

**TOWNSHIP OF BERLIN
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED JUNE 30, 2012**



TOWNSHIP OF BERLIN
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
	<u>PART 1</u>	
	Independent Auditor's Report	2
	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	4
	<u>CURRENT FUND</u>	
A	Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	6
A-1	Statement of Operations and Changes in Fund Balance--Regulatory Basis	8
A-2	Statement of Revenues--Regulatory Basis	10
A-3	Statement of Expenditures--Regulatory Basis	12
	<u>TRUST FUND</u>	
B	Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	18
B-1	Trust-Municipal Open Space Fund-Statement of Revenues--Regulatory Basis	19
B-2	Trust-Municipal Open Space Fund-Statement of Expenditures--Regulatory Basis	20
	<u>GENERAL CAPITAL FUND</u>	
C	Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	21
	<u>SEWER UTILITY FUND</u>	
D	Statement of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	22
D-1	Statement of Operations and Changes in Operating Fund Balance--Regulatory Basis	24
D-2	Sewer Utility Operating Fund--Statement of Revenues--Regulatory Basis	25
D-3	Sewer Utility Operating Fund--Statement of Expenditures--Regulatory Basis	26
	<u>GENERAL FIXED ASSETS ACCOUNTS GROUP</u>	
E	Statement of General Fixed Assets	27
	Notes to Financial Statements	28

TOWNSHIP OF BERLIN
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash Per N.J.S.40A:5-5—Chief Financial Officer	49
SA-2	Statement of Current Cash and Reconciliation Per N.J.S. 40A:5-5--Collector	51
SA-3	Schedule of Change Funds	51
SA-4	Statement of Due from State of New Jersey--Veterans' and Senior Citizens' Deductions	52
SA-5	Statement of Tax Title Liens	52
SA-6	Statement of Taxes Receivable and Analysis of Property Tax Levy	53
SA-7	Statement of Revenue Accounts Receivable	54
SA-8	Statement of Fiscal Year 2011 Appropriation Reserves	55
SA-9	Statement of Prepaid Taxes	57
SA-10	Statement of Due to State of New Jersey—State Training Fees	57
SA-11	Statement of Due to State of New Jersey—DYFS Marriage License Fees	58
SA-12	Statement of Due County for Added and Omitted Taxes	58
SA-13	Statement of Fire District Taxes Payable	59
SA-14	Statement of County Taxes Payable	59
SA-15	Statement of Local District School Taxes	60
SA-16	Statement of Municipal Open Space Taxes Payable	60
SA-17	Federal and State Grant Fund—Statement of Federal and State Grants Receivable	61
SA-18	Federal and State Grant Fund—Statement of Reserve for Federal and State Grants—Unappropriated	62
SA-19	Federal and State Grant Fund—Statement of Reserve for Federal and State Grants—Appropriated	63
<u>TRUST FUND</u>		
SB-1	Statement of Trust Cash Per N.J.S.40A:5-5—Chief Financial Officer	65
SB-2	Trust Other Funds--Statement of Due Current Fund	66
SB-3	Trust Animal Control Fund--Statement of Due to Current Fund	66
SB-4	Trust Animal Control Fund--Statement of Reserve for Animal Control Fund Expenditures	67
SB-5	Trust Animal Control Fund--Statement of Due to State Department of Health	67
SB-6	Trust Other Funds--Statement of Trust Other Reserves	68
SB-7	Trust—Municipal Open Space Fund--Statement of Reserve for Future Use	69
SB-8	Trust Other Fund--Statement of Payroll Deductions Payable	69

TOWNSHIP OF BERLIN
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of General Capital Cash Per N.J.S.40A:5-5—Chief Financial Officer	71
SC-2	Analysis of General Capital Cash	72
SC-3	Statement of Due from/to Current Fund	73
SC-4	Statement of Deferred Charges to Future Taxation--Funded	73
SC-5	Statement of Deferred Charges to Future Taxation--Unfunded	74
SC-6	Statement of Due to Open Space Trust Fund	75
SC-7	Statement of Reserve for Developer's Contribution	75
SC-8	Statement of Improvement Authorizations	76
SC-9	Statement of Contracts Payable	77
SC-10	Statement of General Serial Bonds	78
SC-11	Statement of Green Acres Loan	80
SC-12	Statement of Bonds and Notes Authorized but not Issued	81
<u>SEWER UTILITY FUND</u>		
SD-1	Sewer Utility Fund--Statement of Sewer Utility Cash Per N.J.S.40A:5-5—Chief Financial Officer	83
SD-2	Sewer Utility Capital Fund --Analysis of Sewer Utility Capital Cash	84
SD-3	Sewer Utility Operating Fund--Statement of Sewer Cash and Reconciliation Per N.J.S.40A:5-5--Collector	85
SD-4	Sewer Utility Operating Fund--Statement of Consumer Accounts Receivable	85
SD-5	Sewer Utility Capital Fund--Statement of Fixed Capital	86
SD-6	Sewer Utility Operating Fund--Statement of Prepaid Sewer Rents	86
SD-7	Sewer Utility Operation Fund—Statement of Sewer Liens Receivable	86
SD-8	Sewer Utility Operating Fund--Statement of Accrued Interest on Bonds	87
SD-9	Sewer Utility Operating Fund--Statement of Fiscal Year 2011 Appropriation Reserves	88
SD-10	Sewer Utility Capital Fund--Statement of Due to Sewer Utility Operating Fund	88
SD-11	Sewer Utility Capital Fund--Statement of Reserve for Amortization	89
SD-12	Sewer Utility Capital Fund--Statement of Long Term Bonded Debt	90
<u>PART 2</u>		
	Schedule of Findings and Recommendations	92
	Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	93
	OFFICIALS IN OFFICE AND SURETY BONDS	94
	APPRECIATION	95

TOWNSHIP OF BERLIN
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of Berlin
West Berlin, New Jersey 08091

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Berlin, in the County of Camden, State of New Jersey, as of June 30, 2012 and 2011, and the related statements of operations and changes in fund balance - regulatory basis for the fiscal years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts for the fiscal year ended June 30, 2012. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

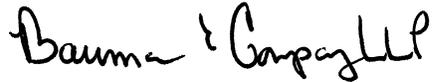
In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Berlin, in the County of Camden, State of New Jersey, as of June 30, 2012 and 2011, or the results of its operations and changes in fund balance for the fiscal years then ended.

Furthermore, in our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Berlin, in the County of Camden, State of New Jersey, as of June 30, 2012 and 2011, and the results of its operations and changes in fund balance - regulatory basis of such funds for the fiscal years then ended, and the revenues - regulatory basis, expenditures - regulatory basis of the various funds, and general fixed assets, for the fiscal year ended June 30, 2012 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

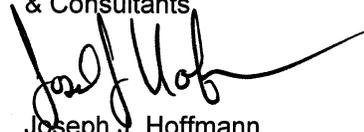
In accordance with Government Auditing Standards, we have also issued our report dated January 11, 2013 on our consideration of the Township of Berlin's, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
January 11, 2013

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and
Members of the Township Council
Township of Berlin
West Berlin, New Jersey 08091

We have audited the financial statements (regulatory basis) of the Township of Berlin, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated January 11, 2013 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Township of Berlin is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures 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 Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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

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

Compliance and Other Matters

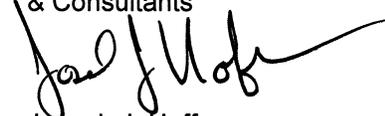
As part of obtaining reasonable assurance about whether the Township of Berlin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

This report is intended solely for the information and use of management, members of the governing body, others within the Township, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
January 11, 2013

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of June 30, 2012 and 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Current Fund:			
Cash--Treasurer	SA-1	\$ 1,266,781.28	\$ 813,780.53
Cash--Change Funds	SA-3	250.00	250.00
Due from State of New Jersey	SA-4	36,382.03	36,960.67
		<u>1,303,413.31</u>	<u>850,991.20</u>
Receivables and Other Assets with Full Reserves:			
Tax Title Liens Receivable	SA-5	198,336.78	6,977.78
Property Acquired for Taxes--Assessed Valuation	A	300,000.00	300,000.00
Delinquent Property Taxes Receivable	SA-6	2,035.29	2,134.48
Revenue Accounts Receivable	SA-7	67,349.99	11,675.91
Maintence Lein Receivable	A-2	1,270.00	415.00
Due from Trust--Animal Control Funds	SB-3	4,500.00	
Due General Capital Fund	SC-3	27.59	
Due from Federal and State Grant Fund	SA-1	33,087.98	
		<u>606,607.63</u>	<u>321,203.17</u>
Deferred Charges:			
Emergency Authorizations	A-3	-	-
		<u>1,910,020.94</u>	<u>1,172,194.37</u>
Federal and State Grant Fund:			
Cash--Treasurer	SA-1		200,977.48
Federal and State Grants Receivable	SA-17	1,045,932.50	1,001,287.50
		<u>1,045,932.50</u>	<u>1,202,264.98</u>
		<u>\$ 2,955,953.44</u>	<u>\$ 2,374,459.35</u>

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of June 30, 2012 and 2011

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-8	\$ 375,853.18	\$ 136,781.11
Reserve for Encumbrances	A-3 & SA-8	134,243.65	93,777.41
Prepaid Taxes	SA-9	19,145.67	42,506.38
Due Trust--Other Funds	SB-2 ; SB-6	239,769.29	57,480.60
Due General Capital Fund	SC-3		875.33
Due Sewer Operating Fund	SD-1 ; D-3		1,147.61
State Training Fees Due to State of New Jersey	SA-10	844.00	1,032.00
Marriage License Fees Due to State of New Jersey	SA-11	200.00	75.00
		<u>770,055.79</u>	<u>333,675.44</u>
Reserve for Receivables and Other Assets	A	606,607.63	321,203.17
Fund Balance	A-1	<u>533,357.52</u>	<u>517,315.76</u>
		<u>1,910,020.94</u>	<u>1,172,194.37</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-1	33,087.98	
Reserve for Encumbrances	SA-19	2,121.67	
Accounts Payable	SA-1 ; SA-19	478,243.14	254,966.00
Reserve for Federal and State Grants--Appropriated	SA-19	<u>532,479.71</u>	<u>947,298.98</u>
		<u>1,045,932.50</u>	<u>1,202,264.98</u>
		<u>\$ 2,955,953.44</u>	<u>\$ 2,374,459.35</u>

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

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Fiscal Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>Revenue and Other</u>		
<u>Income Realized</u>		
Fund Balance Utilized	\$ 371,700.00	\$ 371,700.00
Miscellaneous Revenue Anticipated	1,828,976.40	2,163,308.63
Receipts from Current Taxes	19,225,158.64	17,683,924.38
Non-Budget Revenue	92,898.57	100,992.39
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	149,855.68	130,161.89
Cancellation of Accounts Payable		4,400.00
Liquidation of Reserves for:		
Due from Trust--Other Funds		39.55
Due from Trust--Animal Control Fund		5,300.00
Due from General Capital Fund		92.63
Due from Federal and State Grant Fund		8,337.34
	21,668,589.29	20,468,256.81
 <u>Expenditures</u>		
Budget and Emergency Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	2,815,400.00	2,805,112.00
Other Expenses	2,739,888.00	2,617,160.00
Deferred Charges and Statutory Expenditures	742,875.20	815,908.38
Excluded from "CAPS":		
Operations:		
Salaries and Wages	62,628.67	61,749.89
Other Expenses	141,506.73	286,641.94
Municipal Debt Service	1,650,970.64	1,026,352.57
County Taxes	4,421,636.56	3,893,745.73
Local District School Taxes	8,008,803.00	7,844,102.00
Fire District Taxes	454,056.50	453,114.00
Due County of Added and Omitted Taxes	63,862.61	45,829.67
Municipal Open Space Taxes	140,749.05	139,576.85
Refund of Prior Year Revenue	855.00	
Creation of Reserves for:		
Due from Animal Control Fund	4,500.00	
Due from General Capital Fund	27.59	
Due from Federal and State Grant Fund	33,087.98	
Miscellaneous Accounts Receivable		130.00
	21,280,847.53	19,989,423.03

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Fiscal Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Excess in Revenue	\$ 387,741.76	\$ 478,833.78
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budget of		
Succeeding Year	-	-
Statutory Excess to Fund Balance	387,741.76	478,833.78
<u>Fund Balance</u>		
Balance July 1	517,315.76	410,181.98
Decreased by:	905,057.52	889,015.76
Utilized as Revenue	371,700.00	371,700.00
Balance June 30	\$ 533,357.52	\$ 517,315.76

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

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Fund Balance Anticipated	\$ 371,700.00	-	\$ 371,700.00	-
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	4,446.00		4,326.00	\$ (120.00)
Other	45,722.00		52,608.00	6,886.00
Fees and Permits:				
Other	32,385.00		29,800.00	(2,585.00)
Fines and Costs:				
Municipal Court	156,881.00		147,839.31	(9,041.69)
Interest and Cost on Taxes	50,238.00		52,520.63	2,282.63
Interest on Investments and Deposits	2,267.00		1,562.58	(704.42)
Franchise Taxes--Cable TV	57,650.00		62,461.48	4,811.48
Energy Receipts Tax	1,287,847.00		1,234,473.00	(53,374.00)
Dedicated Uniform Construction Code Fees offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C.5:23-23-4.17):				
Uniform Construction Code Fees	116,790.00		110,323.00	(6,467.00)
Public and Private Programs Off-Set with Appropriations:				
Drunk Driving Enforcement Fund		\$ 2,677.43	2,677.43	
Clean Communities Program		9,951.24	9,951.24	
Over the Limit Under Arrest	4,400.00		4,400.00	
Click It or Ticket		4,000.00	4,000.00	
Camden County Recreation Enhancement Grant - Luke		25,000.00	25,000.00	
Camden County Recreation Enhancement Grant - Spruce		25,000.00	25,000.00	
Body Armor Replacement Grant		2,033.73	2,033.73	
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Local Government Services:				
Reserve for Developer's Contribution	55,000.00		55,000.00	
	<u>1,813,626.00</u>	<u>73,662.40</u>	<u>1,828,976.40</u>	<u>(58,312.00)</u>
Amount to be Raised by Taxes for Support of Municipal Budget including Reserve for Uncollected Taxes	<u>6,081,681.26</u>	<u>-</u>	<u>6,181,899.98</u>	<u>100,218.72</u>
Subtotal General Revenues	<u>7,895,307.26</u>	<u>73,662.40</u>	<u>8,010,876.38</u>	<u>41,906.72</u>
Budget Totals	8,267,007.26	73,662.40	8,382,576.38	41,906.72
Non-Budget Revenues	-	-	92,898.57	92,898.57
	<u>\$ 8,267,007.26</u>	<u>\$ 73,662.40</u>	<u>\$ 8,475,474.95</u>	<u>\$ 134,805.29</u>

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 19,225,158.64
Allocated to Local School, Regional School, County, Special District and Municipal Open Space Taxes	13,089,107.72
Balance for Support of Municipal Budget Appropriations	6,136,050.92
Add: Appropriation "Reserve for Uncollected Taxes"	45,849.06

Amount for Support of Municipal Budget Appropriations \$ 6,181,899.98

Fees and Permits--Other:

Improvement Searches	\$ 60.00
Municipal Clerk	13,200.00
Animal Control Permits	80.00
Registrar of Vital Statistics	2,215.00
Planning Board	1,100.00
Continued Certificate of Occupancy	7,825.00
Zoning Board	4,650.00
Tax Search Fees	670.00
	\$ 29,800.00

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Tax Collector:

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 2,134.48
Tax Sale Advertising Fees	16,353.45

\$ 18,487.93

Treasurer:

Police Outside Services	22,985.00
Photocopy Fees	3,580.70
Library Sales and Fees	643.19
NJ DMV Inspection Fees	844.50
Rental of Municipal Facilities	3,000.00
Construction Code Fines	1,000.00
Sahara Sams Entertainment Fee	14,331.82
JIF Safety Award	1,000.00
Taunton Run Annual Fees	2,000.00
Marriage Fees	3,050.00
Senior Citizen and Veteran Administrative Fee	1,583.62
Homestead Rebate Administrative Fee	469.80
Miscellaneous	3,067.00
Maintenance Liens	415.00
Payments In Lieu of Taxes - Taunton Run	15,500.00
Refund of Prior Year Expenditures	940.01

74,410.64

\$ 92,898.57

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

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government</u>						
Mayor and Council						
Salaries and Wages	\$ 55,700.00	\$ 55,700.00	\$ 54,767.30		\$ 932.70	
Other Expenses	23,100.00	25,100.00	21,883.66		3,216.34	
Financial Administration						
Salaries and Wages	88,800.00	88,800.00	88,708.21		91.79	
Other Expenses	10,700.00	10,700.00	9,795.57		904.43	
Tax Assessment Administration						
Salaries and Wages	26,700.00	26,700.00	26,661.83		38.17	
Other Expenses	6,420.00	4,420.00	2,224.21		2,195.79	
Revenue Administration						
Salaries and Wages	65,800.00	65,800.00	65,717.08		82.92	
Other Expenses	13,900.00	13,900.00	7,654.57		6,245.43	
Township Clerk						
Salaries and Wages	79,000.00	84,000.00	83,539.49		460.51	
Other Expenses	37,100.00	45,100.00	35,099.16	\$ 7,000.00	3,000.84	
Legal Services and Costs						
Other Expenses	65,000.00	70,000.00	52,148.39	10,000.00	7,851.61	
Municipal Prosecutor						
Salaries and Wages	12,500.00	12,500.00	12,475.44		24.56	
Other Expenses	500.00	500.00			500.00	
Engineering Services and Costs						
Salaries and Wages	72,400.00	42,400.00	21,608.17		20,791.83	
Other Expenses	9,800.00	12,800.00	6,932.41	95.00	5,772.59	
Public Buildings and Grounds						
Salaries and Wages	49,300.00	49,300.00	41,084.48		8,215.52	
Other Expenses	28,000.00	33,000.00	27,563.92	1,002.58	4,433.50	
Audit Services						
Other Expenses	24,200.00	29,200.00	29,052.50		147.50	
Municipal Land Use Law (N.J.S.40:55D-1)						
Planning Board						
Other Expenses	11,500.00	11,500.00	6,500.04		4,999.96	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>General Government (Cont'd)</u>						
Insurance						
Health Benefit Waiver -- Opt Out	\$ 10,000.00	\$ 10,000.00	\$ 9,178.52		\$ 821.48	
Liability Insurance	126,000.00	116,000.00	110,331.95		5,668.05	
Workers Compensation Insurance	134,000.00	124,000.00	119,283.18		4,716.82	
Group Insurance	1,276,912.00	1,276,912.00	1,204,198.26		72,713.74	
Unemployment Compensation Insurance	16,000.00	16,000.00	12,687.50		3,312.50	
Municipal Court						
Salaries and Wages	106,100.00	106,100.00	105,751.77		348.23	
Other Expenses	48,600.00	48,600.00	42,811.54		5,788.46	
Public Defender						
Other Expenses	500.00	500.00			500.00	
<u>Public Safety</u>						
Police						
Salaries and Wages	1,625,900.00	1,632,900.00	1,622,850.33		10,049.67	
Other Expenses	149,600.00	119,600.00	63,684.35	\$ 48,554.61	7,361.04	
Office of Emergency Management						
Salaries and Wages	2,000.00	2,000.00	514.98		1,485.02	
Other Expenses	700.00	700.00			700.00	
Ambulance Association						
Other Expenses	15,000.00	15,000.00	9,931.83		5,068.17	
<u>Streets and Roads</u>						
Road Repairs and Maintenance						
Salaries and Wages	82,100.00	82,100.00	56,638.38		25,461.62	
Other Expenses	19,606.00	34,606.00	21,603.81	1,339.85	11,662.34	
Solid Waste Collection						
Salaries and Wages	358,300.00	358,300.00	349,199.79		9,100.21	
Other Expenses	10,100.00	15,100.00	4,426.27	545.21	10,128.52	
Vehicle Maintenance						
Salaries and Wages	106,100.00	106,100.00	98,641.66		7,458.34	
Other Expenses	95,800.00	95,800.00	61,299.22	9,876.54	24,624.24	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Health and Welfare</u>						
Board of Health						
Other Expenses	\$ 500.00	\$ 500.00			\$ 500.00	
<u>Recreation and Education</u>						
Recreation Services and Programs						
Other Expenses	10,300.00	10,300.00	\$ 9,011.48		1,288.52	
Maintenance of Parks						
Salaries and Wages	700.00	700.00	700.00			
Other Expenses	18,400.00	21,400.00	12,681.24	\$ 140.44	8,578.32	
Expense of Participation in Free County Library						
Salaries and Wages	28,900.00	28,900.00	24,261.20		4,638.80	
Other Expenses	7,000.00	8,000.00	6,348.99		1,651.01	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	9,100.00	9,100.00	5,938.33	53.42	3,108.25	
Uniform Construction Code -						
Appropriations Offset by Dedicated						
Revenues (N.J.A.C. 5:23-4.17)						
Construction Office						
Salaries and Wages	88,500.00	88,500.00	87,409.70		1,090.30	
Other Expenses	32,650.00	32,650.00	30,904.17		1,745.83	
Code Enforcement						
Other Expenses	1,100.00	1,100.00	274.92		825.08	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS--WITHIN "CAPS" (CONT'D)</u>						
<u>Unclassified</u>						
Utilities:						
Telephone	\$ 31,300.00	\$ 31,300.00	\$ 27,733.76	\$ 3,200.00	\$ 366.24	
Street Lighting	88,100.00	88,100.00	78,067.46	10,003.84	28.70	
Electricity and Natural Gas	105,700.00	95,700.00	71,117.02	12,300.00	12,282.98	
Water	4,100.00	5,100.00	4,271.45		828.55	
Petroleum Products	92,200.00	92,200.00	58,240.77	17,073.04	16,886.19	
Sewerage	6,000.00	6,000.00	5,476.00		524.00	
Telecommunications	3,000.00	4,000.00	2,913.48		1,086.52	
Landfill/Solid Waste Disposal	163,000.00	163,000.00	130,447.78	13,059.12	19,493.10	
Accumulated Sickleave Compensation	1,000.00	27,000.00	26,000.00		1,000.00	
Total Operations--Within "CAPS"	<u>5,555,288.00</u>	<u>5,555,288.00</u>	<u>5,068,247.52</u>	<u>134,243.65</u>	<u>352,796.83</u>	<u>-</u>
Detail:						
Salaries and Wages	2,859,800.00	2,815,400.00	2,744,921.64	-	70,478.36	-
Other Expenses	2,695,488.00	2,739,888.00	2,323,325.88	134,243.65	282,318.47	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES--MUNICIPAL--WITHIN "CAPS"</u>						
Deferred Charges:						
Deficit in Animal Control Reserve	1,205.20	1,205.20	1,205.20			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	180,543.00	180,543.00	179,291.40		1,251.60	
Police and Fireman's Retirement System	488,549.00	488,549.00	347,027.00			\$ 141,522.00
Social Security System (O.A.S.I.)	212,100.00	212,100.00	206,641.05		5,458.95	
Defined Contribution Retirement Plan	2,000.00	2,000.00	352.14		1,647.86	
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	<u>884,397.20</u>	<u>884,397.20</u>	<u>734,516.79</u>	<u>-</u>	<u>8,358.41</u>	<u>141,522.00</u>
Total General Appropriations for Municipal Purposes--Within "CAPS"	<u>6,439,685.20</u>	<u>6,439,685.20</u>	<u>5,802,764.31</u>	<u>134,243.65</u>	<u>361,155.24</u>	<u>141,522.00</u>

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Solid Waste Disposal						
Recycling Tax	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00			
Employee Group Health Insurance (P.L. 2007, C.62)	54,348.00	54,348.00	54,348.00			
Storm Water Management						
Salary and Wages	45,600.00	45,600.00	43,868.06		\$ 1,731.94	
Other Expenses	19,125.00	19,125.00	6,159.00		12,966.00	
<u>Public and Private Programs</u>						
<u>Off-Set by Revenues</u>						
Clean Communities Program (40A:4-87 \$9,951.24)		9,951.24	9,951.24			
Over the Limit Under Arrest	4,400.00	4,400.00	4,400.00			
Click It or Ticket (40A:4-87 \$4,000.00)		4,000.00	4,000.00			
Drunk Driving Enforcement Grant (40A:4-87 \$2,677.43)		2,677.43	2,677.43			
Camden County Recreation Grant - Luke (40A:4-87 \$25,000.00)		25,000.00	25,000.00			
Camden County Recreation Grant - Spruce (40A:4-87 \$25,000.00)		25,000.00	25,000.00			
Drive Sober or Get Pulled Over Grant (40A:4-87 \$5,000.00)		5,000.00	5,000.00			
Body Armor Replacement Grant (40A:4-87 + \$2,033.73)		2,033.73	2,033.73			
Total Operations--Excluded from "CAPS"	130,473.00	204,135.40	189,437.46	-	14,697.94	-
Detail:						
Salaries and Wages	50,000.00	62,628.67	60,896.73	-	1,731.94	-
Other Expenses	80,473.00	141,506.73	128,540.73	-	12,966.00	-

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>MUNICIPAL DEBT SERVICE--</u>						
<u>EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 960,000.00	\$ 960,000.00	\$ 960,000.00			
Interest on Bonds	691,000.00	691,000.00	690,970.64			\$ 29.36
Total Municipal Debt Service-- Excluded from "CAPS"	1,651,000.00	1,651,000.00	1,650,970.64	-	-	29.36
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	1,781,473.00	1,855,135.40	1,840,408.10	-	\$ 14,697.94	29.36
Subtotal General Appropriations	8,221,158.20	8,294,820.60	7,643,172.41	\$ 134,243.65	375,853.18	141,551.36
Reserve for Uncollected Taxes	45,849.06	45,849.06	45,849.06	-	-	-
	<u>\$ 8,267,007.26</u>	<u>\$ 8,340,669.66</u>	<u>\$ 7,689,021.47</u>	<u>\$ 134,243.65</u>	<u>\$ 375,853.18</u>	<u>\$ 141,551.36</u>
Appropriation by 40A:4-87		\$ 73,662.40				
Budget as Adopted		<u>8,267,007.26</u>				
		<u>\$ 8,340,669.66</u>				
Reserve for Uncollected Taxes			\$ 45,849.06			
Reserve for Federal and State Grant Funds--Appropriated			78,062.40			
Refunds			(201,692.90)			
Disbursed			<u>7,766,802.91</u>			
			<u>\$ 7,689,021.47</u>			

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

TOWNSHIP OF BERLIN
TRUST FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of June 30, 2012 and 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Animal Control Fund:			
Cash	SB-1	\$ 1,116.14	\$ 3,898.70
Deficit in Reserve	SB-4	3,397.82	1,205.20
		<u>4,513.96</u>	<u>5,103.90</u>
Other Funds:			
Cash--Treasurer	SB-1	664,394.69	488,746.71
Due Current Fund	SB-2	239,769.29	57,480.60
Due Bank	SB-1	41.62	-
		<u>904,205.60</u>	<u>546,227.31</u>
Municipal Open Space Fund:			
Cash	SB-1	25,623.59	6,647.02
Due from General Capital Fund	SC-6	2,651.91	2,651.64
		<u>28,275.50</u>	<u>9,298.66</u>
		<u>\$ 936,995.06</u>	<u>\$ 560,629.87</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	SB-3	\$ 4,500.00	
Accounts Payable	SB-4	11.56	\$ 5,092.50
Due to State Board of Health	SB-5	2.40	11.40
		<u>4,513.96</u>	<u>5,103.90</u>
Other Funds:			
Due Sewer Operating	B	4.20	4.20
Reserve for Escrow Deposits	SB-6	380,550.21	248,891.69
Reserve for New Jersey Unemployment Compensation Insurance	SB-6	57,293.78	46,715.46
Reserve for Recycling Program	SB-6	42,206.79	22,019.45
Reserve for Accumulated Sick Leave	SB-6	63,807.91	57,030.70
Reserve for Redemption of Tax Sale Certificates	SB-6	2,094.75	17,421.41
Reserve for Parking Offenses Adjudication Act	SB-6	1,060.00	1,018.00
Reserve for Municipal Law Enforcement Grant Program Expenditures	SB-6	15,367.09	28,488.08
Reserve for Township Rehabilitation	SB-6	20,324.64	8,014.68
Reserve for Municipal Public Defender Fees	SB-6	3,583.18	2,969.18
Reserve for Municipal Alcohol and Drug Alliance Program	SB-6	0.37	0.37
Reserve for Snow Removal	SB-6	32,084.49	17,084.49
Reserve for NPP - Bench Program & Old West Berlin Association	SB-6	658.30	658.00
Reserve for John J. McPeak Library	SB-6	3,161.31	3,158.61
Reserve for Berlin Township Police Department	SB-6	1,661.47	2,511.43
Reserve for Premium on Tax Sale	SB-6	239,800.00	57,500.00
Reserve for Flexible Benefits Plan	SB-6	390.58	
Accounts Payable	SB-1 ; SB-6	15,140.53	3,838.65
Payroll Deductions Payable	SB-8	25,016.00	28,902.91
		<u>904,205.60</u>	<u>546,227.31</u>
Municipal Open Space Fund:			
Reserve for Future Use	SB-7	28,275.50	9,298.66
		<u>28,275.50</u>	<u>9,298.66</u>
		<u>\$ 936,995.06</u>	<u>\$ 560,629.87</u>

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

TOWNSHIP OF BERLIN
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Revenues -- Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Reserve Funds	\$ 9,248.00	\$ 9,248.00	
Amount to be Raised by Taxation	139,152.00	140,749.05	\$ 1,597.05
Miscellaneous		2.89	2.89
	<u>\$ 148,400.00</u>	<u>\$ 149,999.94</u>	<u>\$ 1,599.94</u>

Analysis of Realized Revenues

Receipts:		
Current Year Levy		\$ 140,749.05
Interest on Deposits -- Due General Capital Fund	\$ 2.62	
Due from General Capital Fund	<u>0.27</u>	
		<u>2.89</u>
		<u>\$ 140,751.94</u>

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

TOWNSHIP OF BERLIN
 TRUST -- MUNICIPAL OPEN SPACE FUND
 Statement of Expenditures -- Regulatory Basis
 For the Fiscal Year Ended June 30, 2012

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>			
Operating:					
Salaries and Wages	\$ 99,000.00	\$ 99,000.00	\$ 72,389.31		\$ 26,610.69
Other Expenses	<u>33,840.00</u>	<u>33,840.00</u>	<u>33,840.00</u>		
Total Operating	<u>132,840.00</u>	<u>132,840.00</u>	<u>106,229.31</u>	-	<u>26,610.69</u>
Debt Service:					
Payment of Bond Principal	11,950.00	11,950.00	11,942.68		7.32
Interest on Bonds	<u>3,610.00</u>	<u>3,610.00</u>	<u>3,603.11</u>		<u>6.89</u>
Total Debt Service	<u>15,560.00</u>	<u>15,560.00</u>	<u>15,545.79</u>	-	<u>14.21</u>
Reserve for Future Use	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 148,400.00</u>	<u>\$ 148,400.00</u>	<u>\$ 121,775.10</u>	<u>-</u>	<u>\$ 26,624.90</u>
Disbursed			<u>\$ 121,775.10</u>		

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

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of June 30, 2012 and 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash	SC-1	\$ 1,334,667.18	\$ 1,584,948.65
Due Current Fund	SC-3		875.33
Deferred Charges to Future Taxation:			
Funded	SC-4	14,458,683.77	15,430,626.45
Unfunded	SC-5	615,000.00	
		<u>\$ 16,408,350.95</u>	<u>\$ 17,016,450.43</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
General Serial Bonds	SC-10	\$ 14,287,500.00	\$ 15,247,500.00
Green Acres Loan	SC-11	171,183.77	183,126.45
Contracts Payable	SC-9	351,319.18	78,134.75
Accounts Payable	SC-1		1,814.05
Improvement Authorizations:			
Funded	SC-8	1,253,184.19	1,342,916.87
Unfunded	SC-8	272,177.64	
Capital Improvement Fund	SC-8	15,000.00	50,000.00
Reserve for Developers Contribution	SC-7	55,266.67	110,266.67
Due to Current Fund	SC-3	27.59	
Due to Open Space Trust Fund	SC-6	2,651.91	2,651.64
Fund Balance	C	40.00	40.00
		<u>\$ 16,408,350.95</u>	<u>\$ 17,016,450.43</u>

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

TOWNSHIP OF BERLIN
SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of June 30, 2012 and 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Operating Fund:			
Cash	SD-1	\$ 327,163.00	\$ 332,480.18
Due Current Fund	SD-1		1,147.61
Due Trust Other Fund	D	4.20	4.20
Due from Sewer Utility Capital Fund	SD-10	<u>9,047.42</u>	<u>9,046.77</u>
		336,214.62	342,678.76
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	<u>123.06</u>	<u>970.72</u>
Total Receivables with Full Reserves		<u>123.06</u>	<u>970.72</u>
Total Operating Fund		<u>336,337.68</u>	<u>343,649.48</u>
Capital Fund:			
Cash	SD-1, SD-2	9,047.42	9,046.77
Fixed Capital	SD-5	<u>12,641,344.10</u>	<u>12,491,344.10</u>
Total Capital Fund		<u>12,650,391.52</u>	<u>12,500,390.87</u>
		<u>\$ 12,986,729.20</u>	<u>\$ 12,844,040.35</u>

(Continued)

TOWNSHIP OF BERLIN
SEWER UTILITY FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of June 30, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3, SD-9	\$ 21,341.41	\$ 12,022.82
Reserve for Encumbrances	D-3, SD-9	4,740.91	11,165.38
Prepaid Sewer Rents	SD-6	156,966.89	181,079.61
Accrued Interest on Bonds	SD-8	32,096.11	128,993.58
		<u>215,145.32</u>	<u>333,261.39</u>
Reserve for Receivables	D	123.06	970.72
Fund Balance	D-1	121,069.30	9,417.37
		<u>336,337.68</u>	<u>343,649.48</u>
Total Operating Fund			
		<u>336,337.68</u>	<u>343,649.48</u>
Capital Fund:			
Sewer Refunding Bonds	SD-12	6,570,500.00	6,710,500.00
Reserve for Amortization	SD-11	6,070,844.10	5,780,844.10
Due to Sewer Utility Operating Fund	SD-10	9,047.42	9,046.77
		<u>12,650,391.52</u>	<u>12,500,390.87</u>
Total Capital Fund		<u>12,650,391.52</u>	<u>12,500,390.87</u>
		<u>\$ 12,986,729.20</u>	<u>\$ 12,844,040.35</u>

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

TOWNSHIP OF BERLIN
SEWER UTILITY FUND
Statement of Operations and Changes in Operating Fund Balance--Regulatory Basis
For the Fiscal Years Ended June 30, 2012 and 2011

<u>Revenue and Other</u> <u>Income Realized</u>	<u>2012</u>	<u>2011</u>
Fund Balance		
Capital Fund Balance	\$ 9,409.00	
Rents	1,021,663.44	\$ 1,012,624.27
Connection Fees	32,040.00	25,170.00
Miscellaneous	12,457.93	11,325.39
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves	11,360.35	13,013.78
 Total Income	 <u>1,086,930.72</u>	 <u>1,062,133.44</u>
 <u>Expenditures</u>		
Operating	456,680.00	435,900.00
Debt Service	487,389.79	580,415.87
Deferred Charges and Statutory Expenditures	21,800.00	36,500.00
 Total Expenditures	 <u>965,869.79</u>	 <u>1,052,815.87</u>
 Excess in Revenue	 121,060.93	 9,317.57
 <u>Fund Balance</u>		
Balance July 1	<u>9,417.37</u>	<u>53,099.80</u>
	130,478.30	62,417.37
Decreased by:		
Utilized as Revenue:		
Sewer Utility Fund Budget	9,409.00	
Current Fund Budget		53,000.00
Balance June 30	<u>\$ 121,069.30</u>	<u>\$ 9,417.37</u>

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

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Revenues--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Appropriated	\$ 9,409.00	\$ 9,409.00	\$ -
Rents	1,012,624.00	1,021,663.44	9,039.44
Connection Fees	25,170.00	32,040.00	6,870.00
Miscellaneous	10,977.00	12,457.93	1,480.93
	<u>\$ 1,058,180.00</u>	<u>\$ 1,075,570.37</u>	<u>\$ 17,390.37</u>

Analysis of Realized Revenues:

Rents:

Consumer Accounts Receivable:

Sewer Rents:

Collections

\$ 840,583.83

Prepaid Rents Applied

181,079.61

\$ 1,021,663.44

Miscellaneous:

Treasurer:

Other

\$ 551.26

Due from Sewer Utility Capital Fund

0.65

Collector:

Interest on Delinquent Accounts

11,906.02

\$ 12,457.93

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

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Expenditures--Regulatory Basis
For the Fiscal Year Ended June 30, 2012

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Original Budget	Budget After Modification		Encumbered	Reserved	
Operating:						
Salaries and Wages	\$ 158,600.00	\$ 158,600.00	\$ 157,826.21		\$ 773.79	
Other Expenses	<u>298,080.00</u>	<u>298,080.00</u>	<u>273,429.72</u>	\$ 4,740.91	<u>19,909.37</u>	
Total Operating	<u>456,680.00</u>	<u>456,680.00</u>	<u>431,255.93</u>	<u>4,740.91</u>	<u>20,683.16</u>	<u>-</u>
Debt Service:						
Payment of Bond Principal	290,000.00	290,000.00	290,000.00			
Interest on Bonds	<u>289,700.00</u>	<u>289,700.00</u>	<u>197,389.79</u>			\$ 92,310.21
Total Debt Service	<u>579,700.00</u>	<u>579,700.00</u>	<u>487,389.79</u>	<u>-</u>	<u>-</u>	<u>92,310.21</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	9,000.00	9,000.00	9,000.00			
Social Security System (O.A.S.I.)	12,200.00	12,200.00	12,103.17		96.83	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	<u>600.00</u>	<u>600.00</u>	<u>38.58</u>		<u>561.42</u>	
Total Statutory Expenditures	<u>21,800.00</u>	<u>21,800.00</u>	<u>21,141.75</u>	<u>-</u>	<u>658.25</u>	<u>-</u>
	<u>\$1,058,180.00</u>	<u>\$1,058,180.00</u>	<u>\$ 939,787.47</u>	<u>\$ 4,740.91</u>	<u>\$ 21,341.41</u>	<u>\$ 92,310.21</u>
Disbursed			\$ 753,281.94			
Refunds			(10,884.26)			
Accrued Interest on Bonds			<u>197,389.79</u>			
			<u>\$ 939,787.47</u>			

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

TOWNSHIP OF BERLIN
GENERAL FIXED ASSETS ACCOUNTS GROUP
Statement of General Fixed Assets
For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
General Fixed Assets:				
Land and Improvements	\$ 2,726,583.90			\$ 2,726,583.90
Buildings	6,682,952.08			6,682,952.08
Furnishings	111,000.98		\$ 20,250.69	90,750.29
Equipment	1,172,285.10	\$ 106,224.91	51,330.56	1,227,179.45
Vehicles	2,063,280.33	100,696.30	23,600.00	2,140,376.63
Total General Fixed Assets	<u>\$ 12,756,102.39</u>	<u>\$ 206,921.21</u>	<u>\$ 95,181.25</u>	<u>\$ 12,867,842.35</u>
Total Investments in General Fixed Assets	<u>\$ 12,756,102.39</u>	<u>\$ 206,921.21</u>	<u>\$ 95,181.25</u>	<u>\$ 12,867,842.35</u>

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

TOWNSHIP OF BERLIN
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

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

Description of Financial Reporting Entity - Originally a portion of the Township of Waterford, Berlin Township was created by an act of legislations on April 11, 1990. On April 29, 1927, the Borough of Berlin seceded from the Township. Today, the township covers an area of 3.27 square miles.

The Township of Berlin is governed by a Township Council which is comprised of a Mayor and four Council Members, all of whom are elected at large. The Mayor's term of office is four years and the terms of the Council Members are three years, staggered, ending December 31. Executive and administrative responsibility rests with the Mayor, who is assisted by the Township Clerk.

Except as noted below, the financial statements of the Township of Berlin include every board, body or officer or commission supported and maintained wholly or in part by the funds appropriated by the Township as required by N.J.S.A. 40A:5-5.

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

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

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

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

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

General Capital Fund - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

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

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

Budgets and Budgetary Accounting - The Township of Berlin must adopt an annual budget for its current fund, sewer utility fund and open space trust fund 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 August 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 Township's financial statements.

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

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

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

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

Inter-funds – Inter-fund 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. Inter-fund 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. Inter-fund receivables in the other funds are not offset by reserves.

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

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

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

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

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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 Township's annual budget, but also the amounts required in support of the budgets of the County of Camden, Township of Berlin School District and the Township of Berlin Fire District No. 1. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Berlin School District. Operation's is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1, 2011 to June 30, 2012.

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting Fire District Taxes for Township of Berlin Fire District No. 1. Operation's is charged for the full amount required to be raised by taxation to support the districts for the fiscal year.

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

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

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

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

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

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

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

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

As of June 30, 2012, the Township's bank balances of \$3,613,838.94 were exposed to custodial credit risk as follows:

Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	\$ 2,496,723.02
Uninsured and Uncollateralized	375,603.61
Insured Under FDIC	<u>741,512.31</u>
Total	<u><u>\$ 3,613,838.94</u></u>

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2012 the Township's deposits with the New Jersey Cash Management Fund are \$176,385.31.

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 fiscal years.

Comparative Schedule of Tax Rates

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	\$5.474	\$5.313	\$4.926	\$4.790	\$4.714
Apportionment of Tax Rate:					
Municipal – General	\$1.742	\$1.648	\$1.370	\$1.253	\$1.153
Municipal Open Space	.040	.040	.040	.040	.040
County	1.259	1.216	1.114	1.089	1.096
Local School	2.303	2.278	2.270	2.282	2.304
Fire District	.130	.131	.132	.126	.121

Assessed Valuation

2012	\$350,468,328.00
2011	347,880,725.00
2010	344,824,838.00
2009	342,606,699.00
2008	341,616,361.00

Comparison of Tax Levies and Collections

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>	
			<u>True Rate (1)</u>	<u>Underlying Rate (2)</u>
2012	\$19,390,960.59	\$19,225,158.64	99.14%	98.08%
2011	17,752,261.33	17,683,924.38	99.61%	98.82%
2010	16,797,273.46	16,750,784.92	99.72%	98.90%
2009	16,338,538.72	16,330,722.80	99.95%	99.35%
2008	16,816,422.51	16,667,463.49	99.11%	98.53%

(1) True Rate includes proceeds from accelerated tax sale.

(2) Underlying Rate is calculated by excluding the proceeds from the accelerated sale.

Delinquent Taxes and Tax Title Liens

<u>Fiscal Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$198,336.78	\$2,035.29	\$200,372.07	1.03%
2011	6,977.78	2,134.48	9,112.26	0.05%
2010	4,807.95	2,903.98	7,711.93	0.05%
2009	1,734.65	3,289.64	5,024.29	0.03%
2008	49,502.28	4,754.73	54,257.01	0.32%

Note 3: **PROPERTY TAXES (CONT'D)****Delinquent Taxes and Tax Title Liens (cont'd)**

The following comparison is made of the number of tax title liens receivable on June 30 of the last five fiscal years:

<u>Fiscal Year</u>	<u>Number</u>
2012	11
2011	5
2010	6
2009	6
2008	18

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

The value of property acquired by liquidation of tax title liens on June 30, on the basis of the last assessed valuation of such properties, for the current and previous four fiscal years was as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$300,000.00
2011	300,000.00
2010	300,000.00
2009	300,000.00
2008	71,855.00

Note 5: **SEWER UTILITY SERVICE CHARGES**

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

<u>Fiscal Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2012	\$970.72	---	\$1,021,110.78	\$1,022,081.50	\$1,021,663.44
2011	1,453.98	---	1,012,141.01	1,013,594.99	1,012,624.27
2010	592.10	---	1,004,453.57	1,005,045.67	1,003,296.69
2009	559.08	---	992,712.15	993,271.23	992,679.13
2008	890.27	---	984,358.26	985,248.53	984,689.45

Note 6: **FUND BALANCES APPROPRIATED**

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

<u>Fiscal Year</u>	<u>Balance June 30</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2012	\$533,357.52	---	N/A
2011	517,315.76	\$371,700.00	71.85%
2010	410,181.98	371,700.00	90.62%
2009	717,911.76	682,000.00	95.00%
2008	1,002,238.43	862,000.00	86.01%
<u>Sewer Utility Operating Fund</u>			
2012	\$121,069.30	---	N/A
2011	9,417.37	9,409.00	99.91%
2010	53,099.80	53,000.00 (A)	99.81%
2009	87,431.21	87,377.00 (A)	99.93%
2008	82,898.40	58,584.00	70.67%

(A) Includes amounts realized in the Current Fund Budget

Note 7: **INTERFUND RECEIVABLES AND PAYABLES**

The following inter-fund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of June 30, 2012:

<u>Fund</u>	<u>Inter-funds Receivable</u>	<u>Inter-funds Payable</u>
Current Fund	\$37,615.57	\$239,769.29
Federal and State Grant Fund	---	33,087.98
Trust – Animal Control	---	4,500.00
Trust-- Other Funds	242,421.20	4.20
General Capital Fund	---	2,679.50
Sewer Utility Operating Fund	9,051.62	---
Sewer Utility Capital Fund	---	9,047.42
	<u>\$289,088.39</u>	<u>\$289,088.39</u>

The inter-fund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the transition year 2012, the Township expects to liquidate such inter-funds, depending upon the availability of cash flow.

Note 8: **PENSION PLANS**

The Township of Berlin contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program (DCRS), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Funded by Township</u>
2012	\$70,586.00	\$118,518.00	\$189,104.00	\$ -	\$ 189,104.00
2011	77,937.00	103,751.00	181,688.00	-	181,688.00
2010	74,646.00	72,834.00	147,480.00	-	147,480.00

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 10%. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Funded by Township</u>
2012	\$169,767.00	\$177,260.00	\$347,027.00	\$ -	\$ 347,027.00
2011	244,922.00	182,115.00	427,037.00	-	427,037.00
2010	215,745.00	141,394.00	357,139.00	-	357,139.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. 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 Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Township's contributions were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Funded by Township</u>
2012	\$ 352.14	\$ 352.14
2011	-	-

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

Note 10: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1991, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 91-

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

Plan Description (cont'd) - 139A. The Township will pay the premium or periodic charges for the benefits provided for employees who retired after 25 years or more of service credited in a state or locally administered retirement system. The Township will also reimburse such retired employees for their premium charges under Part B of the Federal Medicare Program.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis

The Township contributions to SHBP for the years ended December 31, 2012, 2011, and 2010, were \$282,005.00, \$238,578.76, and \$198,923.94, respectively, which equaled the required contributions for each year. There were approximately 17, 15, and 14 retired participants eligible at December 31, 2012, 2011, and 2010, respectively.

Plan Description

In addition to the benefits described above, the Township provides post-employment dental and prescription benefits, at its cost, to certain police officers. This entitlement requires that police officers retire from service with the Township, be covered by any collective bargaining agreement between the Township and the Fraternal Order of Police and have served at least twenty-five years as a police officer in any capacity and in any jurisdiction in which that service is eligible for credit in the Police and Firemen's Pension System. The dental and prescription benefits will be in a form consistent with that provided to all active members of the Township Police Department whose service is covered by any collective bargaining agreement between the Township and the Fraternal Order of Police.

Funding Policy

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the fiscal year 2012, there were fourteen retired employees or their spouses who received this benefit resulting in the payment of \$108,530.34 in related dental and prescription premiums.

Annual OPEB Cost and Net OPEB Obligation

The Township's annual postemployment healthcare benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Township's net OPEB obligation to the Plan:

Note 10: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)*****Annual OPEB Cost and Net OPEB Obligation (cont'd)***

Normal Cost	\$108,530.00
Unfunded Actuarial Liability	<u>164,467.00</u>
Annual Required Contribution (expense)	272,997.00
Contributions made	<u>(108,530.00)</u>
	164,467.00
Net OPEB Obligation – Beginning of Year	<u>322,890.00</u>
Net OPEB Obligation – End of Year	<u><u>\$487,357.00</u></u>

Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the Township Plan was 0% funded. The actuarial accrued liability for benefits was \$4,873,574, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,873,574. Currently the covered payroll is \$1,639,632. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below as required supplementary information, compares the assets used for funding purposes to the comparable liabilities to determine how well the Township Plan is funded. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Township Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7% initially, however not exceeding \$20,000.00 annually. The Township Plan's unfunded actuarial accrued liability is being amortized over thirty years. The remaining amortization period at June 30, 2012 was twenty-seven years.

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)—Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b – a)	(a / b)	(c)	((b – a) / c)
06/30/10	\$-0-	\$5,696,685	\$5,696,685	0%	\$1,733,442	329.0%
06/30/11	\$-0-	\$4,835,129	\$4,835,129	0%	\$1,707,171	283.0%
6/30/12	\$-0-	\$4,873,574	\$4,873,574	0%	\$1,639,632	297.0%

Schedule of Employer Contributions

Fiscal Year Ended June 30,	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2010	\$275,499	31.07%
2011	\$231,081	42.68%
2012	\$272,997	39.75%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2012
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent open
Remaining Amortization	Period 27 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	3.0%
Rate of Salary Increases	NA
Rate of Medical Inflation	7.0%
	Capped at \$20,000.00

For determining the GASB ARC, the rate of employer contributions to the Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

Note 11: **COMPENSATED ABSENCES**

Township employees are entitled to varying amounts of sick leave depending upon their department. All employees may accumulate unused sick leave with no limit. General personnel may carry unused vacation days forward to a maximum of five days. However, after one year the unused vacation leave will be forfeited. Police personnel have the option of carrying forward their unused vacation or selling days at one hundred percent (100%) of their prevailing salary rate.

Only police personnel may be compensated for accumulated sick leave upon retirement or resignation at one hundred percent (100%) of their prevailing rate for a maximum of six hundred eighty (680) hours. Any police personnel hired after January 1, 1983 must be employed continuously for a period of fifteen years before unused sick leave may be sold back to the Township. The Township does not record accrued expenses related to, compensated absences. However, it is estimated that, at June 30, 2012, accrued benefits for compensated absences are valued at \$122,576.86. A reserve in the Trust Fund has been created to fund a portion of these accrued benefits. Additional amounts required will be provided in the year's budget in which any required payments are to be made.

Note 12: **DEFERRED COMPENSATION SALARY ACCOUNT**

The Township 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 Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 13: **LEASE OBLIGATIONS**

At June 30, 2012, the Township had lease agreements in effect for the following:

- Capital:
 - Two (2) Ford Crown Victoria's
- Operating:
 - Seven (7) Copy Machines

The following is an analysis of capital and operating leases.

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

	<u>B a l a n c e</u>	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Vehicles	\$37,382.98	---

Note 13: **LEASE OBLIGATIONS (CONT'D)**

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

<u>Year</u>	<u>Amount</u>
TY 2012	\$20,533.02
CY 2013	20,533.02

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

<u>Fiscal Year</u>	<u>Amount</u>
TY 2012	\$3,583.08
CY 2013	4,160.36
CY 2014	2,420.16
CY 2015	220.92

Rental payments under operating leases for the fiscal year 2012 were \$7,166.16.

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

	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2010</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$14,458,683.77	\$15,430,626.45	\$16,116,333.82
Sewer Utility:			
Bonds and Notes	6,570,500.00	6,710,500.00	6,975,500.00
Total Issued	21,029,183.77	22,141,126.45	23,091,833.82
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	615,000.00	---	---
Sewer Utility:			
Bonds and Notes	---	---	---
Total Authorized but Not Issued	615,000.00	---	---
Total Issued and Authorized but Not Issued	21,644,183.77	22,141,126.45	23,091,833.82
Deductions:			
Open Space Debt	171,183.77	183,126.45	1,341,286.07
Self-liquidating Debt	6,570,500.00	6,636,575.80	6,975,500.00
Total Deductions	6,741,683.77	6,819,702.25	8,316,786.07
Net Debt	\$14,902,500.00	\$15,321,424.20	\$14,775,047.75

Note 14: **CAPITAL DEBT (CONT'D)****Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 2.57%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$5,002,000.00	\$5,002,000.00	
Sewer Utility	6,570,500.00	6,570,500.00	
General	15,073,683.77	171,183.77	\$14,902,500.00
	<u>\$26,646,183.77</u>	<u>\$11,743,683.77</u>	<u>\$14,902,500.00</u>

Net Debt \$14,902,500.00 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$579,625,957.00 equals 2.57%

Borrowing Power Under N.J.S.A.40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$20,286,908.49
Net Debt	<u>14,902,500.00</u>
Remaining Borrowing Power	<u><u>\$5,384,408.49</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for Year	\$1,075,570.37
Deductions:	
Operating and Maintenance Cost	\$478,480.00
Debt Service per Sewer Fund	<u>487,389.79</u>
Total Deductions	<u>965,869.79</u>
Excess in Revenue	<u><u>\$109,700.58</u></u>

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

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

<u>Year</u>	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
TY 2012	\$174,500.00	\$306,265.25	\$120,500.00	\$43,775.38	\$645,040.63
CY 2013	770,000.00	600,158.50	405,000.00	229,431.51	2,004,590.01
CY 2014	955,000.00	577,276.75	360,000.00	205,942.52	2,098,219.27
CY 2015	960,000.00	543,406.00	365,000.00	198,194.02	2,066,600.02
CY 2016	980,000.00	508,360.00	375,000.00	188,446.26	2,051,806.26
CY 2017-21	2,580,000.00	2,126,830.00	2,000,000.00	739,620.05	7,446,450.05
CY 2022-26	2,400,000.00	1,642,562.50	2,230,000.00	319,668.80	6,592,231.30
CY 2027-31	2,800,000.00	1,030,750.00	715,000.00	22,796.89	4,568,546.89
CY 2032-35	2,668,000.00	271,900.00			2,939,900.00

Schedule of Annual Debt Service for Principal and Interest for the Green Acres Loan

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
TY 2012	\$6,061.06	\$1,711.84	\$7,772.90
CY 2013	12,304.56	3,241.24	15,545.80
CY 2014	12,551.88	2,993.92	15,545.80
CY 2015	12,804.18	2,741.62	15,545.80
CY 2016	13,061.54	2,484.26	15,545.80
CY 2017-21	69,352.88	8,376.10	77,728.98
CY 2022-24	45,047.67	1,589.74	46,637.41

Note 15: **CAPITAL DEBT REFUNDING**

On May 17, 2012, the Township issued \$4,885,000 in General Obligation Refunding Bonds with an interest rate ranging from 2.00% to 3.125% to advance refund \$4,735,000 of outstanding 2003 Series bonds with an interest rate ranging from 2.00% to 4.65%. The net proceeds of \$4,942,788 (after payment of issuance costs) were used to purchase U.S. Treasury Bills. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2012 Series bonds. As a result, the 2003 Series bonds are considered to be defeased and the liability for those bonds has been removed from the general capital fund.

The Township advance refunded the 2003 Series bonds to reduce its total debt service payments over the next sixteen years by \$533,263.48 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$438,634.91.

Note 16: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At June 30, 2012, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<u>Balance June 30, 2012</u>	<u>TY 2012 Budget Appropriation</u>
Animal Control Trust Fund:		
Deficit in Reserve	\$3,397.82	\$3,397.82

The appropriation in the transition year 2012 Budget as adopted is not less than that required by the statutes.

Note 17: **JOINT INSURANCE POOL**

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

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles
Public Employee Dishonesty

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 Township with the following coverage:

Property - Blanket Building and Grounds
Boiler and Machinery
General, Automobile & Environmental Legal Liability
Worker's Compensation
Public Official and Employment Liability
Public Employee Dishonesty – Crime Policy
Excess Liability

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

The Fund publishes its own financial report for the year ended June 30, 2012, which can be obtained from:

Camden County Municipal Joint Insurance Fund
PERMA Inc.
Park 80 West
Plaza One
Saddle Brook, New Jersey 07663

Note 18: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$11,000.00	\$3,587.43	\$57,251.66
2011	10,000.00	30,575.97	46,715.46
2010	27,000.00	2,290.87	62,476.62

It is estimated that there are no unreimbursed payments on behalf of the Township at June 30, 2012.

Note 19: **LITIGATION**

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

Note 20: **SUBSEQUENT EVENTS**

On May 14, 2012 the Mayor and Township Council adopted Ordinance Number 2012-4, which enabled the Township to revert to a calendar year reporting period. The Township made application to the Local Finance Board of the State of New Jersey, Department of Community Affairs. On June 13, 2012 the Local Finance Board adopted a resolution approving the Township's application. Therefore, effective January 1, 2013 the township begins operating and reporting on a calendar year basis. For the period July 1, 2012 through December 31, 2012, the Township will be required to operate and report a transition period.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Current Cash per N.J.S 40A:5-5--Chief Financial Officer
For the Fiscal Year Ended June 30, 2012

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance June 30, 2011	\$ 813,780.53	\$ 200,977.48
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 74,410.64	
Tax Collector	19,194,204.35	
Due from State of New Jersey	79,180.78	
Revenue Accounts Receivable	1,698,393.37	
State Training Fees--Due State of New Jersey	7,532.00	
Marriage License Fees-- Due State of New Jersey	650.00	
Due Animal Control Fund	1,500.00	
Due Trust Other Funds	240,388.50	
Due Municipal Open Space Trust Fund		
Due General Capital Fund	503,249.91	
Due Sewer Utility Operating Fund	104,772.30	
Petty Cash	400.00	
Due Borough of Berlin	15,037.12	
Due from Township of Berlin Fire District No. 1	33,716.70	
Contra	217,638.74	
Fiscal Year 2012 Appropriation Refunds	201,692.90	
Fiscal Year 2011 Appropriation Reserve Refunds	5,357.87	
Federal and State Grants Receivable		\$ 25,960.42
Due Current Fund		<u>33,087.98</u>
	<u>22,378,125.18</u>	<u>59,048.40</u>
Carried Forward	23,191,905.71	260,025.88

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Current Cash per N.J.S 40A:5-5--Chief Financial Officer
For the Fiscal Year Ended June 30, 2012

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Brought Forward	\$ 23,191,905.71	\$ 260,025.88
Decreased by Disbursements:		
Fiscal Year 2012 Appropriations	\$ 7,766,802.91	
Fiscal Year 2011 Appropriation Reserves	86,060.71	
Due Borough of Berlin	15,037.12	
State Training Fees--Due State of New Jersey	7,720.00	
Marriage License Fees--Due State of New Jersey	525.00	
Due County for Added and Omitted Taxes	63,862.61	
Fire District Taxes Payable	454,056.50	
County Taxes Payable	4,421,636.56	
Local District School Taxes Payable	8,008,803.00	
Municipal Open Space Taxes Payable	140,749.05	
Due Animal Control Fund	6,000.00	
Due Trust Other Fund	58,099.81	
Due Municipal Open Space Trust Fund		
Due General Capital Fund	504,152.83	
Due Sewer Utility Operating Fund	105,919.91	
Petty Cash	400.00	
Due from Township of Berlin Fire District No. 1	33,716.70	
Refund of Prior Year Revenue	855.00	
Contra	217,638.74	
Due Federal and State Grant Fund	33,087.98	
Accounts Payable		\$ 234,879.86
Reserve for Federal and State Grant Funds--Appropriated		25,146.02
	21,925,124.43	260,025.88
Balance June 30, 2012	\$ 1,266,781.28	-

TOWNSHIP OF BERLIN
CURRENT FUND
 Statement of Current Cash and Reconciliation per N.J.S. 40A:5-5--Collector
 For the Fiscal Year Ended June 30, 2012

Receipts:			
Interest and Cost on Taxes	\$	52,520.63	
Current Taxes Receivable		19,103,742.63	
Miscellaneous Revenue Not Anticipated:			
Tax Sale Advertising Fees		16,353.45	
Delinquent Taxes Receivable		2,134.48	
Tax Overpayments		307.49	
Prepaid Taxes		19,145.67	
			\$ 19,194,204.35
Decreased by:			
Turnovers to Treasurer			\$ 19,194,204.35

Exhibit SA-3

CURRENT FUND
 Schedule of Change Funds
 As of June 30, 2012

<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 50.00
Clerk of Municipal Court	100.00
Township Clerk	50.00
Utility Collector	25.00
Library	25.00
	\$ 250.00

TOWNSHIP OF BERLIN
CURRENT FUND
 Statement of Due from State of New Jersey
 Veterans' and Senior Citizens' Deductions
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011		\$ 36,960.67
Increased by:		
Deductions per Tax Billings	\$ 78,125.00	
Deductions Allowed by Tax Collector	<u>3,250.00</u>	
	81,375.00	
Less: Deductions Disallowed by Tax Collector	<u>2,772.86</u>	
		<u>78,602.14</u>
		115,562.81
Decreased by:		
Receipts		<u>79,180.78</u>
Balance June 30, 2012		<u><u>\$ 36,382.03</u></u>

CURRENT FUND
 Statement of Tax Title Liens
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011		\$ 6,977.78
Increased by:		
Transfers from Taxes Receivable	\$ 163,766.66	
Transfer from Sewer Liens Receivable	295.00	
2012 Tax Sale - Interest and Costs	<u>27,297.34</u>	
		<u>191,359.00</u>
Balance June 30, 2012		<u><u>\$ 198,336.78</u></u>

TOWNSHIP OF BERLIN
 CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Fiscal Year Ended June 30, 2012

Fiscal Year	Balance June 30, 2011	Fiscal Year 2012 Levy	Added Taxes	Collections		Due from State of New Jersey	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance June 30, 2012
				2011	2012					
2010	\$ 2,094.14				\$ 2,094.14					
2011	40.34				40.34					
	2,134.48	-	-	-	2,134.48	-	-	-	-	-
2012	-	\$ 19,390,960.59	-	\$ 42,506.38	19,103,742.63	\$ 78,602.14	\$ 307.49		\$ 163,766.66	\$ 2,035.29
	<u>\$ 2,134.48</u>	<u>\$ 19,390,960.59</u>	<u>-</u>	<u>\$ 42,506.38</u>	<u>\$ 19,105,877.11</u>	<u>\$ 78,602.14</u>	<u>\$ 307.49</u>	<u>\$ -</u>	<u>\$ 163,766.66</u>	<u>\$ 2,035.29</u>

Analysis of Fiscal Year 2012 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 19,111,149.55
Added and Omitted Taxes	279,811.04
	<u>\$ 19,390,960.59</u>

Tax Levy

Local District School Tax	\$ 8,008,803.00
County Taxes:	
County Taxes	\$ 3,988,876.25
County Library Tax	178,457.31
County Open Space Tax	254,303.00
Due County for Added and Omitted Taxes	<u>63,862.61</u>
Total County Taxes	4,485,499.17
Fire District Taxes	454,056.50
Local Tax for Municipal Open Space	139,152.00
Local Tax for Municipal Open Space Added and Omitted Taxes	1,597.05
Local Tax for Municipal Purposes	6,081,681.26
Add: Additional Tax Billed	<u>220,171.61</u>
Local Tax for Municipal Purposes Levied	<u>6,301,852.87</u>
	<u>\$ 19,390,960.59</u>

TOWNSHIP OF BERLIN
CURRENT FUND
 Statement of Revenue Accounts Receivable
 For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Accrued</u> <u>in 2011 / 2012</u>	<u>Collections</u>	<u>Balance</u> <u>June 30, 2012</u>
Licenses - Municipal Clerk:				
Alcoholic Beverages		\$ 4,326.00	\$ 4,326.00	
Other		52,608.00	52,608.00	
Fees and Permits:				
Improvement Searches		60.00	60.00	
Animal Control Permits		80.00	80.00	
Registrar of Vital Statistics		2,215.00	2,215.00	
Municipal Clerk		13,200.00	13,200.00	
Continued Certificate of Occupancy		7,825.00	7,825.00	
Planning Board		1,100.00	1,100.00	
Zoning Board		4,650.00	4,650.00	
Tax Search Fees		670.00	670.00	
Construction Code Fees and Permits		110,323.00	110,323.00	
Municipal Court Fines and Costs	\$ 11,675.91	150,139.39	147,839.31	\$ 13,975.99
Franchise Fee--Cable Television		62,461.48	62,461.48	
Energy Receipts Tax		1,287,847.00	1,234,473.00	53,374.00
Developer Contributions		55,000.00	55,000.00	
Interest on Investments		1,562.58	1,562.58	
	<u>\$ 11,675.91</u>	<u>\$ 1,754,067.45</u>	<u>\$ 1,698,393.37</u>	<u>\$ 67,349.99</u>

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Fiscal Year 2011 Appropriation Reserves
For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011		Balance After Transfers	Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserves</u>			
<u>Operations Within CAPs</u>					
<u>General Government</u>					
Mayor and Council					
Salaries and Wages		\$ 800.32	\$ 800.32		\$ 800.32
Other Expenses		2,194.79	2,194.79	\$ 542.21	1,652.58
Financial Administration					
Salaries and Wages		52.01	52.01		52.01
Other Expenses		183.47	183.47		183.47
Tax Assessment Administration					
Salaries and Wages		55.77	55.77		55.77
Other Expenses		2,279.20	2,279.20		2,279.20
Revenue Administration					
Salaries and Wages		84.02	84.02		84.02
Other Expenses	\$ 1,631.35	1,475.98	3,107.33	2,917.50	189.83
Township Clerk					
Salaries and Wages		150.11	150.11		150.11
Other Expenses	175.00	731.22	906.22	899.16	7.06
Legal Services and Costs					
Other Expenses	10,000.00	2,638.57	12,638.57	3,425.08	9,213.49
Municipal Prosecutor					
Salaries and Wages		69.06	69.06		69.06
Other Expenses		500.00	500.00		500.00
Engineering Services and Costs					
Salaries and Wages		5,339.30	5,339.30		5,339.30
Other Expenses	100.71	3,169.37	3,270.08	32.93	3,237.15
Public Buildings and Grounds					
Salaries and Wages		1,858.02	1,858.02		1,858.02
Other Expenses	2,697.75	5,557.72	8,255.47	1,576.05	6,679.42
Municipal Land Use Law (N.J.S.40:55D-1)					
Planning Board					
Other Expenses	1,083.34	2,999.96	4,083.30	1,083.34	2,999.96
Insurance					
Liability Insurance		326.68	326.68		326.68
Workers Compensation Insurance		2,688.08	2,688.08		2,688.08
Group Insurance		2,466.18	2,466.18		2,466.18
Unemployment Compensation Insurance		798.87	798.87		798.87
Municipal Court					
Salaries and Wages		337.80	337.80		337.80
Other Expenses	229.94	1,213.28	1,443.22	229.94	1,213.28
Public Defender					
Other Expenses		500.00	500.00		500.00
<u>Public Safety</u>					
Police					
Salaries and Wages		1,834.98	1,834.98	243.32	1,591.66
Other Expenses	36,499.83	4,693.74	41,193.57	29,741.51	11,452.06
Office of Emergency Management					
Salaries and Wages		1,344.52	1,344.52		1,344.52
Other Expenses		725.00	725.00		725.00
Ambulance Association					
Other Expenses		918.63	918.63		918.63
<u>Streets and Roads</u>					
Road Repairs and Maintenance					
Salaries and Wages		57.65	57.65		57.65
Other Expenses	3,110.97	5,187.67	8,298.64	2,264.39	6,034.25

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Fiscal Year 2011 Appropriation Reserves
For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011		Balance After Transfers	Disbursed	Balance Lapsed
	<u>Encumbered</u>	<u>Reserves</u>			
<u>Streets and Roads (Cont'd)</u>					
Solid Waste Collection					
Salaries and Wages		\$ 504.90	\$ 504.90		\$ 504.90
Other Expenses		3,248.14	3,248.14	\$ 252.51	2,995.63
Vehicle Maintenance					
Salaries and Wages		849.56	849.56		849.56
Other Expenses	\$ 9,362.39	25,587.01	34,949.40	8,481.14	26,468.26
Landfill/Solid Waste Disposal Costs	19,332.15	91.83	19,423.98	18,867.86	556.12
<u>Health and Welfare</u>					
Board of Health					
Salaries and Wages		371.39	371.39		371.39
Other Expenses		37.00	37.00		37.00
<u>Recreation and Education</u>					
Maintenance of Parks					
Salaries and Wages		817.32	817.32		817.32
Other Expenses	2,369.92	907.83	3,277.75	2,666.30	611.45
Recreation Service and Programs					
Other Expenses		300.00	300.00		300.00
Expense of Participation in Free County Library					
Salaries and Wages		343.81	343.81		343.81
Other Expenses	84.06	1,993.54	2,077.60	891.44	1,186.16
Celebration of Public Events, Anniversary or Holiday					
Other Expenses		2,368.36	2,368.36		2,368.36
Uniform Construction Code - Appropriation Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Office					
Salaries and Wages		1,783.28	1,783.28		1,783.28
Other Expenses		1,162.28	1,162.28	88.49	1,073.79
Code Enforcement					
Salaries and Wages		610.84	610.84		610.84
Other Expenses		421.94	421.94		421.94
<u>Unclassified</u>					
Utilities:					
Telephone	3,000.00	1,324.34	4,324.34	3,309.81	1,014.53
Street Lighting		5,839.93	5,839.93	209.85	5,630.08
Electricity and Natural Gas		12,775.56	12,775.56	25.04	12,750.52
Water		270.65	270.65		270.65
Petroleum Products	4,100.00	15,410.64	19,510.64	2,954.97	16,555.67
Sewerage		45.00	45.00		45.00
<u>Deferred Charges and Statutory Expenditures</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		1,729.53	1,729.53		1,729.53
Social Security System (O.A.S.I.)		3,728.50	3,728.50		3,728.50
<u>Operations Excluded From CAPs</u>					
Storm Water Management					
Other Expenses		1,025.96	1,025.96		1,025.96
	<u>\$ 93,777.41</u>	<u>\$ 136,781.11</u>	<u>\$ 230,558.52</u>	<u>\$ 80,702.84</u>	<u>\$ 149,855.68</u>
Disbursements				\$ 86,060.71	
Refunds				(5,357.87)	
				<u>\$ 80,702.84</u>	

TOWNSHIP OF BERLIN
CURRENT FUND
 Statement of Prepaid Taxes
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011 (Fiscal Year 2012 Taxes)	\$ 42,506.38
Increased by:	
Collections	19,145.67
	61,652.05
Decreased by:	
Application to Fiscal Year 2012 Taxes Receivable	42,506.38
Balance June 30, 2012 (Fiscal Year 2013 Taxes)	\$ 19,145.67

CURRENT FUND
 Statement of Due to State of New Jersey--State Training Fees
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011	\$ 1,032.00
Increased by:	
Collections	7,532.00
	8,564.00
Decreased by:	
Payments	7,720.00
Balance June 30, 2012	\$ 844.00

TOWNSHIP OF BERLIN
CURRENT FUND
 Statement of Due to State of New Jersey--DYFS Marriage License Fees
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011	\$	75.00
Increased by:		
Collections		650.00
		725.00
Decreased by:		
Payments		525.00
Balance June 30, 2012	\$	200.00

CURRENT FUND
 Statement of Due County for Added and Omitted Taxes
 For the Fiscal Year Ended June 30, 2012

County Share of 2011 Levy Added / Omitted Taxes	\$	63,862.61
Decreased by:		
Payments		63,862.61

TOWNSHIP OF BERLIN
CURRENT FUND
 Statement of Fire District Taxes Payable
 For the Fiscal Year Ended June 30, 2012

Levy--Fiscal Year 2012		\$ 454,056.50
Decreased by:		
Payments		<u>\$ 454,056.50</u>

CURRENT FUND
 Statement of County Taxes Payable
 For the Fiscal Year Ended June 30, 2012

Levy--Fiscal Year 2012		
County Tax	\$ 3,988,876.25	
County Library Tax	178,457.31	
County Open Space Tax	<u>254,303.00</u>	
		\$ 4,421,636.56
Decreased by:		
Payments		<u>\$ 4,421,636.56</u>

TOWNSHIP OF BERLIN
CURRENT FUND
 Statement of Local District School Taxes
 For the Fiscal Year Ended June 30, 2012

Levy--Fiscal Year 2012	\$	8,008,803.00
Decreased by:		
Payments	\$	<u>8,008,803.00</u>

CURRENT FUND
 Statement of Municipal Open Space Taxes Payable
 For the Fiscal Year Ended June 30, 2012

Levy--Fiscal Year 2012	\$	139,152.00
Increased by:		
Added / Omitted Taxes		<u>1,597.05</u>
		140,749.05
Decreased by:		
Payments	\$	<u>140,749.05</u>

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Fiscal Year Ended June 30, 2012

<u>Program</u>	<u>Balance June 30, 2011</u>	<u>Accrued</u>	<u>Decreased</u>	<u>Balance June 30, 2012</u>
State:				
Clean Communities Grant		\$ 9,951.24	\$ 9,951.24	
Drunk Driving Enforcement Grant		2,677.43	2,677.43	
Body Armor Replacement Grant		2,033.73	2,033.73	
Click It or Ticket Grant	\$ 4,000.00	4,000.00	4,000.00	\$ 4,000.00
Total State	<u>4,000.00</u>	<u>18,662.40</u>	<u>18,662.40</u>	<u>4,000.00</u>
County:				
C.C. Recreation Enhancement Grant - Luke Avenue	25,000.00	25,000.00		50,000.00
C.C. Recreation Enhancement Grant - Spruce Avenue		<u>25,000.00</u>		<u>25,000.00</u>
Total County	<u>25,000.00</u>	<u>50,000.00</u>		<u>75,000.00</u>
Federal:				
Transportation Enhancement Grant TEA-21 Haddon Avenue	400,000.00			400,000.00
NJDOT - Mount Vernon Avenue	180,000.00			180,000.00
NJDOT - Sidewalks Along Route 73	128,775.50			128,775.50
NJDOT - Edgewood Avenue	200,000.00			200,000.00
Over the Limit Under Arrest Grant		4,400.00	4,400.00	
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
Community Development Block Grant - Year 32	30,257.00			30,257.00
Community Development Block Grant - Year 33	<u>33,255.00</u>		<u>5,355.00</u>	<u>27,900.00</u>
Total Federal	<u>972,287.50</u>	<u>9,400.00</u>	<u>14,755.00</u>	<u>966,932.50</u>
Total Grants	<u>\$ 1,001,287.50</u>	<u>\$ 78,062.40</u>	<u>\$ 33,417.40</u>	<u>\$ 1,045,932.50</u>
Recap:				
Received			\$ 25,960.42	
Cancelled			<u>7,456.98</u>	
			<u>\$ 33,417.40</u>	

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Unappropriated
For the Fiscal Year Ended June 30, 2012

<u>Program</u>	<u>Balance June 30, 2011</u>	<u>Grants Receivable</u>	<u>Anticipated as Budgeted Revenue</u>	<u>Balance June 30, 2012</u>
State:				
Clean Communities Grant		\$ 9,951.24	\$ 9,951.24	
Drunk Driving Enforcement Grant		2,677.43	2,677.43	
Body Armor Replacement Grant		2,033.73	2,033.73	
Click It or Ticket Grant		4,000.00	4,000.00	
Total State	-	18,662.40	18,662.40	-
County:				
C.C. Recreation Enhancement Grant - Luke Avenue		25,000.00	25,000.00	
C.C. Recreation Enhancement Grant - Spruce Avenue		25,000.00	25,000.00	
Total County	-	50,000.00	50,000.00	-
Federal:				
Over the Limit Under Arrest		4,400.00	4,400.00	
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
Total Federal	-	9,400.00	9,400.00	-
Total Grants	-	\$ 78,062.40	\$ 78,062.40	-

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Federal and State Grants--Appropriated
 For the Fiscal Year Ended June 30, 2012

<u>Program</u>	<u>Balance June 30, 2011</u>	<u>Transferred from FY 2012 Budget Appropriations</u>	<u>Decreased</u>	<u>Balance June 30, 2012</u>
State:				
Clean Communities Grant	\$ 10,127.88	\$ 9,951.24	\$ 10,127.88	\$ 9,951.24
Drunk Driving Enforcement Grant	3,075.28	2,677.43	3,225.24	2,527.47
Body Armor Replacement Grant	87.94	2,033.73	2,121.67	
Click It or Ticket Grant	<u>156.68</u>	<u>4,000.00</u>	<u>4,156.68</u>	
Total State	<u>13,447.78</u>	<u>18,662.40</u>	<u>19,631.47</u>	<u>12,478.71</u>
Federal:				
Haddon Ave. TEA-21	400,000.00		400,000.00	
NJDOT - Sidewalks Along Route 73 North	65,034.00		33.00	65,001.00
NJDOT - Mt. Vernon Avenue	180,000.00			180,000.00
NJDOT - Edgewood Avenue	200,000.00			200,000.00
Over the Limit Under Arrest		4,400.00	4,400.00	
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
Community Development Block Grant - Year 32	30,257.00		30,257.00	
Community Development Block Grant - Year 33	<u>33,255.00</u>		<u>33,255.00</u>	
Total Federal	<u>908,546.00</u>	<u>9,400.00</u>	<u>472,945.00</u>	<u>445,001.00</u>
County:				
Recreation Enhancement Grant - Luke Avenue Park	25,000.00	25,000.00		50,000.00
Recreation Enhancement Grant - Spruce Avenue Court		25,000.00		25,000.00
Recreation Enhancement Grant - RTC Park	<u>305.20</u>		<u>305.20</u>	
Total County	<u>25,305.20</u>	<u>50,000.00</u>	<u>305.20</u>	<u>75,000.00</u>
Total Grants	<u>\$ 947,298.98</u>	<u>\$ 78,062.40</u>	<u>\$ 492,881.67</u>	<u>\$ 532,479.71</u>
Recap:				
Disbursed			\$ 25,146.02	
Accounts Payable			458,157.00	
Reserve for Encumbrances			2,121.67	
Cancelled			<u>7,456.98</u>	
			<u>\$ 492,881.67</u>	

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF BERLIN
TRUST FUND
Statement of Trust Cash Per N.J.S.40A:5-5--Chief Financial Officer
For the Fiscal Year Ended June 30, 2012

	<u>Animal Control</u>	<u>Other</u>	<u>Municipal Open Space</u>
Balance June 30, 2011	\$ 3,898.70	\$ 488,746.71	\$ 6,647.02
Increased by Receipts:			
Reserve for Dog Fund Expenditures	\$ 14,122.20		
Due to State Department of Health	937.80		
Due Open Space Capital Fund			\$ 2.62
Deferred Charge Raised in Current Fund Budget	1,205.20		
Due Current Fund	5,000.00	\$ 599.81	
Contra	154.00		
Due Bank		88.50	
Reserve for:			
Reserve for Escrow Deposits		165,901.71	
Reserve for New Jersey Unemployment Compensation Insurance		14,165.75	
Reserve for Recycling Program		31,576.20	
Reserve for Accumulated Sick Leave		26,048.39	
Reserve for Redemption of Tax Sale Certificates		236,561.88	
Reserve for Parking Offenses Adjudication Act		42.00	
Reserve for Municipal Law Enforcement Grant Program Expenditures		331.90	
Reserve for Township Rehabilitation		13,943.41	
Reserve for Municipal Public Defender Fees		5,789.00	
Reserve for Snow Removal		15,000.00	
Reserve for NPP - Bench Program & Old West Berlin Association		0.30	
Reserve for John J. McPeak Library		2.70	
Reserve for Tax Collector Utility		62,654.60	
Reserve for Cafeteria Benefits Plan		2,561.01	
Net Payroll		1,921,024.24	
Payroll Deductions		2,033,283.05	
Municipal Open Space			<u>140,749.05</u>
	<u>21,419.20</u>	<u>4,529,574.45</u>	<u>140,751.67</u>
Decreased by Disbursements:	25,317.90	5,018,321.16	147,398.69
Due State Department of Health	946.80		
Expenditures Under R.S. 4:19-15.11	16,508.46		
Accounts Payable	5,092.50	3,838.65	
Due Current Fund	1,500.00	588.50	
Contra	154.00		
Due Bank		130.12	
Reserve for:			
Reserve for Escrow Deposits		32,680.55	
Reserve for New Jersey Unemployment Compensation Insurance		3,587.43	
Reserve for Recycling Program		11,388.86	
Reserve for Accumulated Sick Leave		19,271.18	
Reserve for Redemption of Tax Sale Certificates		251,888.54	
Reserve for Township Rehabilitation		1,583.45	
Reserve for Municipal Public Defender Fees		5,100.00	
Reserve for Berlin Township Police Department		849.96	
Reserve for Tax Collector Utility		62,654.60	
Reserve for Cafeteria Benefits Plan		2,170.43	
Net Payroll		1,924,911.15	
Payroll Deductions		2,033,283.05	
Budget Appropriations			<u>121,775.10</u>
	<u>24,201.76</u>	<u>4,353,926.47</u>	<u>121,775.10</u>
Balance June 30, 2012	<u>\$ 1,116.14</u>	<u>\$ 664,394.69</u>	<u>\$ 25,623.59</u>

TOWNSHIP OF BERLIN
TRUST--OTHER FUNDS
 Statement of Due Current Fund
 For the Fiscal Year Ended June 30, 2012

	<u>Total</u>	<u>Snow Removal</u>	<u>Recycling Program</u>	<u>Contractors Escrow</u>	<u>Tax Title Lien Redemption</u>	<u>Planning Board Escrow</u>
Balance June 30, 2011 (Due From)	\$ (57,480.60)	\$ -	\$ 5.97	\$ 0.21	\$ (57,500.00)	\$ 13.22
Increased by:						
Interest Earned on Deposits	599.81		453.23	2.60		143.98
Interfund Loans	<u>57,500.00</u>				<u>57,500.00</u>	
	58,099.81	-	453.23	2.60	57,500.00	143.98
	619.21	-	459.20	2.81	-	157.20
Decreased by:						
Disbursements:						
Interfund Loans Returned	19.40		5.97	0.21		13.22
Revenue Accounts Receivable - Interest	569.10		434.20	2.16		132.74
Reserve for Tax Sale Premiums	<u>239,800.00</u>				<u>\$ 239,800.00</u>	
	240,388.50	-	440.17	2.37	239,800.00	145.96
Balance June 30, 2012 (Due From)	<u>\$ (239,769.29)</u>	<u>-</u>	<u>\$ 19.03</u>	<u>\$ 0.44</u>	<u>\$ (239,800.00)</u>	<u>\$ 11.24</u>

TRUST--ANIMAL CONTROL FUND
 Statement of Due to Current Fund
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011	\$ -
Increased by:	
Receipts	\$ 5,000.00
Disbursed by Current Fund -- Reserve for Animal Control Expenditures	<u>1,000.00</u>
	6,000.00
	6,000.00
Decreased by:	
Disbursements	<u>1,500.00</u>
Balance June 30, 2012	<u>\$ 4,500.00</u>

TOWNSHIP OF BERLIN
TRUST--ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Fund Expenditures
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011 (Deficit)		\$ (1,205.20)
Increased by:		
Collections:		
Dog License Fees	\$ 11,228.20	
Cat License Fees	2,894.00	
Deferred Charged Raised in the Current Fund	<u>1,205.20</u>	
		<u>15,327.40</u>
		14,122.20
Decreased by:		
Expenditures Under R.S.4:19-15.11--Cash	16,508.46	
Due to Current Fund	1,000.00	
Accounts Payable	<u>11.56</u>	
		<u>17,520.02</u>
Balance June 30, 2012 (Deficit)		<u><u>\$ (3,397.82)</u></u>

Dog License Fees Collected

<u>Year</u>	<u>Amount</u>
FY 2011	\$ 14,145.80
FY 2010	<u>10,590.00</u>
	<u><u>\$ 24,735.80</u></u>

TRUST--ANIMAL CONTROL FUND
 Statement of Due to State Department of Health
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011		\$ 11.40
Increased by:		
Dog Registration Fees Collected		<u>937.80</u>
		949.20
Decreased by:		
Payments		<u>946.80</u>
Balance June 30, 2012		<u><u>\$ 2.40</u></u>

TOWNSHIP OF BERLIN
TRUST--OTHER FUNDS
 Statement of Trust Other Reserves
 For the Fiscal Year Ended June 30, 2012

Reserve	Balance June 30, 2011	Increased by Receipts						Decreased		Balance June 30, 2012
		Miscellaneous	Interest	Due Current Fund	Current Fund Budget	Employee Withholdings	Due From Developers	Disbursements	Accounts Payable	
Reserve for Escrow Deposits	\$ 248,891.69		\$ 366.36				\$ 165,535.35	\$ 32,680.55	\$ 1,562.64	\$ 380,550.21
Reserve for New Jersey Unemployment Compensation Insurance	46,715.46		119.63			\$ 11,000.00	\$ 3,046.12	3,587.43		57,293.78
Reserve for Recycling Program	22,019.45	\$ 31,122.97	105.07	\$ 348.16				11,388.86		42,206.79
Reserve for Accumulated Sick Leave	57,030.70	26,000.00	48.39					19,271.18		63,807.91
Reserve for Redemption of Tax Sale Certificates	17,421.41	236,561.88						251,888.54		2,094.75
Reserve for Parking Offenses Adjudication Act	1,018.00	42.00						-		1,060.00
Reserve for Municipal Law Enforcement Grant Program Expenditures	28,488.08	307.50	24.40					-	13,452.89	15,367.09
Reserve for Township Rehabilitation	8,014.68	13,932.00	11.41					1,583.45	50.00	20,324.64
Reserve for Municipal Public Defender Fees	2,969.18	5,789.00						5,100.00	75.00	3,583.18
Reserve for Municipal Alcohol and Drug Alliance Program	0.37							-		0.37
Reserve for Snow Removal	17,084.49	15,000.00						-		32,084.49
Reserve for NPP - Bench Program & Old West Berlin Association	658.00		0.30					-		658.30
Reserve for John J. McPeak Library	3,158.61		2.70					-		3,161.31
Reserve for Berlin Township Police Department	2,511.43							849.96		1,661.47
Reserve for Premium on Tax Sale	57,500.00			\$ 239,800.00				-	57,500.00	239,800.00
Reserve for Flexible Benefits Plan	-	2,561.01						2,170.43		390.58
Reserve for Tax Collector Utility	-	62,654.60						62,654.60		-
	<u>\$ 513,481.55</u>	<u>\$ 393,970.96</u>	<u>\$ 678.26</u>	<u>\$ 240,148.16</u>	<u>\$ 11,000.00</u>	<u>\$ 3,046.12</u>	<u>\$ 165,535.35</u>	<u>\$ 391,175.00</u>	<u>\$ 72,640.53</u>	<u>\$ 864,044.87</u>
Accounts Payable:										
Due to Vendors								\$ 15,140.53		
Due to Current Fund								57,500.00		
								<u>\$ 72,640.53</u>		

TOWNSHIP OF BERLIN
 TRUST--MUNICIPAL OPEN SPACE FUND
 Statement of Reserve for Future Use
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011		\$	9,298.66
Increase by:			
Receipts:			
Current Year Tax Levy	\$ 140,749.05		
Interest Earned on Deposits--Due from General Capital	<u>2.89</u>		
			<u>140,751.94</u>
			150,050.60
Decreased by:			
Disbursed			
Budget Appropriations:			
Operations	106,229.31		
Payments on Bonds	11,942.68		
Interest on Bonds	<u>3,603.11</u>		
			<u>121,775.10</u>
Balance June 30, 2012		\$	<u><u>28,275.50</u></u>

TRUST--OTHER FUND
 Statement of Payroll Deductions Payable
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011		\$	28,902.91
Increased by:			
Payroll Deductions			<u>1,921,024.24</u>
			1,949,927.15
Decreased by:			
Payments			<u>1,924,911.15</u>
Balance June 30, 2012		\$	<u><u>25,016.00</u></u>

Analysis of Balance June 30, 2012

Workforce Development/Health Care Subsidy		\$	3,468.90
Public Employees' Retirement System			8,666.19
Police and Firemen's Retirement System			11,411.08
Family Leave Insurance			343.08
AFLAC			61.16
DCRP			91.80
Other			<u>973.79</u>
		\$	<u><u>25,016.00</u></u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of General Capital Cash per N.J.S. 40A:5-5--Chief Financial Officer
For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011		\$ 1,584,948.65
Increased by Receipts:		
Due Current Fund	\$ 504,406.87	
Due Open Space Trust Fund	<u>2.89</u>	
		<u>504,409.76</u>
		2,089,358.41
Decreased by Disbursements:		
Due Current Fund	503,503.95	
Due Open Space Trust Fund	2.62	
Improvement Authorizations	159,626.36	
Reserve for Developer's Contribution	55,000.00	
Contracts Payable	34,744.25	
Accounts Payable	<u>1,814.05</u>	
		<u>754,691.23</u>
Balance June 30, 2012		<u><u>\$ 1,334,667.18</u></u>

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Fiscal Year Ended June 30, 2012

	Ordinance Number	Balance (Overdraft) June 30, 2011	Receipts		Disbursements			Balance (Overdraft) June 30, 2012
			Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From To		
Fund Balance		\$ 40.00						\$ 40.00
Capital Improvement Fund		50,000.00				\$ 35,000.00		15,000.00
Improvement Authorizations:								
Date of Ordinance								
11-22-04	Acquisition, Construction, Repair and Installation of Various Capital	04-10	72,747.44		\$ 359.38			72,388.06
2-28-05	Acquisition, Construction and Renovation of an Addition to the Township Municipal Building including Acquisition of Real Property and Site Improvements and Related Work	05-01	4,876.04		3,700.00			1,176.04
2-13-06	Various Capital Improvements and the Acquisition of Various Pieces of Capital Equipment	06-01	61,596.89		161.98			61,434.91
5-22-06	Various Road and Streetscape Improvements	06-09	257,582.47			75,958.68		181,623.79
4-23-07	Various Capital Improvements and the Acquisition of Various Pieces of Equipment	07-08	188,509.03		1,804.12		\$ 41,620.00	228,324.91
4-23-07	Various Capital Improvements and the Acquisition of Various Pieces of Equipment	07-09	4,121.48		4,121.48			
4-28-08	Completion of Various Capital Improvements and the Acquisition of Various Pieces of Equipment	08-07	268,289.03		1,000.00			267,289.03
03-29-09	Acquisition of Certain Real Property and Existing Facilities Together with the Completion of Various Renovations and Improvements	09-02	485,194.49		44,247.04			440,947.45
12-12-11	Completion of Various Capital Improvements and the Acq. of Various Equipment	11-26			104,232.36	273,590.00	35,000.00	(342,822.36)
Due Current Fund		(875.33)	\$ 504,406.87		\$ 503,503.95			27.59
Contracts Payable		78,134.75			34,744.25	41,620.00	349,548.68	351,319.18
Accounts Payable		1,814.05			1,814.05			
Reserve for Developers Contribution		110,266.67			55,000.00			55,266.67
Due Open Space Trust Fund		2,651.64	2.89		2.62			2,651.91
		<u>\$ 1,584,948.65</u>	<u>\$ 504,409.76</u>	<u>\$ 159,626.36</u>	<u>\$ 595,064.87</u>	<u>\$ 426,168.68</u>	<u>\$ 426,168.68</u>	<u>\$ 1,334,667.18</u>

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Statement of Due From / To Current Fund
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011 (Due From)		\$ 875.33
Increased by:		
Disbursements:		
Revenue Accounts Receivable -- Interest	\$ 254.04	
Interfund Loans Returned	<u>503,249.91</u>	
		<u>503,503.95</u>
		504,379.28
Decreased by:		
Receipts:		
Interest Earned on Deposits	254.04	
Interfund Loans	<u>504,152.83</u>	
		<u>504,406.87</u>
Balance June 30, 2012 (Due To)		<u><u>\$ 27.59</u></u>

GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation--Funded
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011		\$ 15,430,626.45
Increased by:		
Refunding Bonds Issued		<u>335,000.00</u>
		15,765,626.45
Decreased by:		
Budget Appropriation:		
Bonds Refunded	\$ 335,000.00	
Payment of Bond Principal	960,000.00	
Payment of Loan Principal	<u>11,942.68</u>	
		<u>1,306,942.68</u>
Balance June 30, 2012		<u><u>\$ 14,458,683.77</u></u>

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation--Unfunded
 For the Fiscal Year Ended June 30, 2012

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Ordinance Date</u>	<u>Balance June 30, 2011</u>	<u>2011 / 2012 Authorizations</u>	<u>Balance June 30, 2012</u>	<u>Analysis of Balance June 30, 2012</u>	
						<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
Completion of Various Capital Improvements and the Acq. of Various Equipment	11-26	12-12-11	-	\$ 615,000.00	\$ 615,000.00	\$ 342,822.36	\$ 272,177.64

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Due to Open Space Trust Fund
For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011	\$	2,651.64
Increased by:		
Interest Earned on Deposits		2.89
		2,654.53
Decreased by:		
Interfund Loans Returned		2.62
Balance June 30, 2012	\$	2,651.91

Exhibit SC-7

GENERAL CAPITAL FUND
Statement of Reserve for Developer's Contribution
For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011	\$	110,266.67
Decreased by:		
Disbursements to Current Fund as Current Year Revenue		55,000.00
Balance June 30, 2012	\$	55,266.67

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Fiscal Year Ended June 30, 2012

Improvement Description	Ordinance		Amount	Balance June 30, 2011		2011 / 2012 Authorizations		Paid or Charged	Contracts Payable Cancelled	Balance June 30, 2012	
	Number	Date		Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation-- Unfunded			Funded	Unfunded
	General Improvements:										
Acquisition, Construction, Repair and Installation of Various Capital Improvements	04-10	11-22-04	\$ 610,000.00	\$ 72,747.44			\$ 359.38		\$ 72,388.06		
Acquisition, Construction and Renovation of an Addition to the Township Municipal Building including Acquisition of Real Property and Site Improvements and Related Work	05-01	2-28-05	250,000.00	4,876.04			3,700.00		1,176.04		
Various Capital Improvements and the Acquisition of Various Pieces of Captial Equipment	06-01	2-13-06	595,000.00	61,596.89			161.98		61,434.91		
Various Road and Streetscape Improvements	06-09	5-22-06	278,000.00	257,582.47			75,958.68		181,623.79		
Various Capital Improvements and the Acquisition of Various Pieces of Equipment	07-08 09-10	4-23-07	704,000.00	188,509.03			1,804.12	\$ 41,620.00	228,324.91		
Acquisition and Installation of Various Pieces of Movie Equipment in the Township Park	07-09c	4-23-07	72,510.88	4,121.48			4,121.48				
Completion of Various Capital Improvements and the Acquisition of Various Pieces of Equipment	08-07	4-28-08	620,000.00	268,289.03			1,000.00		267,289.03		
Acquisition of Certain Real Property and Existing Facilities Together with the Completion of Various Renovations and Improvements	09-02	3-23-09	7,950,000.00	485,194.49			44,247.04		440,947.45		
Completion of Various Capital Improvements and the Acq. of Various Equipment	11-26	12-12-11	650,000.00			\$ 35,000.00	\$ 615,000.00	377,822.36		\$ 272,177.64	
				<u>\$ 1,342,916.87</u>	<u>-</u>	<u>\$ 35,000.00</u>	<u>\$ 615,000.00</u>	<u>\$ 509,175.04</u>	<u>\$ 41,620.00</u>	<u>\$ 1,253,184.19</u>	<u>\$ 272,177.64</u>
Disbursed								\$ 159,626.36			
Contracts Payable								349,548.68			
								<u>\$ 509,175.04</u>			

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Statement of Contracts Payable
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011		\$ 78,134.75
Increased by:		
Charges to Improvement Authorizations:		
2011/2012 Contracts and Change Orders		349,548.68
		427,683.43
Decreased by:		
Disbursed	\$ 34,744.25	
Canceled	41,620.00	
		76,364.25
Balance June 30, 2012		\$ 351,319.18

Analysis of Balance June 30, 2012

<u>Name</u>	<u>Date</u>	<u>Ordinance Number</u>	<u>Amount</u>
Kei Associates	11/08/04	2004-10	\$ 28,596.00
AC Electric	06/25/12	2006-9	75,958.68
Edmunds	01/23/12	2011-26	26,825.50
DSC Construction	06/25/12	2011-26	219,939.00
			\$ 351,319.18

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Fiscal Year Ended June 30, 2012

<u>Purpose</u>		<u>Original Issue</u>	<u>Maturities of Bonds Outstanding June 30, 2012</u>		<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Restructured Bonds--Series 2003	1-1-03	\$ 765,000.00	1-1-13	\$ 80,000.00	4.000%				
			1-1-14	80,000.00	3.900%				
			1-1-15	85,000.00	4.050%				
			1-1-16	85,000.00	4.150%				
			1-1-17	85,000.00	4.250%				
					\$ 495,000.00		\$ 415,000.00	\$ 80,000.00	
General Bonds--Series 2005	3-1-05	1,900,000.00	3-1-13	116,462.35	3.750%				
			3-1-14	232,924.69	3.750%				
			3-1-15/16	232,924.69	4.000%				
			3-1-17	332,749.56	4.000%				
			3-1-18	362,697.02	4.000%				
					1,610,507.86		99,824.87	1,510,682.99	
General Bonds--Series 2005 (Open Space)	3-1-05	955,000.00	3-1-13	58,537.65	3.750%				
			3-1-14	117,075.31	3.750%				
			3-1-15/16	117,075.31	4.000%				
			3-1-17	167,250.44	4.000%				
			3-1-18	182,302.98	4.000%				
					809,492.14		50,175.13	759,317.01	
Refunding Bonds--Series 2008	5-23-08	934,500.00	9-15-12	174,500.00	3.250%	384,500.00		210,000.00	174,500.00
General Bonds--Series 2010	1-1-11	10,318,000.00	1-1-13/16	200,000.00					
			1-1-17/19	250,000.00					
			1-1-20	300,000.00					
			1-1-21/22	400,000.00					
			1-1-23/28	500,000.00					
			1-1-29/32	600,000.00					
			1-1-33/34	700,000.00					
			1-1-35	668,000.00					
					10,318,000.00		200,000.00	10,118,000.00	
Refunding Bonds--Series 2010	3-1-11	1,955,000.00	3-1-13	315,000.00	2.000%				
			3-1-14	325,000.00	2.750%				
			3-1-15	325,000.00	3.000%				
			3-1-16	345,000.00	3.000%				
					1,630,000.00		320,000.00	1,310,000.00	

(Continued)

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Fiscal Year Ended June 30, 2012

<u>Purpose</u>		<u>Original Issue</u>	<u>Maturities of Bonds Outstanding June 30, 2012</u>		<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds--Series 2012	5-17-12	\$ 335,000.00	1/1/13	\$ 80,000.00	2.000%				
			1/1/14	85,000.00	2.000%				
			1/1/15	85,000.00	2.000%				
			1/1/16	85,000.00	3.000%		\$ 335,000.00		\$ 335,000.00
						<u>\$ 15,247,500.00</u>	<u>\$ 335,000.00</u>	<u>\$ 1,295,000.00</u>	<u>\$ 14,287,500.00</u>
Refunding Bonds							\$ 335,000.00	\$ 335,000.00	
Paid by Budget Appropriations - Current Fund Budget								960,000.00	
							<u>\$ 335,000.00</u>	<u>\$ 1,295,000.00</u>	

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Statement of Green Acres Loan
 For the Fiscal Year Ended June 30, 2012

<u>Purpose</u>		<u>Original Issue</u>	<u>Maturities of Bonds Outstanding June 30, 2012</u>		<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Issued for Cash</u>	<u>Paid by Open Space Budget Appropriation</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>					
Green Acres Loan	12-10-04	\$ 250,000.00	9-10-12	\$ 6,061.06					
			3-10-13	6,121.67					
			9-10-13	6,182.89					
			3-10-14	6,244.72					
			9-10-14	6,307.16					
			3-10-15	6,370.24					
			9-10-15	6,433.94					
			3-10-16	6,498.28					
			9-10-16	6,563.26					
			3-10-17	6,628.89					
			9-10-17	6,695.18					
			3-10-18	6,762.13					
			9-10-18	6,829.76					
			3-10-19	6,898.05					
			9-10-19	6,967.03					
			3-10-20	7,036.70					
			9-10-20	7,107.07					
			3-10-21	7,178.14					
			9-10-21	7,249.92					
			3-10-22	7,322.42					
			9-10-22	7,395.65					
			3-10-23	7,469.60					
			9-10-23	7,544.30					
			3-10-24	7,619.74					
			9-10-24	7,695.94	2.00%	\$ 183,126.45		\$ 11,942.68	\$ 171,183.77
						<u>\$ 183,126.45</u>	<u>-</u>	<u>\$ 11,942.68</u>	<u>\$ 171,183.77</u>

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized But Not Issued
 For the Fiscal Year Ended June 30, 2012

<u>Improvement Description</u>	<u>Ordinance</u> <u>Number</u>	<u>Date</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>2011/12</u> <u>Authorizations</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes</u> <u>Issued</u>	<u>Balance</u> <u>June 30, 2012</u>
General Improvements:						
Completion of Various Capital Improvements and the Acq. of Various Equipment	11-26	12/12/11		\$ 615,000.00		\$ 615,000.00
			<u>\$ -</u>	<u>615,000.00</u>	<u>\$ -</u>	<u>\$ 615,000.00</u>
			<u>\$ -</u>	<u>615,000.00</u>	<u>\$ -</u>	<u>\$ 615,000.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

TOWNSHIP OF BERLIN
SEWER UTILITY FUND
 Statement of Sewer Utility Cash per N.J.S.40A:5-5--Chief Financial Officer
 For the Fiscal Year Ended June 30, 2012

	<u>Operating</u>	<u>Capital</u>
Balance June 30, 2011	\$ 332,480.18	\$ 9,046.77
Increased by Receipts:		
Utility Collector	\$ 1,042,371.74	
Miscellaneous	551.26	
Budget Refunds	10,884.26	
Due Sewer Utility Operating Fund		\$ 4.75
Due Current Fund	105,919.91	
Contra	<u>205,224.16</u>	
	<u>1,364,951.33</u>	<u>4.75</u>
	1,697,431.51	9,051.52
Decreased by Disbursements:		
2012 Fiscal Year Appropriations	753,281.94	
Due to Borough of Berlin--		
Water Reconnection Fees	875.00	
Accrued Interest on Bonds and Notes	294,287.26	
Appropriation Reserves	11,827.85	
Contra	205,224.16	
Due Current Fund	<u>104,772.30</u>	<u>4.10</u>
	<u>1,370,268.51</u>	<u>4.10</u>
Balance June 30, 2012	<u>\$ 327,163.00</u>	<u>\$ 9,047.42</u>

TOWNSHIP OF BERLIN
 SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Fiscal Year Ended June 30, 2012

	Balance <u>June 30, 2011</u>	Receipts <u>Miscellaneous</u>	Disbursements		Balance <u>June 30, 2012</u>
			<u>Improvement Authorizations</u>	<u>Miscellaneous</u>	
Due Sewer Utility Operating Fund	\$ 9,046.77	\$ 0.65			\$ 9,047.42
	<u>\$ 9,046.77</u>	<u>\$ 0.65</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,047.42</u>

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
 Statement of Sewer Cash and Reconciliation per N.J.S.40A:5-5--Collector
 For the Fiscal Year Ended June 30, 2012

Receipts:		
Consumer Accounts Receivable	\$	840,583.83
Prepaid Sewer Rents		156,966.89
Connection Fees		32,040.00
Interest on Delinquent Rents		11,906.02
		1,042,371.74
Decreased by:		
Turnovers to Treasurer	\$	1,042,371.74
		1,042,371.74

Exhibit SD-4

SEWER UTILITY OPERATING FUND
 Statement of Consumer Accounts Receivable
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011		\$	970.72
Increased by:			
Fiscal Year 2012 Net Billings			1,021,110.78
			1,022,081.50
Decreased by:			
Collections	\$	840,583.83	
Transfer to Sewer Liens Receivable		295.00	
Prepays Applied		181,079.61	
		181,079.61	
			1,021,958.44
Balance June 30, 2012		\$	123.06
			123.06

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
 Statement of Fixed Capital
 For the Fiscal Year Ended June 30, 2012

<u>Description</u>	<u>Balance June 30, 2011</u>	<u>Additions by Refunding Ordinance</u>	<u>Balance June 30, 2012</u>
Sewerage Collection System	\$ 12,491,344.10	\$ 150,000.00	\$ 12,641,344.10
	<u>\$ 12,491,344.10</u>	<u>\$ 150,000.00</u>	<u>\$ 12,641,344.10</u>

Exhibit SD-6

SEWER UTILITY OPERATING FUND
 Statement of Prepaid Sewer Rents
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011 (Fiscal Year 2012 Rents)	\$ 181,079.61
Increased by:	
Collections	<u>156,966.89</u>
	338,046.50
Decreased by:	
Application to Sewer Consumer Accounts Receivable	<u>181,079.61</u>
Balance June 30, 2012 (Transition Year 2012 Rents)	<u><u>\$ 156,966.89</u></u>

Exhibit SD-7

SEWER UTILITY OPERATING FUND
 Statement of Sewer Liens Receivable
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011	\$ -
Increased by:	
Collections	<u>295.00</u>
	295.00
Decreased by:	
Transferred to Municipal Tax Title Liens	<u>295.00</u>
Balance June 30, 2012	<u><u>\$ -</u></u>

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds
For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011	\$ 128,993.58
Increased by:	
Charged to Utility Operating Budget	197,389.79
	326,383.37
Decreased by:	
Interest Paid	294,287.26
Balance June 30, 2012	\$ 32,096.11

Analysis of Balance June 30, 2012

<u>Principal Outstanding June 30, 2012</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Long Term Bonds:					
\$210,000.00	Variable	1-01-12	6-30-12	180 Days	\$ 4,170.75
1,810,500.00	Variable	3-15-12	6-30-12	107 Days	23,543.21
4,550,000.00	Variable	5-17-12	6-30-12	44 Days	4,382.15
					\$32,096.11

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
 Statement of Fiscal Year 2011 Appropriation Reserves
 For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011			Balance Lapsed
	Encumbered	Reserves	Disbursed	
Operating:				
Salaries and Wages		\$ 532.73		\$ 532.73
Other Expenses	\$ 11,165.38	9,702.49	\$ 11,827.85	9,040.02
	11,165.38	10,235.22	11,827.85	9,572.75
Deferred Charges and Statutory Expenditures				
Statutory Expenditures:				
Contribution to:				
Social Security System		1,787.60		1,787.60
	-	1,787.60	-	1,787.60
	\$ 11,165.38	\$ 12,022.82	\$ 11,827.85	\$ 11,360.35

SEWER UTILITY CAPITAL FUND
 Statement of Due to Sewer Utility Operating Fund
 For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011	\$ 9,046.77
Increased by:	
Receipts:	
Interest Earned on Deposits	4.75
	9,051.52
Decreased by:	
Disbursed to Sewer Utility Operating - Miscellaneous	4.10
Balance June 30, 2012	\$ 9,047.42

SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Fiscal Year Ended June 30, 2012

Balance June 30, 2011	\$ 5,780,844.10
Increased by:	
Long Term Bonded Debt Paid by Operating Budget	<u>290,000.00</u>
Balance June 30, 2012	<u><u>\$ 6,070,844.10</u></u>

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
 Statement of Long Term Bonded Debt
 For the Fiscal Year Ended June 30, 2012

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2012		Interest Rate	Balance June 30, 2011	Increased	Decreased	Balance June 30, 2012
			Date	Amount					
Refunding Bonds	1-01-03	\$ 6,210,000.00	(A)	(A)	2.00 - 4.65%	\$ 4,810,000.00		\$ 4,600,000.00	\$ 210,000.00
Refunding Bonds	5-23-08	2,180,500.00	(B)	(B)	3.25 - 5.00%	1,900,500.00		90,000.00	1,810,500.00
Refunding Bonds	5-17-12	4,550,000.00	(C)	(C)	2.00 - 4.00%		\$ 4,550,000.00		4,550,000.00
						<u>\$ 6,710,500.00</u>	<u>\$ 4,550,000.00</u>	<u>\$ 4,690,000.00</u>	<u>\$ 6,570,500.00</u>
Paid by Budget Appropriation								\$ 290,000.00	
Deceased								<u>4,400,000.00</u>	
								<u>\$ 4,690,000.00</u>	
(A)	Payment Date	Amount					Amount		
	1-01-2013	\$ 210,000.00							
							<u>\$ 210,000.00</u>		
(B)	Payment Date	Amount	Payment Date	Amount	Payment Date	Amount	Payment Date	Amount	
	9-15-2012	\$ 120,500.00	9-15-2016	\$ 110,000.00	9-15-2020	\$ 135,000.00	9-15-2024	\$ 160,000.00	
	9-15-2013	100,000.00	9-15-2017	115,000.00	9-15-2021	140,000.00	9-15-2025	<u>170,000.00</u>	
	9-15-2014	105,000.00	9-15-2018	120,000.00	9-15-2022	145,000.00			
	9-15-2015	105,000.00	9-15-2019	130,000.00	9-15-2023	155,000.00		<u>\$1,810,500.00</u>	
(C)	Payment Date	Amount	Payment Date	Amount	Payment Date	Amount	Payment Date	Amount	
	1-01-2013	\$ 95,000.00	1-01-2018	\$ 260,000.00	1-01-2023	\$ 310,000.00	1-01-2028	<u>\$ 365,000.00</u>	
	1-01-2014	255,000.00	1-01-2019	270,000.00	1-01-2024	320,000.00			
	1-01-2015	260,000.00	1-01-2020	275,000.00	1-01-2025	330,000.00		<u>\$ 4,550,000.00</u>	
	1-01-2016	265,000.00	1-01-2021	285,000.00	1-01-2026	340,000.00			
	1-01-2017	270,000.00	1-01-2022	300,000.00	1-01-2027	350,000.00			

TOWNSHIP OF BERLIN
PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TOWNSHIP OF BERLIN
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2012

Schedule of Financial Statement Findings

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

Not Applicable.

TOWNSHIP 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>	
Phyllis Magazzu	Mayor	\$1,000,000.00	(A)
Christopher Morris	Council President	1,000,000.00	(A)
Marion Bodanza	Councilmember	1,000,000.00	(A)
Thomas DiGangi	Councilmember (until October 2011)	1,000,000.00	(A)
Frank Epifanio	Councilmember (from November 2011)	1,000,000.00	(A)
Jerome McIntosh	Councilmember	1,000,000.00	(A)
Lori Campisano	Chief Financial Officer/Treasurer; Qualified Purchasing Agent	1,000,000.00	(A)
Cathy Underwood	Township Clerk, Improvement Search Clerk, Registrar of Vital Statistics	1,000,000.00	(A)
Donna DeCinque	Deputy Registrar of Vital Statistics	1,000,000.00	(A)
Stuart Platt	Solicitor		
Nicholas Trabosh, Esq.	Judge of the Municipal Court	1,000,000.00	(A)
Maria Reed	Court Administrator and Violations Clerk	1,000,000.00	(A)
Vicki Taylor	Deputy Court Administrator and Violations Clerk	1,000,000.00	(A)
Kelly McCauley	Secretary to the Building Inspector, Planning Board and Zoning Board	1,000,000.00	(A)
Charles Riebel, Jr.	Engineer and Public Works Director	1,000,000.00	(A)
Joshua Shellenberger	Secretary to Board of Health and Property Maintenance Inspector	1,000,000.00	(A)
Robert Martin	Engineering Technician and Zoning Officer	1,000,000.00	(A)
Diane Zoppel	Tax and Sewer Utility Collector and Tax Search Clerk	1,000,000.00	(A)
Dana O'Hara	Tax and Sewer Clerk	1,000,000.00	(A)
Michael DePalma	Building Subcode Official/Inspector and Construction code Officer	1,000,000.00	(A)
Ralph Jones	Fire Subcode Official/Inspector	1,000,000.00	(A)
Ralph Jones	Plumbing Inspector (from March 2012)	1,000,000.00	(A)
Ken Snuffin	Plumbing Inspector (until February 2012)	1,000,000.00	(A)
Sal Satania	Electrical Inspector	1,000,000.00	(A)
Anthony Colavecchio	Tax Assessor		
Joseph Jackson	Police Chief	1,000,000.00	(A)

(A) Employees not individually bonded are covered through the Camden County Joint Insurance Fund for \$1,000,000.00 per each loss.

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read "Joe Hoffmann", written over the printed name.

Joseph J. Hoffmann
Certified Public Accountant
Registered Municipal Accountant

