferred Reserve for Amortization	<u>1,500.00</u>	
		<u>154,500.00</u>
Decreased by:		
Cancellations		<u>31,854.81</u>
Balance Dec. 31, 2025		<u><u>\$ 4,328,946.84</u></u>

SEWER UTILITY OPERATING FUND
Statement of Sewer Overpayments
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 2,189.50
Increased by:	
Collections	<u>13,858.96</u>
	16,048.46
Decreased by:	
Cancellations -- Operations	<u>7,086.40</u>
Balance Dec. 31, 2025	<u><u>\$ 8,962.06</u></u>

SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2024</u>	<u>Transferred to Reserve for Amortization</u>	<u>Balance Dec. 31, 2025</u>
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	<u>72,429.00</u>		<u>72,429.00</u>
			<u>\$ 150,834.00</u>	<u>1,500.00</u>	<u>\$ 149,334.00</u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Sewer Serial Bonds
For the Year Ended December 31, 2025

Purpose	Date of Issue	Original Issue	Maturity of Bonds			Balance Dec. 31, 2024	Issued	Paid by Budget Appropriation	Balance Dec. 31, 2025
			Outstanding Dec. 31, 2025						
			Date	Amount	Interest Rate				
2013 General Sewer Bonds	10-15-13	\$ 503,000.00	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%	\$ 243,000.00	\$ 30,000.00	\$ 213,000.00	
2018 General Sewer Bonds	08-29-18	965,000.00	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%	735,000.00	45,000.00	690,000.00	
			2024 General Sewer Bonds	03-26-24	2,398,000.00	03-15-25	78,000.00	2.000%	
03-15-26	75,000.00	2.000%							
03-15-27	80,000.00	2.000%							
03-15-28	80,000.00	3.000%							
03-15-29	85,000.00	4.000%							
03-15-30	90,000.00	4.000%							
03-15-31	95,000.00	4.000%							
03-15-32	95,000.00	4.000%							
03-15-33	125,000.00	4.000%							
03-15-34	125,000.00	4.000%							
03-15-35	125,000.00	4.000%							
03-15-36	145,000.00	4.000%							
03-15-37	150,000.00	3.250%							
03-15-38	150,000.00	3.250%							
03-15-39	150,000.00	3.500%							
03-15-40	150,000.00	3.500%							
03-15-41	150,000.00	4.000%							
03-15-42	150,000.00	4.000%							
03-15-43	150,000.00	4.000%							
03-15-44	150,000.00	4.000%				2,398,000.00	78,000.00	2,320,000.00	
						\$ 3,376,000.00	-	\$ 153,000.00	\$ 3,223,000.00

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	\$ 409,971.07
Decreased by:	
Appropriated as Revenue - Sewer Utility Operating Fund	<u>100,000.00</u>
Balance Dec. 31, 2025	<u><u>\$ 341,825.88</u></u>

SEWER UTILITY OPERATING FUND
Statement of Due To Sewer Utility Capital Fund
For the Year Ended December 31, 2025

Increased by:	
Anticipated Revenue -- Reserve for Payment of Debt Service	\$ 100,000.00
Decreased by:	
Budget Appropriation -- Capital Improvement Fund	<u>50,000.00</u>
Balance Dec. 31, 2025	<u><u>\$ 50,000.00</u></u>

BOROUGH OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Sewer Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2025

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2024</u>	<u>2025 Authorizations</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2025</u>
12-06.6	Acquisition of Capital Equipment	\$ 500.00		\$ 500.00	
22-07	Improvements to Sewer Utility System	571.00			\$ 571.00
25-03	Sewer Utility Improvements		\$ 325,000.00		325,000.00
25-09	Sewer Utility Improvements		560,000.00		560,000.00
		<u>\$ 1,071.00</u>	<u>\$ 885,000.00</u>	<u>\$ 500.00</u>	<u>\$ 885,571.00</u>

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED 2025

BOROUGH OF BERLIN
Schedule of Findings and Recommendations
For the Year Ended December 31, 2025

Schedule of Financial Statement Findings

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

None.

BOROUGH OF BERLIN
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

None.

BOROUGH OF BERLIN
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Richard Miller	Mayor	\$1,000,000.00(A)
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)
Millard Wilkinson	Councilman	1,000,000.00(A)
Carl Mascarenhas	Councilman	1,000,000.00(A)
Anne Marie Miller	Borough Administrator	1,000,000.00(A)
Kathy DiOrio	Tax Collector and Tax Search Officer	1,000,000.00(A)
Tabitha Scarfo	Water Clerk, Sewer Clerk	1,000,000.00(A)
Stacey DiVello	Treasurer, Payroll Clerk	1,000,000.00(A)
Rachel Von Der Tann	Borough Clerk, 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)
Rick DeMichelle	Prosecutor	1,000,000.00(A)
Philip Muldoon Jr.	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 Water & Sewer Engineer	1,000,000.00(A)
Key Engineers	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.

APPRECIATION

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

PKF O'CONNOR DAVIES, LLP

A handwritten signature in black ink that reads "Daniel M. DiGangi". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant