TOWNSHIP OF BERLIN

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR 2015

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

10600

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TOWNSHIP OF BERLIN

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR 2015

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Berlin, in the County of Camden, State of New Jersey, as of December 31, 2015 and 2014, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Berlin, in the County of Camden, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Berlin, in the County of Camden, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed assets group of accounts - regulatory basis, for the year ended December 31, 2015 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.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68*, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.* As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2016 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* in considering the Township of Berlin's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 20, 2016

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Berlin, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 20, 2016. That report indicated that the Township of Berlin's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 20, 2016

TOWNSHIP OF BERLIN
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2015 and 2014

	Ref.	2015	2014
ASSETS			
Current Fund:			
Cash--Treasurer	SA-1	$ 3,465,469.76	$ 3,438,492.93
Cash--Change Funds	SA-3	250.00	250.00
		3,465,719.76	3,438,742.93
Receivables and Other Assets with Full Reserves:			
Tax Title Liens Receivable	SA-5	395,181.88	333,975.09
Property Acquired for Taxes at Assessed Valuation	A	300,000.00	300,000.00
Delinquent Property Taxes Receivable	SA-6	642,982.60	474,339.29
Revenue Accounts Receivable	SA-7	10,305.98	11,503.92
Property Maintenance Liens Receivable	SA-17	1,570.00	1,350.00
Due from Trust -- Other Fund	SB-2	101.98	7,995.62
Due General Capital Fund	SC-3	42.65	20,027.95
Due from Federal and State Grant Fund	A	32,255.30	91,209.73
		1,382,440.39	1,240,401.60
Deferred Charges:			
Special Emergency Appropriation (40A:4-55)	SA-18	125,000.00	-
		4,973,160.15	4,679,144.53
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-19	381,247.29	256,260.00
		$ 5,354,407.44	$ 4,935,404.53
LIABILITIES, RESERVES AND FUND BALANCE			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3; SA-8	$ 442,750.44	$ 380,896.81
Reserve for Encumbrances	A-3; SA-8	128,430.12	171,904.96
Prepaid Taxes	SA-9	176,173.70	121,951.37
Due County Added and Omitted Taxes	SA-12	34,302.97	75,744.26
Due State of NJ -- Senior Citizen and Veteran Deductions	SA-4	1,894.11	1,454.04
Due State of NJ -- State Training Fees	SA-10	4,334.00	913.00
Due State of NJ -- Marriage License Fees	SA-11	100.00	100.00
Due to Borough of Berlin	SA-1	357.50	
Reserve for Developers Agreement	A	150,000.00	150,000.00
Reserve for Reassessment	A-3; SA-1	86,211.40	
		1,024,554.24	902,965.69
Reserve for Receivables and Other Assets	A	1,382,440.39	1,240,401.60
Fund Balance	A-1	2,566,165.52	2,535,777.24
		4,973,160.15	4,679,144.53
Federal and State Grant Fund:			
Due to Current Fund	A	32,255.30	91,209.73
Reserve for Federal and State Grants--Appropriated	SA-21	348,991.99	165,050.27
		381,247.29	256,260.00
		$ 5,354,407.44	$ 4,935,404.53

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

TOWNSHIP OF BERLIN
CURRENT FUND
Statements of Operations and Changes in Fund Balance--Regulatory Basis
As of December 31, 2015 and 2014

	2015	2014
Revenue and Other		
Income Realized		
Fund Balance Utilized	$ 1,150,000.00	$ 950,000.00
Miscellaneous Revenue Anticipated	2,337,612.44	1,942,396.59
Receipts from Delinquent Taxes and Tax Title Liens	428,539.65	292,462.68
Revenue from Current Taxes	20,023,159.63	19,694,962.56
Non-Budget Revenue	142,036.30	188,878.81
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	378,823.95	464,584.22
Liquidation of Reserves for:		
Due from Trust--Other Funds	7,893.64	
Due from General Capital Fund	19,985.30	
Due from Federal and State Grant Fund	58,954.43	46,685.16
Total Income	24,547,005.34	23,579,970.02
Expenditures		
Budget and Emergency Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	3,058,100.00	3,020,390.00
Other Expenses	3,361,531.00	3,041,275.00
Deferred Charges and Statutory Expenditures	735,850.00	738,128.95
Excluded from "CAPS":		
Operations:		
Salaries and Wages	63,409.52	73,453.23
Other Expenses	285,080.05	119,543.97
Capital Improvements	315,000.00	15,000.00
Municipal Debt Service	1,505,971.51	1,538,346.94
County Taxes	4,999,342.13	4,675,492.56
Local District School Taxes	8,494,629.00	8,347,244.00
Fire District Taxes	494,500.00	484,500.00
Due County of Added and Omitted Taxes	34,302.97	75,744.26
Municipal Open Space Taxes	142,880.88	141,825.41
Other Debits to Expenditures		
Prior Year Senior and Veteran Deductions Disallowed	1,000.00	1,750.00
Refund of Prior Year Revenue	20.00	
Creation of Reserves for:		
Due from General Capital Fund		20,001.55
Due from Trust -- Other		7,970.60
Total Expenditures	23,491,617.06	22,300,666.47
Excess in Revenue	1,055,388.28	1,279,303.55
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	125,000.00	-
Statutory Excess to Fund Balance	1,180,388.28	1,279,303.55
Fund Balance		
Balance January 1	2,535,777.24	2,206,473.69
	3,716,165.52	3,485,777.24
Decreased by:		
Utilized as Revenue	1,150,000.00	950,000.00
Balance December 31	$ 2,566,165.52	$ 2,535,777.24

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 Year Ended December 31, 2015

	Budget	Anticipated Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 1,150,000.00	-	$ 1,150,000.00	-
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	4,200.00		3,726.00	$ (474.00)
Other	53,100.00		51,363.00	(1,737.00)
Fees and Permits - Other	33,700.00		146,851.00	113,151.00
Municipal Court - Fines and Costs	162,800.00		181,927.88	19,127.88
Interest and Cost on Taxes	50,000.00		135,885.86	85,885.86
Interest on Investments and Deposits	2,700.00		2,089.12	(610.88)
Franchise Taxes--Cable TV	69,000.00		73,521.01	4,521.01
Energy Receipts Tax	1,287,847.00		1,287,847.00	
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	127,000.00		197,011.00	70,011.00
Public and Private Programs Off-Set with Appropriations:				
NJDOT Grant - Hazel Avenue		$ 201,000.00	201,000.00	
Drunk Driving Enforcement Fund		2,147.98	2,147.98	
Community Development Block Grant		25,800.00	25,800.00	
Clean Communities Program		13,361.54	13,361.54	
Click It or Ticket		4,000.00	4,000.00	
Body Armor Replacement Grant		1,931.30	1,931.30	
Bulletproof Vest Partnership Grant		4,149.75	4,149.75	
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	150,000.00			(150,000.00)
Total Miscellaneous Revenues	1,940,347.00	257,390.57	2,337,612.44	139,874.87
Receipts From Delinquent Taxes	350,000.00	-	428,539.65	78,539.65
Amount to be Raised by Taxes for Support of Municipal Budget Including Reserve for Uncollected Taxes	6,397,858.11	-	6,591,629.76	193,771.65
Subtotal General Revenues	8,688,205.11	257,390.57	9,357,781.85	412,186.17
Budget Totals	9,838,205.11	257,390.57	10,507,781.85	412,186.17
Non-Budget Revenues	-	-	142,036.30	142,036.30
	$ 9,838,205.11	$ 257,390.57	$ 10,649,818.15	$ 554,222.47

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2015

Analysis of Realized Revenues

Allocation of Current Tax Collections:		
Revenue from Collections		$ 20,023,159.63
Allocated to Local School, Regional School, County, Special District and Municipal Open Space Taxes		14,165,654.98
Balance for Support of Municipal Budget Appropriations		5,857,504.65
Add: Appropriation "Reserve for Uncollected Taxes"		734,125.11
Amount for Support of Municipal Budget Appropriations		$ 6,591,629.76
Receipts from Delinquent Taxes:		
Receipts:		
Delinquent Tax Collections		$ 428,539.65
Fees and Permits--Other:		
Police		$ 4,600.00
Municipal Clerk		6,500.00
Animal Control Permits		85.00
Registrar of Vital Statistics		2,620.00
Planning Board		2,650.00
Continued Certificate of Occupancy		3,510.00
Zoning Board		126,756.00
Tax Search Fees		130.00
		$ 146,851.00

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:		
Tax Collector:		
Property Maintenance Liens		$ 11,961.34
Treasurer:		
Police Outside Services	$ 12,957.07	
Photocopy Fees	2,340.49	
Library Sales and Fees	258.10	
NJ MVC Inspection Fees	582.00	
Sale of Assets	7,180.75	
Engineering Services	46,441.56	
Senior Citizen and Veteran Administrative Fee	1,355.92	
Homestead Rebate Administrative Fee	443.40	
FEMA Reimbursement	38,139.61	
Miscellaneous	4,356.24	
Payments In Lieu of Taxes - Taunton Run	16,019.82	
		130,074.96
		$ 142,036.30

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 Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS--WITHIN "CAPS"						
General Government						
Mayor and Council						
Salaries and Wages	$ 57,400.00	$ 57,400.00	$ 57,326.10		$ 73.90	
Other Expenses	29,100.00	29,100.00	15,034.94	$ 2,378.77	11,686.29	
Financial Administration						
Salaries and Wages	99,800.00	99,800.00	93,442.28		6,357.72	
Other Expenses	13,400.00	16,400.00	13,776.01	1,406.10	1,217.89	
Tax Assessment Administration						
Salaries and Wages	20,000.00	20,500.00	20,384.60		115.40	
Other Expenses	5,950.00	5,950.00	1,513.87		4,436.13	
Reserve for Revaluation of Real Property (40A:4-55 $125,000.00)		125,000.00	125,000.00			
Revenue Administration						
Salaries and Wages	72,800.00	72,800.00	72,575.59		224.41	
Other Expenses	17,500.00	17,500.00	13,163.35		4,336.65	
Township Clerk						
Salaries and Wages	94,400.00	94,400.00	94,120.60		279.40	
Other Expenses	37,300.00	40,300.00	37,773.08	341.27	2,185.65	
Legal Services and Costs						
Other Expenses	80,000.00	88,900.00	76,622.97	4,842.55	7,434.48	
Municipal Prosecutor						
Salaries and Wages	13,400.00	13,400.00	13,369.98		30.02	
Other Expenses	500.00	500.00			500.00	
Engineering Services and Costs						
Salaries and Wages	159,600.00	119,600.00	101,726.72		17,873.28	
Other Expenses	15,370.00	15,370.00	4,708.89	5,110.57	5,550.54	
Public Buildings and Grounds						
Salaries and Wages	43,700.00	45,700.00	43,470.55		2,229.45	
Other Expenses	32,675.00	32,675.00	21,563.34	7,165.23	3,946.43	
Audit Services						
Other Expenses	35,700.00	35,700.00	35,700.00			
Municipal Land Use Law (N.J.S.40:55D-1)						
Planning Board	14,100.00	14,100.00	14,058.46		41.54	
Other Expenses	10,000.00	10,000.00	6,500.04		3,499.96	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
General Government (Cont'd)						
Insurance						
Health Benefit Waiver -- Opt Out	$ 26,300.00	$ 27,300.00	$ 26,464.11		$ 835.89	
Liability Insurance	220,000.00	220,000.00	214,763.99		5,236.01	
Workers Compensation Insurance	136,600.00	114,600.00	110,221.71		4,378.29	
Group Insurance	1,509,976.00	1,509,976.00	1,416,320.06		93,655.94	
Unemployment Compensation Insurance	14,000.00	14,000.00	13,006.00		994.00	
Municipal Court						
Salaries and Wages	116,600.00	116,600.00	116,207.12		392.88	
Other Expenses	50,100.00	50,100.00	44,123.07	$ 200.00	5,776.93	
Public Defender						
Other Expenses	500.00	500.00			500.00	
Public Safety						
Police						
Salaries and Wages	1,629,100.00	1,644,100.00	1,631,327.45		12,772.55	
Other Expenses	117,510.00	137,510.00	106,315.97	27,591.16	3,602.87	
Office of Emergency Management						
Salaries and Wages	2,100.00	2,100.00	2,039.96		60.04	
Other Expenses	1,400.00	1,400.00	174.00		1,226.00	
Ambulance Association						
Other Expenses	33,000.00	33,000.00	30,842.55		2,157.45	
Streets and Roads						
Road Repairs and Maintenance						
Salaries and Wages	44,000.00	54,000.00	48,215.61		5,784.39	
Other Expenses	26,500.00	46,500.00	32,901.15	5,765.12	7,833.73	
Solid Waste Collection						
Salaries and Wages	431,700.00	407,700.00	407,104.44		595.56	
Other Expenses	12,500.00	12,500.00	4,367.03	838.74	7,294.23	
Vehicle Maintenance						
Salaries and Wages	124,300.00	105,300.00	105,023.54		276.46	
Other Expenses	104,500.00	124,500.00	90,963.53	13,472.90	20,063.57	
Traffic Signal Monitoring System						
Other Expenses	54,600.00	600.00			600.00	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Health and Welfare						
Board of Health						
Salaries and Wages	$ 4,700.00	$ 4,700.00	$ 4,686.50		$ 13.50	
Other Expenses	500.00	500.00			500.00	
Recreation and Education						
Recreation Services and Programs						
Salaries and Wages	5,200.00	5,200.00			5,200.00	
Other Expenses	5,200.00	5,200.00			5,200.00	
Maintenance of Parks						
Other Expenses	36,100.00	36,100.00	8,805.09	$ 571.13	26,723.78	
Expense of Participation in Free County Library						
Salaries and Wages	25,000.00	25,000.00	22,484.75		2,515.25	
Other Expenses	9,050.00	9,050.00	6,394.67	1,115.37	1,539.96	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	9,100.00	9,100.00	170.27		8,929.73	
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Office						
Salaries and Wages	94,200.00	94,200.00	94,104.92		95.08	
Other Expenses	33,200.00	33,200.00	31,297.10		1,902.90	
Code Enforcement						
Salaries and Wages	20,800.00	21,800.00	21,106.46		693.54	
Other Expenses	1,000.00	1,000.00	485.01		514.99	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Unclassified						
Utilities:						
Telephone	$ 30,000.00	$ 30,000.00	$ 18,968.80	$ 2,050.00	$ 8,981.20	
Street Lighting	109,000.00	112,000.00	93,224.14	9,455.00	9,320.86	
Electricity and Natural Gas	107,000.00	116,000.00	97,790.26	10,000.00	8,209.74	
Water	5,000.00	5,000.00	3,789.80		1,210.20	
Petroleum Products	103,000.00	103,000.00	32,653.23	7,686.36	62,660.41	
Sewerage	6,200.00	6,200.00	5,696.50		503.50	
Telecommunications	3,500.00	4,500.00	3,375.65		1,124.35	
Landfill/Solid Waste Disposal	178,000.00	194,000.00	165,937.67	27,797.67	264.66	
Accumulated Sick leave Compensation	1,000.00	26,500.00	25,500.00		1,000.00	
Total Operations--Within "CAPS"	6,294,731.00	6,419,631.00	5,898,683.48	127,787.94	393,159.58	-
Detail:						
Salaries and Wages	3,086,100.00	3,058,100.00	3,000,681.28		57,418.72	
Other Expenses	3,208,631.00	3,361,531.00	2,898,002.20	127,787.94	335,740.86	
DEFERRED CHARGES AND STATUTORY EXPENDITURES--MUNICIPAL--WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	177,777.00	177,777.00	174,570.68		3,206.32	
Police and Fireman's Retirement System	331,873.00	331,873.00	331,873.00			
Social Security System (O.A.S.I.)	221,300.00	221,300.00	208,213.19		13,086.81	
Defined Contribution Retirement Plan	4,800.00	4,900.00	4,814.53		85.47	
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	735,750.00	735,850.00	719,471.40	-	16,378.60	-
Total General Appropriations for Municipal Purposes--Within "CAPS"	7,030,481.00	7,155,481.00	6,618,154.88	127,787.94	409,538.18	-

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
OPERATIONS EXCLUDED FROM "CAPS"						
Solid Waste Disposal						
Recycling Tax	$ 7,500.00	$ 7,500.00	$ 6,061.92	$ 642.18	$ 795.90	
Employee Group Health Insurance (P.L. 2007, C.62)	25,024.00	25,024.00	25,024.00			
Storm Water Management						
Salary and Wages	38,900.00	38,900.00	14,150.60		24,749.40	
Other Expenses	19,675.00	19,675.00	12,008.04		7,666.96	
Public and Private Programs Off-Set by Revenues						
Clean Communities Program						
Salaries and Wages (40A:4-87 $13,361.54)		13,361.54	13,361.54			
Drive Sober or Get Pulled Over Grant						
Salaries and Wages (40A:4-87 $5,000.00)		5,000.00	5,000.00			
Click It or Ticket						
Salaries and Wages (40A:4-87 $4,000.00)		4,000.00	4,000.00			
Drunk Driving Enforcement Grant						
Salaries and Wages (40A:4-87 $2,147.98)		2,147.98	2,147.98			
Community Development Block Grant - Year 37						
Other Expenses (40A:4-87 $25,800.00)		25,800.00	25,800.00			
NJDOT Grant - Hazel Avenue						
Other Expenses (40A:4-87 $4,149.75)		201,000.00	201,000.00			
Bulletproof Vest Partnership Grant						
Other Expenses (40A:4-87 $4,149.75)		4,149.75	4,149.75			
Body Armor Replacement Grant						
Other Expenses (40A:4-87 $1,933.97)		1,931.30	1,931.30			
Total Operations--Excluded from "CAPS"	91,099.00	348,489.57	314,635.13	642.18	33,212.26	-
Detail:						
Salaries and Wages	38,900.00	63,409.52	38,660.12		24,749.40	
Other Expenses	52,199.00	285,080.05	275,975.01	642.18	8,462.86	

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"						
Capital Improvement Fund	$ 315,000.00	$ 315,000.00	$ 315,000.00			
Improvements to Kelley Drive Basin	150,000.00	150,000.00				$ 150,000.00
Total Capital Improvements--Excluded from "CAPS"	465,000.00	465,000.00	315,000.00	-	-	150,000.00
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"						
Payment of Bond Principal	960,000.00	960,000.00	960,000.00			
Interest on Bonds	553,000.00	553,000.00	541,500.00			11,500.00
Interest on Notes	4,500.00	4,500.00	4,471.51			28.49
Total Municipal Debt Service--Excluded from "CAPS"	1,517,500.00	1,517,500.00	1,505,971.51	-	-	11,528.49
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	2,073,599.00	2,330,989.57	2,135,606.64	$ 642.18	$ 33,212.26	161,528.49
Subtotal General Appropriations	9,104,080.00	9,486,470.57	8,753,761.52	128,430.12	442,750.44	161,528.49
Reserve for Uncollected Taxes	734,125.11	734,125.11	734,125.11	-	-	-
	$ 9,838,205.11	$ 10,220,595.68	$ 9,487,886.63	$ 128,430.12	$ 442,750.44	$ 161,528.49

Appropriation by 40A:4-87	$ 257,390.57
Appropriation by NJSA 40A:4-55 (Special Emergency)	125,000.00
Budget as Adopted	9,838,205.11
	$ 10,220,595.68

Reserve for Uncollected Taxes	$ 734,125.11
Reserve for Federal and State Grant Funds--Appropriated	257,390.57
Deferred Charges -- Special Emergency Appropriations:	
Reserve for Reassessment of Real Property	125,000.00
Refunds	(316,744.60)
Disbursed	8,688,115.55
	$ 9,487,886.63

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

TOWNSHIP OF BERLIN
TRUST FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2015 and 2014

	Ref.	2015	2014
ASSETS			
Animal Control Fund:			
Cash	SB-1	$ 4,127.01	$ 1,170.75
Other Funds:			
Cash--Treasurer	SB-1	1,098,038.74	1,082,862.56
Municipal Open Space Fund:			
Cash	SB-1	62,031.88	69,028.46
Due from General Capital Fund	SC-6	2,653.08	2,652.77
		64,684.96	71,681.23
		$ 1,166,850.71	$ 1,155,714.54
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	$ 4,113.81	$ 766.55
Accounts Payable	SB-1		400.00
Due to State Board of Health	SB-4	13.20	4.20
		4,127.01	1,170.75
Other Funds:			
Due Sewer Operating	B	4.20	4.20
Due Current Fund	SB-2	101.98	7,995.62
Reserve for Escrow Deposits	SB-5	518,007.02	512,516.78
Reserve for New Jersey Unemployment Compensation Insurance	SB-5	85,220.29	72,812.36
Reserve for Recycling Program	SB-5	46,743.70	45,946.37
Reserve for Accumulated Sick Leave	SB-5	126,108.72	100,538.20
Reserve for Redemption of Tax Sale Certificates	SB-5	21,379.16	1.00
Reserve for Parking Offenses Adjudication Act	SB-5	1,004.00	878.00
Reserve for Municipal Law Enforcement Grant Program Expenditures	SB-5	18,564.04	19,052.59
Reserve for Township Rehabilitation	SB-5	20,046.44	20,282.26
Reserve for Municipal Public Defender Fees	SB-5	2,467.18	2,945.18
Reserve for Municipal Alcohol and Drug Alliance Program	SB-5	0.37	0.37
Reserve for Snow Removal	SB-5	47,505.65	47,255.95
Reserve for NPP - Bench Program & Old West Berlin Association	SB-5	659.14	658.90
Reserve for John J. McPeak Library	SB-5	64.53	64.53
Reserve for Berlin Township Police Department	SB-5	3,798.13	3,538.13
Reserve for Premium on Tax Sale	SB-5	154,800.00	238,700.00
Reserve for Flexible Benefits Plan	SB-5	2,688.87	3,139.88
Reserve for Recreation	SB-5	6,371.00	
Accounts Payable	SB-5	14,054.07	5,410.00
Payroll Deductions Payable	SB-7	28,450.25	1,122.24
		1,098,038.74	1,082,862.56
Municipal Open Space Fund:			
Reserve for Future Use	SB-6	64,684.96	71,681.23
		$ 1,166,850.71	$ 1,155,714.54

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 Year Ended December 31, 2015

	Anticipated Budget	Realized	Excess or (Deficit)
Amount to be Raised by Taxation	$ 141,930.00	$ 142,880.88	$ 950.88
Reserve Funds	8,430.00	8,430.00	
Budget Totals	150,360.00	151,310.88	950.88
Non-Budget Revenues	-	3.17	3.17
	$ 150,360.00	$ 151,314.05	$ 954.05

Analysis of Realized Revenues

Analysis of Current Tax Collections:	
Collector:	
Open Space Tax Levy	$ 141,930.00
Added / Omitted Taxes	950.88
	$ 142,880.88
Analysis of Non-Budget Revenue	
Treasurer:	
Interest on Deposits--Due General Capital Fund	$ 3.17

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 Year Ended December 31, 2015

	Appropriations				
	Original Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
Operating:					
Salaries and Wages	$ 92,600.00	$ 92,600.00	$ 92,134.52		$ 465.48
Other Expenses	42,200.00	42,200.00	42,200.00		
Total Operating	134,800.00	134,800.00	134,334.52	-	465.48
Debt Service:					
Payment of Bond and Loan Principal	12,810.00	12,810.00	12,804.18		5.82
Interest on Bonds and Loans	2,750.00	2,750.00	2,741.62		8.38
Total Debt Service	15,560.00	15,560.00	15,545.80	-	14.20
	$ 150,360.00	$ 150,360.00	$ 149,880.32	-	$ 479.68
Disbursed			$ 149,880.32		

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

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2015 and 2014

ASSETS	Ref.	2015	2014
Cash	SC-1	$ 1,275,085.13	$ 1,349,758.98
Deferred Charges to Future Taxation:			
Funded	SC-4	11,555,462.09	12,528,266.27
Unfunded	SC-5	615,000.00	615,000.00
		$ 13,445,547.22	$ 14,493,025.25

LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	SC-9	$ 11,428,000.00	$ 12,388,000.00
Bond Anticipation Note	SC-10	615,000.00	615,000.00
Green Acres Loan	SC-11	127,462.09	140,266.27
Contracts Payable	SC-1		338,350.00
Accounts Payable	SC-8	1,290.00	
Improvement Authorizations:			
Funded	SC-8	167,778.68	195,947.50
Unfunded	SC-8	149,510.48	153,970.52
Capital Improvement Fund	SC-7	380,000.00	65,000.00
Reserve for Developers Contribution	C	55,266.67	55,266.67
Due to Current Fund	SC-3	42.65	20,027.95
Due to Open Space Trust Fund	SC-6	2,653.08	2,652.77
Fund Balance	C	518,543.57	518,543.57
		$ 13,445,547.22	$ 14,493,025.25

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

TOWNSHIP OF BERLIN
SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2015 and 2014

	Ref.	2015	2014
ASSETS			
Operating Fund:			
Cash	SD-1	$ 1,014,404.43	$ 777,282.02
Due Trust Other Fund	D	4.20	4.20
Due Sewer Utility Capital Fund	SD-11	1.19	0.56
		1,014,409.82	777,286.78
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	21,672.53	15,007.92
Total Operating Fund		1,036,082.35	792,294.70
Capital Fund:			
Cash	SD-1	430,817.78	441,285.08
Fixed Capital	SD-6	12,641,344.10	12,641,344.10
Fixed Capital Authorized and Uncompleted	SD-5	750,000.00	750,000.00
Total Capital Fund		13,822,161.88	13,832,629.18
		$ 14,858,244.23	$ 14,624,923.88
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3, SD-10	$ 39,667.25	$ 12,179.21
Reserve for Encumbrances	D-3, SD-10	4,662.39	25,913.87
Prepaid Sewer Rents	SD-7	215,263.62	221,412.20
Accrued Interest on Bonds and Notes	SD-9	84,331.02	85,180.12
		343,924.28	344,685.40
Reserve for Receivables	D	21,672.53	15,007.92
Fund Balance	D-1	670,485.54	432,601.38
Total Operating Fund		1,036,082.35	792,294.70
Capital Fund:			
Serial Bonds	SD-14	5,320,000.00	5,685,000.00
Bond Anticipation Notes	SD-15	750,000.00	750,000.00
Improvement Authorizations Unfunded	SD-12	430,816.59	437,257.28
Reserve for Amortization	SD-13	7,321,344.10	6,956,344.10
Accounts Payable	SD-1, SD-12		3,420.00
Accrued Interest on Bonds and Notes	SD-9		607.24
Due to Sewer Utility Operating Fund	SD-11	1.19	0.56
Total Capital Fund		13,822,161.88	13,832,629.18
		$ 14,858,244.23	$ 14,624,923.88

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

TOWNSHIP OF BERLIN
SEWER UTILITY FUND
Statements of Operations and Changes in Operating Fund Balance--Regulatory Basis
For the Years Ended December 31, 2015 and 2014

Revenue and Other Income Realized	2015	2014
Fund Balance	$ 58,100.00	$ 57,250.00
Rents	1,071,144.79	1,063,726.13
Miscellaneous	13,805.51	12,429.64
Non-Budget Revenue	180,438.10	105,868.21
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves	12,504.61	34,054.08
Total Income	1,335,993.01	1,273,328.06
Expenditures		
Operating	448,000.00	430,050.00
Debt Service	569,108.85	562,760.25
Deferred Charges and Statutory Expenditures	22,900.00	47,100.00
Total Expenditures	1,040,008.85	1,039,910.25
Excess in Revenue	295,984.16	233,417.81
Adjustment in Income before Fund Balance:		
Deferred Charges to Budget of Succeeding Years	-	-
Statutory Excess to Fund Balance	295,984.16	233,417.81
Fund Balance		
Balance January 1	432,601.38	256,433.57
	728,585.54	489,851.38
Decreased by:		
Utilized as Revenue:		
Sewer Utility Fund Budget	58,100.00	57,250.00
Balance December 31	$ 670,485.54	$ 432,601.38

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 Year Ended December 31, 2015

	Budget	Realized	Excess or (Deficit)
Fund Balance Appropriated	$ 58,100.00	$ 58,100.00	
Rents	970,000.00	1,071,144.79	$ 101,144.79
Miscellaneous	12,400.00	13,805.51	1,405.51
Budget Totals	1,040,500.00	1,143,050.30	102,550.30
Non-Budget Revenues	-	180,438.10	180,438.10
	$ 1,040,500.00	$ 1,323,488.40	$ 282,988.40

Analysis of Realized Revenues:

Rents:	
Consumer Accounts Receivable:	
Sewer Rents:	
Collections	$ 849,734.07
Prepaid Rents Applied	221,410.72
	$ 1,071,144.79
Miscellaneous:	
Collector:	
Interest on Delinquent Accounts	$ 13,805.51
Non-Budget Revenue	
Treasurer:	
Interest Earned on Deposits--Due Sewer Utility Capital Fund	$ 8.10
Collector:	
Connection Fees	180,430.00
	$ 180,438.10

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 Year Ended December 31, 2015

	Appropriations		Expended			Unexpended Balance
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
Operating:						
Salaries and Wages	$ 164,200.00	$ 167,200.00	$ 164,340.56		$ 2,859.44	
Other Expenses	285,300.00	280,800.00	241,101.73	$ 4,662.39	35,035.88	
Total Operating	449,500.00	448,000.00	405,442.29	4,662.39	37,895.32	-
Debt Service:						
Payment of Bond Principal	365,000.00	365,000.00	365,000.00			
Interest on Bonds	197,100.00	198,600.00	198,518.93			$ 81.07
Interest on Notes	6,000.00	6,000.00	5,589.92			410.08
Total Debt Service	568,100.00	569,600.00	569,108.85	-	-	491.15
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	9,900.00	9,900.00	9,400.00		500.00	
Social Security System (O.A.S.I.)	12,600.00	12,600.00	11,637.86		962.14	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	400.00	400.00	90.21		309.79	
Total Statutory Expenditures	22,900.00	22,900.00	21,128.07	-	1,771.93	-
	$ 1,040,500.00	$ 1,040,500.00	$ 995,679.21	$ 4,662.39	$ 39,667.25	$ 491.15

Disbursed	$ 791,570.36
Accrued Interest on Bonds	204,108.85
	$ 995,679.21

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 Year Ended December 31, 2015

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
General Fixed Assets:				
Land and Improvements	$ 2,726,583.90	$ 10,000.00		$ 2,736,583.90
Buildings	6,682,952.08			6,682,952.08
Furnishings	95,474.29			95,474.29
Equipment	1,232,929.41	72,899.17	$ 28,675.36	1,277,153.22
Vehicles	2,317,291.47	41,038.00	197,164.00	2,161,165.47
Total General Fixed Assets	$ 13,055,231.15	$ 123,937.17	$ 225,839.36	$ 12,953,328.96
Total Investments in General Fixed Assets	$ 13,055,231.15	$ 123,937.17	$ 225,839.36	$ 12,953,328.96

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

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 legislation on April 11, 1910. 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.

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township 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 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 operations.

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

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

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

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the 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 requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of $5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at 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 overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

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

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the 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, the 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 Township is responsible for levying, collecting, and remitting school taxes for the Township of Berlin School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Berlin Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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 December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Township adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27,* and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the Township.

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 $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

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

Custodial Credit Risk Related to Deposits (Cont'd) - As of December 31, 2015, the Township's bank balances of $7,965,996.02 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 7,334,332.29
Uninsured and Uncollateralized	631,663.73
Total	$ 7,965,996.02

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 December 31, 2015, the Township's deposits with the New Jersey Cash Management Fund were $176,824.35.

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 calendar year (CY) 2015, 2014 and 2013, where indicated; six month reversion period (RP) ended December 31, 2012, where indicated, the previous fiscal year (FY) ended on June 30, as follows:

Comparative Schedule of Tax Rates

	Year Ended				
	CY 2015	CY 2014	CY 2013	CY 2012	CY 2011
Tax Rate	$ 5.787	$ 5.695	$ 5.585	$ 5.474	$ 5.313
Apportionment of Tax Rate:					
Municipal	$ 1.803	$ 1.784	$ 1.742	$ 1.742	$ 1.648
Municipal Open Space	.039	.039	.039	.040	.040
County	1.411	1.341	1.319	1.259	1.216
Local School	2.394	2.392	2.349	2.303	2.278
Fire District	.140	.139	.136	.130	.131

Assessed Valuation

Year	Amount
CY 2015	$ 354,828,443.00
CY 2014	349,053,978.00
CY 2013	349,301,628.00
CY 2012	350,468,328.00
CY 2011	347,880,725.00

Note 3: PROPERTY TAXES (CONT'D)

Comparison of Tax Levies and Collections

Period	Tax Levy	Collections	Percentage of Collections True Rate (1)	Percentage of Collections Underlying Rate (2)
CY 2015	$ 20,674,886.90	$ 20,023,159.63		96.85%
CY 2014	20,200,232.73	19,694,962.56		97.50%
CY 2013	19,617,140.24	19,238,946.16		98.07%
RP 2012	9,634,815.18	9,397,711.31		97.54%
FY 2012	19,390,960.59	19,225,158.64	99.14%	98.08%

(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

Period	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
CY 2015	$ 395,181.88	$ 642,982.60	$ 1,038,164.48	5.02%
CY 2014	333,975.09	474,339.29	808,314.38	4.00%
CY 2013	277,597.28	316,491.83	594,089.11	3.03%
RP 2012	223,855.68	207,461.10	431,316.78	NA
FY 2012	198,336.78	2,035.29	200,372.07	1.03%

The following comparison is made of the number of tax title liens receivable for the calendar years (CY) ended December 31, 2015, 2014 and 2013, where indicated; six month reversion period (RP) ended December 31, 2012, where indicated, and the previous fiscal year (FY) ended on June 30 as follows:

Period	Number
CY 2015	13
CY 2014	10
CY 2013	11
RP 2012	11
FY 2012	11

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens for the calendar years (CY) ended December 31, 2015, 2014 and 2013, where indicated; six month reversion period (RP) ended December 31, 2012, where indicated, and the previous fiscal year (FY) ended on June 30 as follows:

Period	Amount
CY 2015	$ 300,000.00
CY 2014	300,000.00
CY 2013	300,000.00
RP 2012	300,000.00
FY 2012	300,000.00

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the calendar years (CY) ended December 31, 2015, 2014 and 2013, where indicated; six month reversion period (RP) ended December 31, 2012, where indicated, and the previous fiscal year (FY) ended on June 30 as follows:

	Balance Beginning of Year				Cash
Period	Receivable	Liens	Levy	Total	Collections
CY 2015	$ 15,007.92	-	$ 1,078,059.40	$ 1,093,067.32	$ 1,071,144.79
CY 2014	15,400.26	-	1,063,706.67	1,079,106.93	1,063,726.13
CY 2013	10,758.19	-	1,024,324.28	1,035,082.47	1,019,387.21
RP 2012	123.06	-	510,808.07	510,931.13	500,025.44
FY 2012	970.72	-	1,021,110.78	1,022,081.50	1,021,663.44

Note 6: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the calendar years (CY) ended December 31, 2015, 2014 and 2013, where indicated; the six month reversion period (RP) ended December 31, 2012, where indicated, and the previous fiscal year (FY) ended on June 30 as follows:

Current Fund

Period	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
CY 2015	$ 2,566,165.52	$ 1,280,000.00	49.88%
CY 2014	2,535,777.24	1,150,000.00	45.35%
CY 2013	2,206,473.69	950,000.00	43.06%
RP 2012	1,810,499.06	950,000.00	52.47%
FY 2012	533,357.52	-	NA

Note 6: FUND BALANCES APPROPRIATED (CONT'D)

Sewer Utility Fund

Period	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
CY 2015	$ 670,485.54	$ 115,800.00	17.27%
CY 2014	432,601.38	58,100.00	13.43%
CY 2013	256,433.57	57,250.00	22.33%
RP 2012	194,497.23	25,190.00	12.95%
FY 2012	121,069.30	-	NA

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2015:

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 32,399.93	
Federal and State Grant		$ 32,255.30
Trust - Open Space	2,653.08	
Trust - Other		106.18
General Capital		2,695.73
Sewer Utility - Operating	5.39	
Sewer Utility - Capital		1.19
	$ 35,058.40	$ 35,058.40

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2016, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, certain Township employees are eligible to participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements 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
http://www.state.nj.us/treasury/pensions

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans

Plan Descriptions

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

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

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

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

The following represents the membership tiers for PFRS:

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

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

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

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2015 was 13.57% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is $192,153.24, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was $183,664.75, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were $100,176.06.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

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

The Township's contractually required contribution rate for the year ended December 31, 2015 was 25.02% of the Township's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 is $354,572.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Township's contractually required contribution to the pension plan for the year ended December 31, 2014 was $331,873.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were $141,690.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2015 was 2.34% of the Township's covered-employee payroll.

Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 is $33,168.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2014 was $24,303.00, which was paid on April 1, 2015.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2015, employee contributions totaled $6,817.78, and the Township's contributions were $3,719.29. There were no forfeitures during the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At December 31, 2015, the Township's proportionate share of the PERS net pension liability was $5,017,210.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was 0.0223503702%, which was an increase of 0.0000713835% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is $367,492.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PERS were $183,664.75, and were paid on April 1, 2015.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Police and Firemen's Retirement System - At December 31, 2015, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	$ 7,265,704.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	637,178.00
	$ 7,902,882.00

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Township's proportion was 0.0436207950%, which was an increase of 0.0004120506% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Township, was 0.0436207950%, which was an increase of 0.0004120506% from its proportion, on-behalf of the Township, measured as of June 30, 2014.

At December 31, 2015, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is $606,626.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Township's contributions to PFRS were $331,873.00, and were paid on April 1, 2015.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2015 measurement date is $79,479.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2015, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 119,693.31	-	$ 119,693.31	-	$ 62,669.00	$ 62,669.00
Changes of Assumptions	538,808.77	$ 1,341,429.00	1,880,237.77	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	$ 80,667.12	126,453.00	207,120.12
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	171,033.73	45,198.00	216,231.73	-	126,322.00	126,322.00
Township Contributions Subsequent to the Measurement Date	96,077.00	177,286.00	273,363.00	-	-	-
	$ 925,612.81	$ 1,563,913.00	$ 2,489,525.81	$ 80,667.12	$ 315,444.00	$ 396,111.12

$96,077.00 and $177,286.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Township's year end of December 31, 2015.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

	PERS		PFRS	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

Year Ending Dec 31,	PERS	PFRS	Total
2016	$ 143,531.00	$ 198,483.00	$ 342,014.00
2017	143,531.00	198,483.00	342,014.00
2018	143,532.00	198,481.00	342,013.00
2019	205,675.00	337,148.00	542,823.00
2020	112,600.00	138,588.00	251,188.00
	$ 748,869.00	$ 1,071,183.00	$ 1,820,052.00

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation	3.04%	3.04%
Salary Increases:		
2012-2021	2.15% - 4.40% Based on Age	2.60% - 9.48% Based on Age
Thereafter	3.15% - 5.40% Based on Age	3.60% - 10.48% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011	July 1, 2010 - June 30, 2013

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

For PFRS, mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	100.00%	

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS and 5.79% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's Proportionate Share of the Net Pension Liability	$ 6,235,778.00	$ 5,017,210.00	$ 3,995,571.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Township's Proportionate Share of the Net Pension Liability	$ 9,578,505.00	$ 7,265,704.00	$ 5,379,822.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	840,003.00	637,178.00	471,792.00
	$ 10,418,508.00	$ 7,902,882.00	$ 5,851,614.00

Note 8: PENSION PLANS (CONT'D)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

Supplementary Pension Information

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

Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Three Years)

	Measurement Date Ended June 30,		
	2015	2014	2013
Township's Proportion of the Net Pension Liability	0.0223503702%	0.0222789867%	0.0210755733%
Township's Proportionate Share of the Net Pension Liability	$ 5,017,210.01	$ 4,171,235.30	$ 4,027,960.68
Township's Covered-Employee Payroll	1,540,968.00	1,492,344.00	1,453,840.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	325.59%	279.51%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Three Years)

	Year Ended December 31,		
	2015	2014	2013
Township's Contractually Required Contribution	$ 192,153.24	$ 183,664.75	$ 158,800.14
Township's Contribution in Relation to the Contractually Required Contribution	(192,153.24)	(183,664.75)	(158,800.14)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -
Township's Covered-Employee Payroll	$ 1,416,251.00	$ 1,539,785.00	1,521,298.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	13.57%	11.93%	10.44%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)

	Measurement Date Ended June 30,		
	2015	2014	2013
Township's Proportion of the Net Pension Liability	0.0436207950%	0.0432087444%	0.0446147106%
Township's Proportionate Share of the Net Pension Liability	$ 7,265,704.00	$ 5,435,259.00	$ 5,931,123.00
State's Proportionate Share of the Net Pension Liability associated with the Township	637,178.00	585,286.00	552,853.00
Total	$ 7,902,882.00	$ 6,020,545.00	$ 6,483,976.00
Township's Covered-Employee Payroll	$ 1,367,788.00	$ 1,356,800.00	$ 1,400,160.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	531.20%	400.59%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Three Years)

	Year Ended December 31,		
	2015	2014	2013
Township's Contractually Required Contribution	$ 354,572.00	$ 331,873.00	$ 325,499.00
Township's Contribution in Relation to the Contractually Required Contribution	(354,572.00)	(331,873.00)	(325,499.00)
Township's Contribution Deficiency (Excess)	$ -	$ -	$ -
Township's Covered-Employee Payroll	$ 1,416,900.00	$ 1,368,808.00	$ 1,356,594.00
Township's Contributions as a Percentage of it's Covered-Employee Payroll	25.02%	24.25%	23.99%

Note 8: PENSION PLANS (CONT'D)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – New assumptions related to future increases on Social Security Wage Base and the 401(a)(17) compensation limit have been added as follows:

401(a)(17) Pay Limit – 3.00 per annum
Social Security Wage Base – 4.00 per annum

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 6.32% as of June 30, 2014, to 5.79% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – Demographic assumptions with respect to no-vested withdrawal, disability, service retirement, active death, salary increases rates and inactive mortality were revised in accordance with the results of the July1, 2010 – June 30, 2013 experience study and approved by the Board of Trustees of the PERS Pension Plan at its February 9, 2015 Board Meeting.

Note 9: 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 SHPB's post-retirement benefit program through resolution number 91-139A. The Township provides postemployment health care benefits, at its cost, to all Township retirees who at the date of retirement have not less than twenty-five (25) years of service credit in a State locally administered retirement system. Benefits provided include health insurance, dental coverage, and prescription coverage for retirees and their dependents only during the retired employees' life. 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/.

Note 9: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN (CONT'D)

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 funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Township's contributions to SHBP for the years ended December 31, 2015, 2014, and 2013, were $409,442.71, $346,593.36 and $325,432.09, respectively, which equaled the required contributions each year. There were approximately 22 retired participants eligible at December 31, 2015.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - In addition to the benefits described in note 9, 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 contribution requirements of plan members and the Township are established and may be amended by the Township's governing body.

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and therefore does not record accrued expenses related to these benefits. The Township's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were $154,443.66, $116,183.96 and $96,777.96, respectively.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 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 (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be $1,383,795.02 at an unfunded discount rate of 3.0%. As stated above, the Township has funded the cost of existing retirees in the amount of $154,443.66, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Annual OPEB Cost - For year ended December 31, 2015, the Township's annual OPEB cost (expense) of $1,417,895.02 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC. The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2015, 2014, and 2013 are as follows:

	2015	2014	2013
Normal Cost	$ 154,443.66	$ 116,183.96	$ 96,777.96
Unfunded Actuarial Liability	1,229,351.36	336,162.35	271,565.82
Annual Required Contribution (ARC)	1,383,795.02	452,346.31	368,343.78
Interest on Net OPEB Obligation	34,100.00	23,339.78	14,660.22
Annual OPEB Cost	1,417,895.02	475,686.09	383,004.00
Contributions Made	(154,443.66)	(116,183.96)	(96,777.96)
Increase (Decrease) in the Net OPEB Obligation	1,263,451.36	359,502.13	286,226.04
Net OPEB Obligation, January 1	1,134,402.17	774,900.04	488,674.00
Net OPEB Obligation, December 31	$ 2,397,853.53	$ 1,134,402.17	$ 774,900.04

Funded Status and Funding Progress - The funded status of the plan as of the three past actuarial valuation dates is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) /c)
12/31/2013	-	$ 5,069,222	$ 5,069,222	0%	$ 1,578,607	321.12%
12/31/2014	-	5,405,384	5,405,384	0%	1,598,357	338.18%
12/31/2015	-	6,634,736	6,634,736	0%	1,631,327	406.71%

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, as shown above, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Methods and Assumptions - The 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 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 December 31, 2015 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 5% 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 December 31, 2015 was twenty-three and one-half years.

- *Mortality*. Future mortality age is estimated at 75 for males and 80 for females as per report issued by the National Center for Health Statistics.
- *Turnover*. Turnover is expected to be zero, Township police officers rarely terminate their employment prior to retirement.
- *Assumed Retirement Age.* At first eligibility after completing 25 years of service.
- *Full Attribution Period.* Service to assumed retirement age.
- *Annual Discount Rate*. Future costs have been discounted at the rate of 3.0% compounded annually for GASB 45 purposes.
- *Rates of Retirement, Rates of Withdrawal, and Rates of Disability*. The same table used to value the Public Employees' Retirement System of New Jersey - Local liability.
- *Medical Trend*. 9% in 2012, reducing by .5% per annum, leveling at 5% per annum in 2010 but capped annually at 20,000.00.
- *Medical Cost Aging Factor*. NJSHBP Medical Morbidity Rates
- *Retiree Contributions*. No Contributions are assumed for employees hired prior to 6/28/91. Those employees hired after 6/28/11 will contribute approximately 32%.

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 December 31, 2015, accrued benefits for compensated absences are valued at $291,191.27. 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.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT (CONT'D)

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 December 31, 2015, the Township had lease agreements in effect for the following:

Capital:
- Two (2) 2014 Ford Interceptors
- One (1) 2015 Ford Explorer

Operating:
- Seven (7) Copiers

The following is an analysis of the Township's capital and operating leases:

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

Capital Leases

Description	Balance at December 31, 2015	Balance at December 31, 2014
Vehicles	$ 44,479.15	$ 43,608.21

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

Year	Amount
2016	$ 35,276.62
2017	11,906.83

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

Year	Amount
2016	$ 6,693.12
2017	4,872.42
2018	2,323.44

Rental payments under operating leases for the year 2015 were $6,914.04.

Note 14: CAPITAL DEBT

General Improvement Bonds

General & Open Space Trust Fund Improvement Bonds, Series 2005 - On March 1, 2005, the Township issued $1,900,000.00 of general improvement bonds and 955,000.00 of open space trust fund improvement bonds, with interest rates ranging from 3.75% to 4.00%. The purpose of the bonds is to fund various capital ordinances, specifically 2000-26, 2001-11, 2001-12, 2002-04, 2002-12, 2002-13, 2003-01, 2003-22, 2004-5 and 2004-10. The final maturity of the bonds is March 1, 2018.

Sewer Improvement Refunding Bonds, Series 2008 - On May 13, 2008, the Township issued $3,115,000.00 of sewer improvement refunding bonds, with interest rates ranging from 3.25% to 5.00% to advance refund $2,156,358.90 outstanding 1998 rural development bonds with an interest rate of 4.75%. The final maturity of the bonds is September 15, 2025.

General Improvement Bonds, Series 2010 - On November 16, 2010, the Township issued $10,318,000.00 of general improvement bonds, with interest rates ranging from 4.25% to 5.00%. The purpose of the bonds is to fund various capital ordinances, specifically 2005-01, 2006-01, 2006-09, 2007-08, 2007-10, 2008-07 and 2009-02. The final maturity of the bonds is January 1, 2035.

General Improvement Refunding Bonds, Series 2010 - On November 16, 2010, the Township issued $1,955,000.00 of general improvement refunding bonds, with interest rates ranging from 2.00% to 3.00% to advance refund $1,894,000.00 outstanding 2001 general improvement bonds with an interest rates of ranging from 4.375% to 4.625%. The final maturity of the bonds is March 1, 2016.

General & Sewer Improvement Refunding Bonds, Series 2012 - On May 17, 2012, the Township issued $335,000.00 of general improvement refunding bonds and $4,550,000.00 of sewer improvement refunding bonds, with interest rates ranging from 2.00% to 4.00% to advance refund $335,000.00 outstanding 2003 general improvement bonds with interest rates of ranging from 3.90% to 4.25% and outstanding 2003 sewer refunding bonds with interest rates ranging from 2.00% to 4.65%. The final maturities of the bonds are January 1, 2017 and January 1, 2028 respectively.

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

	General		Sewer Utility		
Year	Principal	Interest	Principal	Interest	Total
2016	$ 980,000.00	$ 506,825.00	$ 375,000.00	$ 189,981.26	$ 2,051,806.26
2017	835,000.00	472,537.50	385,000.00	178,106.26	1,870,643.76
2018	795,000.00	439,737.50	380,000.00	163,106.26	1,777,843.76
2019	250,000.00	417,900.00	400,000.00	149,037.51	1,216,937.51
2020	300,000.00	405,525.00	410,000.00	134,168.76	1,249,693.76
2021-25	2,300,000.00	1,748,625.00	2,315,000.00	407,918.80	6,771,543.80
2026-30	2,700,000.00	1,166,062.50	1,055,000.00	51,103.15	4,972,165.65
2031-35	3,268,000.00	420,300.00			3,688,300.00
	$ 11,428,000.00	$ 5,577,512.50	$ 5,320,000.00	$ 1,273,422.00	$ 23,598,934.50

Note 14: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Green Acres Loans

On December 10, 2004, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide $250,000.00, at an interest rate of 2.0%. The proceeds were used to fund the redevelopment of the Township's Luke Avenue Recreation Park. Semiannual debt payments are due March 10th and September 10th through 2024.

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

	General		
Year	**Principal**	**Interest**	**Total**
2016	$ 13,061.54	$ 2,484.26	$ 15,545.80
2017	13,324.07	2,221.73	15,545.80
2018	13,591.90	1,953.90	15,545.80
2019	13,865.08	1,680.70	15,545.78
2020	14,143.77	1,402.03	15,545.80
2021-24	59,475.73	2,707.48	62,183.21
	$ 127,462.09	$ 12,450.10	$ 139,912.19

Note 14: CAPITAL DEBT (CONT'D)

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

	2015	2014	2013
Issued			
General:			
Bonds, Loans and Notes	$ 12,170,462.09	$ 13,143,266.27	$ 14,110,818.15
Sewer Utility:			
Bonds and Notes	6,070,000.00	6,435,000.00	6,045,000.00
Total Issued	18,240,462.09	19,578,266.27	20,155,818.15
Authorized but not Issued			
General:			
Bonds and Notes	-	-	-
Sewer Utility:			
Bonds and Notes	-	-	750,000.00
Total Authorized but not Issued	-	-	750,000.00
Total Issued and Authorized but not Issued	18,240,462.09	19,578,266.27	20,905,818.15
Deductions			
Open Space Debt	127,462.09	140,266.27	152,818.15
Self-Liquidating	6,070,000.00	6,435,000.00	6,795,000.00
Total Deductions	6,197,462.09	6,575,266.27	6,947,818.15
Net Debt	$ 12,043,000.00	$ 13,003,000.00	$ 13,958,000.00

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 2.192%.

	Gross Debt	Deductions	Net Debt
Local School District	$ 3,969,000.00	$ 3,969,000.00	
Sewer Utility	6,070,000.00	6,070,000.00	
General	12,170,462.09	127,462.09	$ 12,043,000.00
	$ 22,209,462.09	$ 10,166,462.09	$ 12,043,000.00

Net debt $12,043,000.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $549,328,483.67, equals 2.192%.

Note 14: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

3 1/2% of Equalized Valuation Basis (Municipal)		$ 19,226,496.93
Less: Net Debt		12,043,000.00
Remaining Borrowing Power		$ 7,183,496.93

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		$ 1,323,488.40
Deductions:		
Operating and Maintenance Costs	$ 470,900.00	
Debt Service	569,108.85	
Total Deductions		1,040,008.85
Excess in Revenue		$ 283,479.55

The foregoing debt information is in agreement with the annual debt statement filed by the chief financial officer.

Note 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

Description	Balance December 31, 2015	2016 Budget Appropriation
Current Fund:		
Special Emergency Authorization	$ 125,000.00	$ 25,000.00

The appropriations in the 2016 Budget as adopted are not less than that required by the statutes.

Note 16: RISK MANAGEMENT

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

Property and Liability Insurance - The Township maintains commercial insurance coverage for property, liability, vehicle, surety bonds, etc.

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:

Year	Township Contributions	Amount Reimbursed	Ending Balance
2015	$ 13,006.00	$ 4,123.70	$ 85,220.29
2014	12,000.00	473.00	72,812.36
2013	5,000.00	583.00	56,318.05

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

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

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Township with the following coverage:

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

Contributions to the Fund, are payable in a semi-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 $50,000.00 to $200,000.00 based on the line of coverage for each insured event.

Note 16: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Camden County Municipal Joint Insurance Fund
MEL/JIF Underwriting Unit
9 Campus Drive
Suite 16
Parsippany, New Jersey 07054

Note 17: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 2, 1999 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township authorized the establishment of the Township of Berlin Open Space, Recreation and Farmland Preservation Trust Fund effective December 27, 1999, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Berlin Open Space, Recreation and Farmland Preservation Trust Funds.

Note 18: CONTINGENCIES

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

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 19: CONCENTRATIONS

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

Note 20: SUBSEQUENT EVENTS

Tax Appeals - As of December 31, 2015, one tax appeal was on file against the Township. Based upon information provided by the tax assessor, if the appeal is not settled in favor of the Township, the estimated impact of the tax refund would not be material.

Note 20: SUBSEQUENT EVENTS (CONT'D)

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

Purpose	Date Adopted	Authorization
Bonds & Notes:		
General Capital:		
Resurfacing of Roads	3/14/2016	$ 339,644.00
Drainage Improvements	3/14/2016	253,761.00
Acquisition of Equipment	3/14/2016	723,589.00
Acquisition of Replacement Equipment	3/14/2016	310,887.00
Improvements to Recreational Facilities	3/14/2016	32,643.00
Acquisition of an Ambulance	3/14/2016	134,476.00
		$ 1,795,000.00

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 Year Ended December 31, 2015

	Current Fund		Federal and State Grant Fund	
Balance December 31, 2014		$ 3,438,492.93		
Increased by Receipts:				
Miscellaneous Revenue Not Anticipated	$ 130,074.96			
Tax Collector	20,587,965.55			
Due from State of New Jersey:				
Senior Citizen and Veteran Deductions	67,796.21			
State Training Fees--Due State of New Jersey	13,089.00			
Marriage License Fees-- Due State of New Jersey	625.00			
Revenue Accounts Receivable	1,943,651.19			
Due Trust Other Funds	8,222.57			
Due General Capital Fund	20,341.19			
Petty Cash	400.00			
Due Borough of Berlin	357.50			
2015 Appropriation Refunds	316,744.60			
2014 Appropriation Reserve Refunds	42.99			
Federal and State Grants Receivable			$ 130,126.46	
Grants Appropriated Refunds			59.00	
Due Federal and State Grant Fund	58,954.43			
Contra	627,021.98			
		23,775,287.17		$ 130,185.46
		27,213,780.10		130,185.46
Brought Forward		27,213,780.10		130,185.46
Decreased by Disbursements:				
2015 Appropriations	8,688,115.55			
2014 Appropriation Reserves	174,020.81			
State Training Fees--Due State of New Jersey	9,668.00			
Marriage License Fees--Due State of New Jersey	625.00			
Fire District Taxes Payable	494,500.00			
County Taxes Payable	4,999,342.13			
County Added Omitted Taxes	75,744.26			
Local District School Taxes Payable	8,494,629.00			
Municipal Open Space Taxes Payable	142,880.88			
Due Bank	1.25			
Petty Cash	400.00			
Refund of Tax Overpayments	2,552.88			
Reserve for Reassessment	38,788.60			
Due Current Fund			58,954.43	
Operations - Refund of Prior Year Revenue	20.00			
Reserve for Federal and State Grant Funds--Appropriated			71,231.03	
Contra	627,021.98			
		23,748,310.34		130,185.46
Balance December 31, 2015		$ 3,465,469.76		-

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Current Cash and Reconciliation per N.J.S. 40A:5-5--Collector
For the Year Ended December 31, 2015

Receipts:		
Interest and Cost on Taxes	$ 135,885.86	
Taxes Receivable	20,261,391.77	
Miscellaneous Revenue Not Anticipated:		
Property Maintenance Liens Receivable	11,961.34	
Tax Overpayments	2,552.88	
Prepaid Taxes	176,173.70	
		$ 20,587,965.55
Decreased by:		
Turnovers to Treasurer		$ 20,587,965.55

Exhibit SA-3

CURRENT FUND
Schedule of Change Funds
As of December 31, 2015

Office	Amount
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 To State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2015

Balance December 31, 2014		$ 1,454.04
Increased by:		
Cash Received		67,796.21
		69,250.25
Decreased by:		
Deductions per Tax Billings	$ 68,500.00	
Deductions Allowed by Tax Collector	1,250.00	
		69,750.00
		(499.75)
Increased by Deductions Disallowed by Tax Collector:		
Current Year Taxes	1,393.86	
Prior Year Taxes Charged to Operations	1,000.00	
		2,393.86
Balance December 31, 2015		$ 1,894.11

Exhibit SA-5

CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2015

Balance December 31, 2014		$ 333,975.09
Increased by:		
Transfers from Taxes Receivable	$ 57,263.88	
Transfer from Sewer Liens Receivable	295.00	
Year End Penalty Added	3,330.70	
Interests and Costs from Tax Sale	317.21	
		61,206.79
Balance December 31, 2015		$ 395,181.88

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2015

Year	Balance December 31, 2014	Levy	Additional	Collections 2014	Collections 2015	Due from State of New Jersey	Appeals	Canceled	Transferred to Tax Title Liens	Balance December 31, 2015
2013	$ 28,340.14				$ 706.24					$ 27,633.90
2014	445,999.15		$ 1,000.00		427,833.41				$ 837.17	18,328.57
	474,339.29	-	1,000.00	-	428,539.65	-	-	-	837.17	45,962.47
2015	-	$ 20,674,886.90	20,165.63	$ 121,951.37	19,832,852.12	$ 68,356.14	$ 12,592.51	$ 5,853.55	56,426.71	597,020.13
	$ 474,339.29	$ 20,674,886.90	$ 21,165.63	$ 121,951.37	$ 20,261,391.77	$ 68,356.14	$ 12,592.51	$ 5,853.55	$ 57,263.88	$ 642,982.60

Analysis of 2015 Property Tax Levy

Tax Yield		
General Purpose Tax		$ 20,533,923.05
Added and Omitted Taxes		140,963.85
		$ 20,674,886.90
Tax Levy		
Local District School Tax		$ 8,494,629.00
Municipal Open Space Tax:		
General Tax	$ 141,930.00	
Added and Omitted Tax	950.88	
Total Municipal Open Space Taxes		142,880.88
County Taxes:		
County Taxes	4,602,522.06	
County Library Tax	282,811.35	
County Open Space Tax	114,008.72	
	4,999,342.13	
Due County for Added and Omitted Taxes	34,302.97	
Total County Taxes		5,033,645.10
Special District Taxes:		
Fire		494,500.00
Local Tax for Municipal Purposes	6,397,858.11	
Add: Added and Omitted Tax	105,710.00	
Add: Additional Tax Levied	5,663.81	
Local Tax for Municipal Purposes Levied		6,509,231.92
		$ 20,674,886.90

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2015

	Balance December 31, 2014	Accrued	Collections	Interfunds Receivable	Balance December 31, 2015
Licenses - Municipal Clerk:					
Alcoholic Beverages		$ 3,726.00	$ 3,726.00		
Other		51,363.00	51,363.00		
Fees and Permits:					
Police		4,600.00	4,600.00		
Municipal Clerk		7,000.00	6,500.00		$ 500.00
Animal Control Permits		85.00	85.00		
Registrar of Vital Statistics		2,620.00	2,620.00		
Planning Board		2,650.00	2,650.00		
Continued Certificate of Occupancy		3,510.00	3,510.00		
Zoning Board		126,756.00	126,756.00		
Tax Search Fees		130.00	130.00		
Construction Code Fees and Permits		197,011.00	197,011.00		
Municipal Court Fines and Costs	$ 11,503.92	180,229.94	181,927.88		9,805.98
Cable TV Franchise Fee		73,521.01	73,521.01		
Energy Receipts Tax		1,287,847.00	1,287,847.00		
Interest on Investments:					
Current Fund		1,404.30	1,404.30		
Trust Other Fund		328.93		$ 328.93	
General Capital Fund		355.89		355.89	
	$ 11,503.92	$ 1,943,138.07	$ 1,943,651.19	$ 684.82	$ 10,305.98

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of 2014 Appropriation Reserves
For the Year Ended December 31, 2015

	Balance December 31, 2014 Encumbered	Balance December 31, 2014 Reserved	Balance After Transfers	Decreased	Balance Lapsed
Operations Within CAPs					
General Government					
Mayor and Council					
Salaries and Wages		$ 97.36	$ 97.36		$ 97.36
Other Expenses	$ 664.27	7,168.64	7,832.91	$ 1,010.37	6,822.54
Financial Administration					
Salaries and Wages		734.19	734.19		734.19
Other Expenses	973.66	225.63	1,199.29	973.66	225.63
Tax Assessment Administration					
Salaries and Wages		2,051.66	2,051.66		2,051.66
Other Expenses		1,794.92	1,794.92		1,794.92
Revenue Administration					
Salaries and Wages		23.02	23.02		23.02
Other Expenses	72.00	1,384.45	1,456.45	72.00	1,384.45
Township Clerk					
Salaries and Wages		136.82	136.82		136.82
Other Expenses	3,946.64	4,308.97	8,255.61	4,280.44	3,975.17
Legal Services and Costs					
Other Expenses	10,000.00	9,708.48	19,708.48	9,255.57	10,452.91
Municipal Prosecutor					
Salaries and Wages		92.10	92.10		92.10
Other Expenses		225.00	225.00		225.00
Engineering Services and Costs					
Salaries and Wages		2,209.44	2,209.44		2,209.44
Other Expenses	5,251.93	536.89	5,788.82	4,976.36	812.46
Public Buildings and Grounds					
Salaries and Wages		2,209.22	2,209.22		2,209.22
Other Expenses	3,989.36	6,515.16	10,504.52	3,942.53	6,561.99
Municipal Land Use Law (N.J.S.40:55D-1)					
Planning Board					
Other Expenses	1,083.34	1,499.96	2,583.30	1,083.34	1,499.96
Insurance					
Health Benefit Waiver -- Opt Out		1,879.91	1,879.91		1,879.91
Liability Insurance		30,146.57	30,146.57		30,146.57
Workers Compensation Insurance		1,105.03	1,105.03		1,105.03
Group Insurance		73,540.55	73,540.55		73,540.55
Unemployment Compensation Insurance		509.43	509.43		509.43
Municipal Court					
Salaries and Wages		620.76	620.76		620.76
Other Expenses	406.01	5,354.82	5,760.83	478.01	5,282.82
Public Defender					
Other Expenses		500.00	500.00		500.00
Public Safety					
Police					
Salaries and Wages		26,952.56	26,952.56		26,952.56
Other Expenses	23,358.30	6,065.75	29,424.05	23,556.35	5,867.70
Office of Emergency Management					
Salaries and Wages		0.08	0.08		0.08
Ambulance Association					
Other Expenses		568.10	568.10		568.10
Streets and Roads					
Road Repairs and Maintenance					
Salaries and Wages		8,214.31	8,214.31		8,214.31
Other Expenses	51,476.17	7,247.33	58,723.50	50,562.81	8,160.69

(Continued)

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of 2014 Appropriation Reserves
For the Year Ended December 31, 2015

	Balance December 31, 2014 Encumbered	Balance December 31, 2014 Reserved	Balance After Transfers	Decreased	Balance Lapsed
Streets and Roads (Cont'd)					
Solid Waste Collection					
Salaries and Wages		$ 6,855.85	$ 6,855.85		$ 6,855.85
Other Expenses	$ 644.00	7,256.05	7,900.05	$ 644.00	7,256.05
Vehicle Maintenance					
Salaries and Wages		683.70	683.70		683.70
Other Expenses	12,103.19	4,683.42	16,786.61	15,967.04	819.57
Traffic Signal Monitoring System					
Other Expenses		21,000.00	21,000.00		21,000.00
Health and Welfare					
Board of Health					
Other Expenses		500.00	500.00		500.00
Recreation and Education					
Recreation Service and Programs					
Other Expenses		5,400.00	5,400.00		5,400.00
Maintenance of Parks					
Other Expenses	9,211.40	8,243.96	17,455.36	7,470.05	9,985.31
Expense of Participation in Free County Library					
Salaries and Wages		2,626.97	2,626.97		2,626.97
Other Expenses	657.77	2,664.59	3,322.36	496.26	2,826.10
Celebration of Public Events, Anniversary or Holiday					
Other Expenses	100.00	5,566.03	5,666.03	100.00	5,566.03
Uniform Construction Code - Appropriation Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Office					
Salaries and Wages		140.04	140.04		140.04
Other Expenses	37.65	1,278.28	1,315.93	227.65	1,088.28
Code Enforcement					
Salaries and Wages		7.00	7.00		7.00
Other Expenses		605.24	605.24		605.24
Unclassified					
Utilities:					
Telephone	2,200.00	4,200.93	6,400.93	2,232.61	4,168.32
Street Lighting	9,612.39	2,012.32	11,624.71	10,040.94	1,583.77
Electricity and Natural Gas	11,584.07	2,312.72	13,896.79	12,021.52	1,875.27
Water		1,275.20	1,275.20		1,275.20
Petroleum Products	10,437.45	27,666.78	38,104.23	10,437.45	27,666.78
Sewerage		556.00	556.00		556.00
Telecommunications		437.36	437.36	53.50	383.86
Landfill/Solid Waste Disposal	13,368.00	15,662.50	29,030.50	13,368.00	15,662.50
Accumulated Sick leave Compensation		1,000.00	1,000.00		1,000.00
Deferred Charges and Statutory Expenditures					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		19,277.98	19,277.98		19,277.98
Police and Fireman's Retirement System		20,867.66	20,867.66		20,867.66
Social Security System (O.A.S.I.)		8,474.43	8,474.43		8,474.43
Defined Contribution Retirement Plan	65.71	458.46	524.17	65.71	458.46
Operations Excluded from CAPs					
Recycling Tax	661.65	302.28	963.93	661.65	302.28
Storm Water Management					
Salaries and Wages		5,091.30	5,091.30		5,091.30
Other Expenses		162.65	162.65		162.65
	$ 171,904.96	$ 380,896.81	$ 552,801.77	$ 173,977.82	$ 378,823.95

Disbursements	$ 174,020.81
Refunds	(42.99)
	$ 173,977.82

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2015

Balance December 31, 2014	$	121,951.37
Increased by:		
Collections		176,173.70
		298,125.07
Decreased by:		
Application to 2015 Taxes Receivable		121,951.37
Balance December 31, 2015	$	176,173.70

Exhibit SA-10

CURRENT FUND
Statement of Due to State of New Jersey--State Training Fees
For the Year Ended December 31, 2015

Balance December 31, 2014	$	913.00
Increased by:		
Collections		13,089.00
		14,002.00
Decreased by:		
Payments		9,668.00
Balance December 31, 2015	$	4,334.00

Exhibit SA-11

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Due to State of New Jersey -- Marriage License Fees
For the Year Ended December 31, 2015

Balance December 31, 2014	$	100.00
Increased by:		
Collections		625.00
		725.00
Decreased by:		
Payments		625.00
Balance December 31, 2015	$	100.00

Exhibit SA-12

CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2015

Balance December 31, 2014	$	75,744.26
Increased by:		
County Share of 2015 Levy		
Added / Omitted Taxes		34,302.97
		110,047.23
Decreased by:		
Payments		75,744.26
Balance December 31, 2015	$	34,302.97

Exhibit SA-13

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Fire District Taxes Payable
For the Year Ended December 31, 2015

Increased by:	
Levy -- 2015	$ 494,500.00
Decreased by:	
Payments	$ 494,500.00

Exhibit SA-14

CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2015

Levy -- 2015		
County Tax	$ 4,602,522.06	
County Library Tax	282,811.35	
County Open Space Tax	114,008.72	
		$ 4,999,342.13
Decreased by:		
Payments		$ 4,999,342.13

Exhibit SA-15

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Local District School Taxes
For the Year Ended December 31, 2015

Increased by:	
Levy -- 2015	$ 8,494,629.00
Decreased by:	
Payments	$ 8,494,629.00

Exhibit SA-16

CURRENT FUND
Statement of Municipal Open Space Taxes Payable
For the Year Ended December 31, 2015

Increased by:		
Levy -- 2015	$ 141,930.00	
Added / Omitted	950.88	
		$ 142,880.88
Decreased by:		
Payments		$ 142,880.88

Exhibit SA-17

CURRENT FUND
Statement of Property Maintenance Liens Receivable
For the Year Ended December 31, 2015

Balance December 31, 2014	$ 1,350.00
Increased by:	
Maintenance Services	12,181.34
	13,531.34
Decreased by:	
Receipts - Collector	11,961.34
Balance December 31, 2015	$ 1,570.00

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Deferred Charges
N.J.S. 40A:4-55 -- Special Emergency -- Reassessment
For the Year Ended December 31, 2015

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance December 31, 2014	Added in 2015	Raised in 2015 Budget	Balance December 31, 2015
5-11-15	Reassessment of Real Property	$ 125,000.00	$ 25,000.00	-	$ 125,000.00	-	$ 125,000.00

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2015

Program	Balance December 31, 2014	Accrued	Decreased	Balance December 31, 2015
State:				
Clean Communities Grant		$ 13,361.54	$ 13,361.54	
Drunk Driving Enforcement Grant		2,147.98	2,147.98	
Body Armor Replacement Grant		1,931.30	1,931.30	
NJDOT Grant - Hazel Avenue		201,000.00		$ 201,000.00
NJDOT - Mount Vernon Avenue	$ 45,000.00		45,000.00	
NJDOT - Edgewood Avenue	50,000.00		50,000.00	
Total State	95,000.00	218,440.82	112,440.82	201,000.00
County:				
C.C. Recreation Enhancement Grant - Luke Avenue	50,000.00			50,000.00
C.C. Recreation Enhancement Grant - Spruce Avenue	25,000.00			25,000.00
C.C. Recreation Enhancement Grant - Dog Park	25,000.00			25,000.00
Total County	100,000.00	-	-	100,000.00
Federal:				
Drive Sober or Get Pulled Over	7,500.00	5,000.00	7,500.00	5,000.00
Bulletproof Vest Partnership Grant		4,149.75		4,149.75
Click It or Ticket Grant		4,000.00	4,000.00	
Community Development Block Grant - Year 35	21,000.00		509.65	20,490.35
Community Development Block Grant - Year 35 Supplement	11,760.00		7,952.81	3,807.19
Community Development Block Grant - Year 36	21,000.00			21,000.00
Community Development Block Grant - Year 37		25,800.00		25,800.00
Total Federal	61,260.00	38,949.75	19,962.46	80,247.29
Total Grants	$ 256,260.00	$ 257,390.57	$ 132,403.28	$ 381,247.29

Received	$ 130,126.46
Canceled to Grants Appropriated	2,276.82
	$ 132,403.28

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Unappropriated
For the Year Ended December 31, 2015

Program	Balance December 31, 2014	Grants Receivable	Anticipated as Budgeted Revenue	Balance December 31, 2015
State:				
Clean Communities Grant		$ 13,361.54	$ 13,361.54	
Drunk Driving Enforcement Grant		2,147.98	2,147.98	
Body Armor Replacement Grant		1,931.30	1,931.30	
NJDOT Grant - Hazel Avenue		201,000.00	201,000.00	
Total State	-	218,440.82	218,440.82	-
Federal:				
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
Bulletproof Vest Partnership Grant		4,149.75	4,149.75	
Click It or Ticket Grant		4,000.00	4,000.00	
Community Development Block Grant - Year 37		25,800.00	25,800.00	
Total Federal	-	38,949.75	38,949.75	-
Total Grants	-	$ 257,390.57	$ 257,390.57	-

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants--Appropriated
For the Year Ended December 31, 2015

Program	Balance December 31, 2014	Transferred from 2015 Budget Appropriation	Decreased	Balance December 31, 2015
State:				
Clean Communities Grant		$ 13,361.54	$ 13,361.54	
Drunk Driving Enforcement Grant	$ 5,302.57	2,147.98	3,177.91	$ 4,272.64
Body Armor Replacement Grant	2,621.37	1,931.30	2,550.00	2,002.67
NJDOT Grant - Hazel Avenue		201,000.00		201,000.00
Total State	7,923.94	218,440.82	19,089.45	207,275.31
Federal:				
Drive Sober or Get Pulled Over	3,366.33	5,000.00	4,681.36	3,684.97
Bulletproof Vest Partnership Grant		4,149.75		4,149.75
Click It or Ticket Grant		4,000.00	4,000.00	
Community Development Block Grant - Year 35	21,000.00		19,959.30	1,040.70
Community Development Block Grant - Year 35 Supplement	11,760.00		9,789.70	1,970.30
Community Development Block Grant - Year 36	21,000.00		15,929.04	5,070.96
Community Development Block Grant - Year 37		25,800.00		25,800.00
Total Federal	57,126.33	38,949.75	54,359.40	41,716.68
County:				
Recreation Enhancement Grant - Luke Avenue Park	50,000.00			50,000.00
Recreation Enhancement Grant - Spruce Avenue Court	25,000.00			25,000.00
Recreation Enhancement Grant - Dog Park	25,000.00			25,000.00
Total County	100,000.00	-	-	100,000.00
Total Grants	$ 165,050.27	$ 257,390.57	$ 73,448.85	$ 348,991.99

Disbursed	$ 71,231.03
Grants Appropriated Refunds	(59.00)
Canceled to Grants Receivable	2,276.82
	$ 73,448.85

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 Year Ended December 31, 2015

	Animal Control		Other		Municipal Open Space	
Balance December 31, 2014		$ 1,170.75		$ 1,082,862.56		$ 69,028.46
Increased by Receipts:						
Reserve for Dog Fund Expenditures	$ 17,027.40					
Due to State Department of Health	1,113.60					
Due Current Fund			$ 328.93			
2015 Budget Revenue					$ 142,880.88	
Due General Capital Fund					2.86	
Payroll Deductions			2,191,262.69			
Contra			24,372.90			
Reserve for:						
Escrow Deposits			76,132.15			
New Jersey Unemployment Compensation Insurance			16,531.63			
Recycling Program			2,995.33			
Accumulated Sick Leave			25,570.52			
Redemption of Tax Sale Certificates			262,355.89			
Premiums at Tax Sale			70,500.00			
Parking Offenses Adjudication Act			126.00			
Municipal Law Enforcement Grant Program Expenditures			3,503.47			
Township Rehabilitation			14.18			
Municipal Public Defender Fees			5,822.00			
Snow Removal			20,000.00			
NPP - Bench Program & Old West Berlin Association			0.24			
Berlin Township Police Department			1,050.00			
Tax Collector Utility			183,795.03			
Flexible Benefits Plan			7,701.90			
Recreation			6,371.00			
Net Payroll			1,990,406.81			
		18,141.00		4,888,840.67		142,883.74
		19,311.75		5,971,703.23		211,912.20
Decreased by Disbursements:						
Due State Department of Health	1,104.60					
Expenditures Under R.S. 4:19-15.11	13,680.14					
Accounts Payable	400.00					
Due Current Fund			8,222.57			
Payroll Deductions			2,163,934.68			
2015 Budget Appropriations					149,880.32	
Contra			24,372.90			
Reserve for:						
Escrow Deposits			56,662.84			
New Jersey Unemployment Compensation Insurance			4,123.70			
Recycling Program			4,558.00			
Municipal Law Enforcement Grant Program Expenditures			5,992.02			
Redemption of Tax Sale Certificates			240,977.73			
Premiums at Tax Sale			154,400.00			
Township Rehabilitation			250.00			
Municipal Public Defender Fees			7,275.00			
Snow Removal			19,750.30			
Berlin Township Police Department			790.00			
Tax Collector Utility			183,795.03			
Flexible Benefits Plan			8,152.91			
Net Payroll			1,990,406.81			
		15,184.74		4,873,664.49		149,880.32
Balance December 31, 2015		$ 4,127.01		$ 1,098,038.74		$ 62,031.88

TOWNSHIP OF BERLIN
TRUST--OTHER FUNDS
Statement of Due To Current Fund
For the Year Ended December 31, 2015

	Total	Recycling Program	Contractors Escrow	Planning Board Escrow
Balance December 31, 2014	$ 7,995.62	$ 7,964.20	$ 0.25	$ 31.17
Increased by:				
Interest Earned on Deposits	328.93	125.37	2.03	201.53
	8,324.55	8,089.57	2.28	232.70
Decreased by:				
Disbursements:				
Interfund Loans Returned	7,964.20	7,964.20		
Interest Disbursed to Current	258.37	40.93	2.11	215.33
	8,222.57	8,005.13	2.11	215.33
Balance December 31, 2015	$ 101.98	$ 84.44	$ 0.17	$ 17.37

TOWNSHIP OF BERLIN
TRUST--ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2015

Balance December 31, 2014		$ 766.55
Increased by:		
Collections		
Dog License Fees	$ 15,461.40	
Cat License Fees	1,566.00	
		17,027.40
		17,793.95
Decreased by:		
Expenditures Under R.S.4:19-15.11--Cash		13,680.14
Balance December 31, 2015		$ 4,113.81

License Fees Collected

Year	Amount
2014	$ 13,732.20
2013	13,202.20
	$ 26,934.40

Exhibit SB-4

TRUST--ANIMAL CONTROL FUND
Statement of Due to State Department of Health
For the Year Ended December 31, 2015

Balance December 31, 2014	$ 4.20
Increased by:	
Dog Registration Fees Collected	1,113.60
	1,117.80
Decreased by:	
Payments	1,104.60
Balance December 31, 2015	$ 13.20

TOWNSHIP OF BERLIN
TRUST--OTHER FUNDS
Statement of Trust Other Reserves
For the Year Ended December 31, 2015

Reserve	Balance December 31, 2014	Increased: Receipts	Increased: Accounts Payable	Decreased: Disbursements	Decreased: Accounts Payable	Balance December 31, 2015
Reserve for Escrow Deposits	$ 512,516.78	$ 76,132.15	$ 75.00	$ 56,662.84	$ 14,054.07	$ 518,007.02
Reserve for New Jersey Unemployment Compensation Insurance	72,812.36	16,531.63		4,123.70		85,220.29
Reserve for Net Payroll		1,990,406.81		1,990,406.81		
Reserve for Recycling Program	45,946.37	2,995.33	2,360.00	4,558.00		46,743.70
Reserve for Accumulated Sick Leave	100,538.20	25,570.52				126,108.72
Reserve for Redemption of Tax Sale Certificates	1.00	262,355.89		240,977.73		21,379.16
Reserve for Premium on Tax Sale	238,700.00	70,500.00		154,400.00		154,800.00
Reserve for Parking Offenses Adjudication Act	878.00	126.00				1,004.00
Reserve for Municipal Law Enforcement Grant Program Expenditures	19,052.59	3,503.47	2,000.00	5,992.02		18,564.04
Reserve for Township Rehabilitation	20,282.26	14.18		250.00		20,046.44
Reserve for Municipal Public Defender Fees	2,945.18	5,822.00	975.00	7,275.00		2,467.18
Reserve for Municipal Alcohol and Drug Alliance Program	0.37					0.37
Reserve for Snow Removal	47,255.95	20,000.00		19,750.30		47,505.65
Reserve for NPP - Bench Program & Old West Berlin Association	658.90	0.24				659.14
Reserve for John J. McPeak Library	64.53					64.53
Reserve for Berlin Township Police Department	3,538.13	1,050.00		790.00		3,798.13
Reserve for Flexible Benefits Plan	3,139.88	7,701.90		8,152.91		2,688.87
Reserve for Recreation		6,371.00				6,371.00
Reserve for Tax Collector Utility		183,795.03		183,795.03		
Accounts Payable	5,410.00		(5,410.00)		(14,054.07)	14,054.07
	$ 1,073,740.50	$ 2,672,876.15	-	$ 2,677,134.34	-	$ 1,069,482.31

TOWNSHIP OF BERLIN
TRUST--MUNICIPAL OPEN SPACE FUND
Statement of Reserve for Future Use
For the Year Ended December 31, 2015

Balance December 31, 2014		$ 71,681.23
Increased by:		
Excess 2015 Realized Revenue	$ 954.05	
Cancellation of 2015 Budget Appropriations	479.68	
		1,433.73
		73,114.96
Decreased by:		
Anticipated as Open Space Budget Revenue		8,430.00
Balance December 31, 2015		$ 64,684.96

Exhibit SB-7

TRUST--OTHER FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2015

Balance December 31, 2014	$ 1,122.24
Increased by:	
Payroll Deductions	2,191,262.69
	2,192,384.93
Decreased by:	
Payments	2,163,934.68
Balance December 31, 2015	$ 28,450.25

Analysis of Balance December 31, 2015

Workforce Development/Health Care Subsidy	$ 534.52
Public Employees' Retirement System	10,748.12
Police and Firemen's Retirement System	16,026.97
Family Leave Insurance	100.36
AFLAC	142.31
Other	897.97
	$ 28,450.25

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 Year Ended December 31, 2015

Balance December 31, 2014		$ 1,349,758.98
Increased by Receipts:		
Due Current Fund	$ 355.89	
Due Open Space Trust Fund	3.17	
Budget Appropriation:		
Capital Improvement Fund	315,000.00	
Bond Anticipation Notes	615,000.00	
Contra	759,936.68	
		1,690,295.74
		3,040,054.72
Decreased by Disbursements:		
Due Current Fund	20,341.19	
Due Open Space Trust Fund	2.86	
Improvement Authorizations	31,338.86	
Bond Anticipation Notes	615,000.00	
Contracts Payable	338,350.00	
Contra	759,936.68	
		1,764,969.59
Balance December 31, 2015		$ 1,275,085.13

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Analysis of General Capital Cash
For the Year Ended December 31, 2015

				Receipts			Disbursements			Transfers		
	Ordinance Number	Balance (Overdraft) December 31, 2014	Budget Appropriations	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From		To	Balance (Overdraft) December 31, 2015
Fund Balance		$ 518,543.57										$ 518,543.57
Capital Improvement Fund		65,000.00	$ 315,000.00									380,000.00
Improvement Authorizations:												
Date of Ordinance												
11-22-04 Acquisition, Construction, Repair and Installation of Various Capital	04-10	68,407.06										68,407.06
2-13-06 Various Capital Improvements and the Acquisition of Various Pieces of Capital Equipment	06-01	5,929.31										5,929.31
4-23-07 Various Capital Improvements and the Acquisition of Various Pieces of Equipment	07-08; 09-10	40,398.16										40,398.16
03-29-09 Acquisition of Certain Real Property and Existing Facilities Together with the Completion of Various Renovations and Improvements	09-02	81,212.97				$ 26,878.82			$ 1,290.00			53,044.15
12-12-11 Completion of Various Capital Improvements and the Acquisition of Various Equipment	11-26	153,970.52		$ 615,000.00		4,460.04	$ 615,000.00					149,510.48
Due Current Fund		20,027.95			$ 355.89			$ 20,341.19				42.65
Contracts Payable		338,350.00						338,350.00				
Accounts Payable										$ 1,290.00		1,290.00
Reserve for Developers Contribution		55,266.67										55,266.67
Due Open Space Trust Fund		2,652.77			3.17			2.86				2,653.08
Contra					759,936.68			759,936.68				
		$ 1,349,758.98	$ 315,000.00	$ 615,000.00	$ 760,295.74	$ 31,338.86	$ 615,000.00	$ 1,118,630.73	$ 1,290.00	$ 1,290.00		$ 1,275,085.13

Exhibit SC-3

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	$ 20,027.95
Increased by:	
Receipts:	
Interest Earned on Investments	355.89
	20,383.84
Decreased by:	
Disbursements:	
Interfund Loans Returned	20,341.19
Balance December 31, 2015	$ 42.65

Exhibit SC-4

GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Funded
For the Year Ended December 31, 2015

Balance December 31, 2014		$ 12,528,266.27
Decreased by:		
Budget Appropriation:		
Payment of Bond Principal	$ 960,000.00	
Payment of Loan Principal	12,804.18	
		972,804.18
Balance December 31, 2015		$ 11,555,462.09

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation--Unfunded
For the Year Ended December 31, 2015

Improvement Description	Ordinance Number	Ordinance Date	Balance December 31, 2014	Authorizations	Bonds Issued	Balance December 31, 2015	Analysis of Balance December 31, 2015: Bond Anticipation Notes	Analysis of Balance December 31, 2015: Expenditures	Analysis of Balance December 31, 2015: Unexpended Improvement Authorizations
Completion of Various Capital Improvements and the Acq. of Various Equipment	11-26	12-12-11	$ 615,000.00	-	-	$ 615,000.00	$ 615,000.00	-	-

Improvement Authorizations -- Unfunded	$ 149,510.48
Less:	
Unexpended Proceeds of Bond Anticipation Notes:	
Ordinance No. 11-26	149,510.48
	-

Exhibit SC-6

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Due to Open Space Trust Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	$ 2,652.77
Increased by:	
Interest Earned on Deposits	3.17
	2,655.94
Decreased by:	
Interfund Loans Returned	2.86
Balance December 31, 2015	$ 2,653.08

Exhibit SC-7

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	$ 65,000.00
Increased by Receipts:	
Budget Appropriation	315,000.00
Balance December 31, 2015	$ 380,000.00

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2015

Improvement Description	Ordinance Number	Ordinance Date	Amount	Balance December 31, 2014 Funded	Balance December 31, 2014 Unfunded	Cancellations	Paid or Charged	Balance December 31, 2015 Funded	Balance December 31, 2015 Unfunded
General Improvements:									
Acquisition, Construction, Repair and Installation of Various Capital Improvements	04-10	11-22-04	$ 610,000.00	$ 68,407.06				$ 68,407.06	
Various Capital Improvements and the Acquisition of Various Pieces of Capital Equipment	06-01	2-13-06	595,000.00	5,929.31				5,929.31	
Various Capital Improvements and the Acquisition of Various Pieces of Equipment	07-08; 09-10	4-23-07	704,000.00	40,398.16				40,398.16	
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	81,212.97			$ 28,168.82	53,044.15	
Completion of Various Capital Improvements and the Acquisition of Various Equipment	11-26	12-12-11	650,000.00		$ 153,970.52		4,460.04		$ 149,510.48
				$ 195,947.50	$ 153,970.52	-	$ 32,628.86	$ 167,778.68	$ 149,510.48

Disbursed	$ 31,338.86
Accounts Payable	1,290.00
	$ 32,628.86

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2015 Date	Amount	Interest Rate	Balance December 31, 2014	Increased	Paid by Budget Appropriation	Balance December 31, 2015
General Bonds--Series 2005	3-1-05	$ 1,900,000.00	3-1-16	$ 232,924.69	4.000%				
			3-1-17	332,749.56	4.000%				
			3-1-18	362,697.02	4.000%	$ 1,161,295.95		$ 232,924.69	$ 928,371.26
General Bonds--Series 2005 (Open Space)	3-1-05	955,000.00	3-1-16	117,075.31	4.000%				
			3-1-17	167,250.44	4.000%				
			3-1-18	182,302.98	4.000%	583,704.05		117,075.31	466,628.74
General Bonds--Series 2010	11-16-10	10,318,000.00	1-1-16	200,000.00	4.250%				
			1-1-17/18	250,000.00	4.250%				
			1-1-19	250,000.00	4.500%				
			1-1-20	300,000.00	4.500%				
			1-1-21/22	400,000.00	4.500%				
			1-1-23/25	500,000.00	4.500%				
			1-1-26	500,000.00	4.625%				
			1-1-27/28	500,000.00	4.875%				
			1-1-29/32	600,000.00	5.000%				
			1-1-33/34	700,000.00	5.000%				
			1-1-35	668,000.00	5.000%	9,718,000.00		200,000.00	9,518,000.00
Refunding Bonds--Series 2010	11-16-10	1,955,000.00	3-1-16	345,000.00	3.000%	670,000.00		325,000.00	345,000.00
Refunding Bonds--Series 2012	5-17-12	335,000.00	1-1-16	85,000.00	3.000%				
			1-1-17	85,000.00	3.000%	255,000.00		85,000.00	170,000.00
						$ 12,388,000.00	-	$ 960,000.00	$ 11,428,000.00

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Issue of Original Date	Date of Issue	Due Date	Interest Rate	Balance December 31, 2014	Increased	Decreased	Balance December 31, 2015
	General Improvements:								
11-26	Completion of Various Capital Improvements and the Acquisition of Various Equipment	11-21-13	11-19-14	11-18-15	0.729%	$ 615,000.00		$ 615,000.00	
11-26	Completion of Various Capital Improvements and the Acquisition of Various Equipment	11-21-13	11-17-15	11-16-16	0.800%		$ 615,000.00		$ 615,000.00
						$ 615,000.00	$ 615,000.00	$ 615,000.00	$ 615,000.00
Renewals							$ 615,000.00	$ 615,000.00	

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Green Acres Loan
For the Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2015 Date	Amount	Interest Rate	Balance December 31, 2014	Issued for Cash	Paid by Open Space Budget Appropriation	Balance December 31, 2015
Green Acres Loan	12-10-04	$ 250,000.00	3-10-16	$ 6,498.28	2.00%				
			9-10-16	6,563.26	2.00%				
			3-10-17	6,628.89	2.00%				
			9-10-17	6,695.18	2.00%				
			3-10-18	6,762.13	2.00%				
			9-10-18	6,829.76	2.00%				
			3-10-19	6,898.05	2.00%				
			9-10-19	6,967.03	2.00%				
			3-10-20	7,036.70	2.00%				
			9-10-20	7,107.07	2.00%				
			3-10-21	7,178.14	2.00%				
			9-10-21	7,249.92	2.00%				
			3-10-22	7,322.42	2.00%				
			9-10-22	7,395.65	2.00%				
			3-10-23	7,469.60	2.00%				
			9-10-23	7,544.30	2.00%				
			3-10-24	7,619.74	2.00%				
			9-10-24	7,695.94	2.00%	$ 140,266.27	-	$ 12,804.18	$ 127,462.09

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 Year Ended December 31, 2015

	Operating		Capital	
Balance December 31, 2014		$ 777,282.02		$ 441,285.08
Increased by Receipts:				
Utility Collector	$ 1,260,206.72			
Due Sewer Utility Operating Fund			$ 8.10	
Bond Anticipation Notes			750,000.00	
Due Sewer Utility Capital Fund	7.47			
Contra	95,802.14			
		1,356,016.33		750,008.10
		2,133,298.35		1,191,293.18
Decreased by Disbursements:				
2015 Appropriations	791,570.36			
Water Reconnection Fees Due Berlin Borough	975.00			
Accrued Interest on Bonds and Notes	204,957.95		607.24	
Bond Anticipation Notes			750,000.00	
2014 Appropriation Reserves	25,588.47			
Due Sewer Utility Operating Fund			7.47	
Accounts Payable			2,135.54	
Improvement Authorizations			7,725.15	
Contra	95,802.14			
		1,118,893.92		760,475.40
Balance December 31, 2015		$ 1,014,404.43		$ 430,817.78

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Analysis of Sewer Utility Capital Cash
For the Year Ended December 31, 2015

	Ordinance Number	Balance (Overdraft) December 31, 2014	Receipts: Bond Anticipation Notes	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Bond Anticipation Notes	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance (Overdraft) December 31, 2015
Improvement Authorizations:										
Date of Ordinance										
10-28-13 Various Improvements to the Sewerage Collection System	13-12	$ 437,257.28	$ 750,000.00		$ 7,725.15	$ 750,000.00			$ 1,284.46	$ 430,816.59
Accrued Interest		607.24					$ 607.24			
Accounts Payable		3,420.00					2,135.54	$ 1,284.46		
Due Sewer Utility Operating Fund		0.56		$ 8.10			7.47			1.19
		$ 441,285.08	$ 750,000.00	$ 8.10	$ 7,725.15	$ 750,000.00	$ 2,750.25	$ 1,284.46	$ 1,284.46	$ 430,817.78

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Sewer Cash and Reconciliation per N.J.S.40A:5-5--Collector
For the Year Ended December 31, 2015

Receipts:	
Consumer Accounts Receivable	$ 849,734.07
Prepaid Sewer Rents	215,262.14
Water Connection Fees--Due to Borough of Berlin	975.00
Connection Fees	180,430.00
Interest on Delinquent Rents	13,805.51
	1,260,206.72
Decreased by:	
Turnovers to Treasurer	$ 1,260,206.72

Exhibit SD-4

SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2015

Balance December 31, 2014		$ 15,007.92
Increased by:		
Net Billings		1,078,059.40
		1,093,067.32
Decreased by:		
Collections	$ 849,734.07	
Transfer to Sewer Liens Receivable	250.00	
Prepaids Applied	221,410.72	
		1,071,394.79
Balance December 31, 2015		$ 21,672.53

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2014	Deferred Charges to Future Revenue	Balance December 31, 2015
2013-12	Various Improvements to the Sewerage Collection System	10-28-13	$ 750,000.00	$ 750,000.00	-	$ 750,000.00

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2015

Description	Balance December 31, 2014	Additions	Balance December 31, 2015
Sewerage Collection System	$ 12,641,344.10	-	$ 12,641,344.10

Exhibit SD-7

SEWER UTILITY OPERATING FUND
Statement of Prepaid Sewer Rents
For the Year Ended December 31, 2015

Balance December 31, 2014 (2015 Rents)	$ 221,412.20
Increased by:	
Collections	215,262.14
	436,674.34
Decreased by:	
Application to Sewer Consumer Accounts Receivable	221,410.72
Balance December 31, 2015 (2016 Rents)	$ 215,263.62

Exhibit SD-8

SEWER UTILITY OPERATING FUND
Statement of Sewer Liens Receivable
For the Year Ended December 31, 2015

Increased by:	
Transferred from Consumer Accounts Receivable	$ 250.00
Decreased by:	
Transferred to Municipal Tax Title Liens	$ 250.00

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds
For the Year Ended December 31, 2015

Balance December 31, 2014		$ 85,787.36
Increased by:		
Charges to Utility Operating Budget		204,108.85
		289,896.21
Decreased by:		
Interest Paid by Sewer Utility Operating Fund	$ 204,957.95	
Interest Paid by Sewer Utility Capital Fund	607.24	
		205,565.19
Balance December 31, 2015		$ 84,331.02

Analysis of Accrued Interest December. 31, 2015

Principal Outstanding December 31, 2015	Interest Rate	From	To	Period	Amount
Serial Bonds:					
$ 1,380,000.00	Variable	9-15-15	12-31-15	106 Days	$ 19,164.65
3,940,000.00	Variable	07-01-15	12-31-15	180 Days	64,434.38
Bond Anticipation Notes:					
750,000.00	0.800%	11-17-15	12-31-15	40 Days	731.99
					$ 84,331.02

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of 2014 Appropriation Reserves
For the Year Ended December 31, 2015

	Balance December 31, 2014 Encumbered	Balance December 31, 2014 Reserves	Disbursed	Balance Lapsed
Operating:				
Salaries and Wages		$ 2,317.40		$ 2,317.40
Other Expenses	$ 25,913.87	7,031.57	$ 25,588.47	7,356.97
	25,913.87	9,348.97	25,588.47	9,674.37
Deferred Charges and Statutory Expenditures				
Statutory Expenditures:				
Contribution to:				
Public Employees Retirement System		900.00		900.00
Social Security System		1,718.62		1,718.62
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		211.62		211.62
	-	2,830.24	-	2,830.24
	$ 25,913.87	$ 12,179.21	$ 25,588.47	$ 12,504.61

Exhibit SD-11

SEWER UTILITY CAPITAL FUND
Statement of Due to Sewer Utility Operating Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	$ 0.56
Increased by:	
Receipts:	
Interest Earned on Deposits	8.10
	8.66
Decreased by:	
Disbursed -- Non-Budget Revenue	7.47
Balance December 31, 2015	$ 1.19

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2014 Funded	Balance December 31, 2014 Unfunded	Accounts Payable Canceled	Disbursed	Balance December 31, 2015 Funded	Balance December 31, 2015 Unfunded
2013-12	Various Improvements to the Sewerage Collection System	10-28-13	$ 750,000.00	-	$ 437,257.28	$ 1,284.46	$ 7,725.15	-	$ 430,816.59

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2015

Balance December 31, 2014	$ 6,956,344.10
Increased by:	
Long Term Bonded Debt Paid by Operating Budget	365,000.00
Balance December 31, 2015	$ 7,321,344.10

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Long Term Bonded Debt
For the Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2015 Date	Amount	Interest Rate	Balance December 31, 2014	Bonds Issued	Paid by Budget Appropriation	Balance December 31, 2015
Refunding Bonds of 2008	5-13-08	$ 3,115,000.00	9-15-2016	$ 110,000.00	3.500%				
			9-15-2017	115,000.00	5.000%				
			9-15-2018	120,000.00	5.000%				
			9-15-2019	130,000.00	5.000%				
			9-15-2020	135,000.00	4.750%				
			9-15-2021	140,000.00	4.750%				
			9-15-2022	145,000.00	4.750%				
			9-15-2023	155,000.00	4.750%				
			9-15-2024	160,000.00	4.750%				
			9-15-2025	170,000.00	4.750%	$ 1,485,000.00		$ 105,000.00	$ 1,380,000.00
Refunding Bonds of 2012	5-17-12	4,550,000.00	1-01-2016	265,000.00	3.000%				
			1-01-2017	270,000.00	3.000%				
			1-01-2018	260,000.00	4.000%				
			1-01-2019	270,000.00	2.125%				
			1-01-2020	275,000.00	4.000%				
			1-01-2021	285,000.00	4.000%				
			1-01-2022	300,000.00	4.000%				
			1-01-2023	310,000.00	2.750%				
			1-01-2024	320,000.00	2.875%				
			1-01-2025	330,000.00	3.250%				
			1-01-2026	340,000.00	3.250%				
			1-01-2027	350,000.00	3.250%				
			1-01-2028	365,000.00	3.125%	4,200,000.00		260,000.00	3,940,000.00
						$ 5,685,000.00	-	$ 365,000.00	$ 5,320,000.00

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
13-12	Various Improvements to the Sewerage Collection System	11-19-14	11-19-14	11-18-15	0.729%	$ 750,000.00		$ 750,000.00	
13-12	Various Improvements to the Sewerage Collection System	11-19-14	11-17-15	11-16-16	0.800%		$ 750,000.00		$ 750,000.00
						$ 750,000.00	$ 750,000.00	$ 750,000.00	$ 750,000.00
Renewals							$ 750,000.00	$ 750,000.00	

TOWNSHIP OF BERLIN

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF BERLIN
Schedule of Findings and Recommendations
For the Year Ended December 31, 2015

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*.

None.

TOWNSHIP OF BERLIN
Officials in Office and Surety Bonds

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

Name	Title	Amount of Surety Bond	
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)
Frank Epifanio	Councilmember	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)
Kathleen Jamison	Deputy Registrar of Vital Statistics	1,000,000.00	(A)
Stuart A. 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 / Animal Control Officer / Zoning Officer	1,000,000.00	(A)
Diane Zoppel	Tax and Sewer Utility Collector and Tax Search Clerk (To 2/1/15)	1,000,000.00	(A)
Dana O'Hara	Tax and Sewer Clerk (To 2/1/15) Tax and Sewer Utility Collector and Tax Search Clerk (From 2/1/15)	1,000,000.00	(A)
Colleen Dawson	Tax and Sewer Clerk (From 6/1/15)	1,000,000.00	(A)
Michael DePalma	Building Subcode Official/Inspector and Construction Code Officer / Plumbing Inspector	1,000,000.00	(A)
Ralph Jones	Fire Subcode Official/Inspector	1,000,000.00	(A)
Sal Satania	Electrical Inspector	1,000,000.00	(A)
Dan Gatti	Tax Assessor		
Leonard Check	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.

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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

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant