PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

TOWNSHIP OF BERLIN

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR ENDED 2025

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TOWNSHIP OF BERLIN
TABLE OF CONTENTS

TOWNSHIP OF BERLIN
TABLE OF CONTENTS (CONT'D)

TOWNSHIP OF BERLIN

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds of the Township of Berlin, in the County of Camden, State of New Jersey (the "Township"), as of December 31, 2025, and the related statements of operations and changes in reserve for future use and fund balance - regulatory basis, the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds of the Township, as of December 31, 2025, and the results of its operations and changes in reserve for future use and fund balance - regulatory basis of such funds for the year then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2025, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), as described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township, as of December 31, 2025, or the results of its operations and changes in reserve for future use and fund balance for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Report on Prior Year Financial Statements

The financial statements of the Township, as of and for the year ended December 31, 2024, were audited by Bowman & Company LLP whose owners became partners with PKF O'Connor Davies, LLP, and whose report dated June 16, 2025, expressed an unmodified opinion on the regulatory basis of accounting and an adverse opinion on accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2026, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

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

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the financial statements prepared on a regulatory basis of accounting prescribed by the Division, of the Township of Berlin, in the County of Camden, State of New Jersey (the "Township"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 27, 2026. That report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division.

Report on Internal Control over Financial Reporting

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

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

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

PKF O'CONNOR DAVIES LLP
601 White Horse Road, Voorhees, NJ 08043 I Tel: 856.435.6200 I Fax: 856.435.0440 I www.pkfod.com

Report on Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

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

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant

Exhibit A

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

	Ref.	2025	2024
ASSETS			
Current Fund:			
Cash--Treasurer	SA-1	$ 10,543,041.38	$ 9,782,943.45
Cash--Change Funds	SA-3	375.00	375.00
Investments	SA-1	3,272,786.91	3,135,328.90
		13,816,203.29	12,918,647.35
Receivables and Other Assets with Full Reserves:			
Tax Title Liens Receivable	SA-5	197,183.66	163,779.58
Property Acquired for Taxes at Assessed Valuation	A	1,744,300.00	1,744,300.00
Delinquent Property Taxes Receivable	SA-6	810,078.29	697,855.22
Revenue Accounts Receivable	SA-7	7,403.80	7,293.31
Due from Trust -- Other Fund	SB-2	200,000.00	205,500.00
		2,958,965.75	2,818,728.11
		16,775,169.04	15,737,375.46
Federal and State Grant Fund:			
Cash--Treasurer	SA-1	330,042.04	263,364.44
Federal and State Grants Receivable	SA-18	859,891.50	985,523.10
		1,189,933.54	1,248,887.54
		$ 17,965,102.58	$ 16,986,263.00
LIABILITIES, RESERVES AND FUND BALANCE			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3; SA-8	$ 1,030,949.30	$ 968,857.53
Reserve for Encumbrances	A-3; SA-8	126,183.59	113,696.35
Prepaid Taxes	SA-9	348,487.29	293,232.37
Tax Overpayments	SA-13	1,946.64	576.39
Local School Taxes Payable	SA-16	2.50	2.50
Due to Open Space Trust Fund	SA-17		3,670.00
Due County Added and Omitted Taxes	SA-12	16,662.23	16,235.41
Due State of NJ -- Senior Citizen and Veteran Deductions	SA-4	3,509.39	2,414.87
Reserve for Tax Appeals	A; A-3	180,003.00	130,002.00
Reserve for Sale of Assets	SA-1	389,439.00	388,688.00
Reserve for Library State Aid	A	198.00	198.00
		2,097,380.94	1,917,573.42
Reserve for Receivables and Other Assets	A	2,958,965.75	2,818,728.11
Fund Balance	A-1	11,718,822.35	11,001,073.93
		16,775,169.04	15,737,375.46
Federal and State Grant Fund:			
Reserve for Encumbrances	SA-20	815,868.99	271,920.00
Reserve for Federal and State Grants--Unappropriated	SA-19	1,319.50	37,282.73
Reserve for Federal and State Grants--Appropriated	SA-20	372,745.05	939,684.81
		1,189,933.54	1,248,887.54
		$ 17,965,102.58	$ 16,986,263.00

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

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

	Ref.	2025	2024
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	$ 2,009,500.00	$ 1,631,270.00
Miscellaneous Revenue Anticipated	A-2	2,764,616.75	2,737,651.77
Receipts from Delinquent Taxes and Tax Title Liens	A-2	678,528.39	459,901.79
Revenue from Current Taxes	A-2	25,674,892.56	25,361,576.48
Non-Budget Revenue	A-2	947,782.12	1,095,144.97
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	SA-8	865,196.06	932,516.15
Liquidation of Reserves for:			
Due from Township of Berlin Board of Education	A	5,500.00	
Total Income		32,946,015.88	32,218,061.16
Expenditures			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations:			
Salaries and Wages	A-3	3,873,561.00	3,597,631.00
Other Expenses	A-3	4,666,207.00	4,455,327.00
Deferred Charges and Statutory Expenditures	A-3	1,111,050.00	1,033,081.00
Excluded from "CAPS":			
Operations:			
Salaries and Wages	A-3	232,850.00	210,235.00
Other Expenses	A-3	896,686.00	735,350.75
Capital Improvements	A-3	310,000.00	510,000.00
Municipal Debt Service	A-3	1,027,062.51	1,050,437.51
County Taxes	SA-15	6,018,385.08	5,860,329.33
Local District School Taxes	SA-16	10,909,923.00	10,701,340.00
Fire District Taxes	SA-14	896,601.00	876,242.00
Due County of Added and Omitted Taxes	SA-12	16,662.23	16,235.41
Municipal Open Space Taxes	SA-17	259,779.64	258,846.85
Other Debits to Expenditures:			
Prior Year Senior and Veteran Deductions Disallowed			750.00
Grants Receivable Cancelled			47,301.93
Total Expenditures		30,218,767.46	29,353,107.78
Statutory Excess to Fund Balance		2,727,248.42	2,864,953.38
Fund Balance			
Balance January 1	A	11,001,073.93	9,767,390.55
		13,728,322.35	12,632,343.93
Decreased by:			
Utilized as Revenue	A-1	2,009,500.00	1,631,270.00
Balance December 31	A	$ 11,718,822.35	$ 11,001,073.93

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

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

	Ref.	Anticipated Budget	Anticipated Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	$ 2,009,500.00	-	$ 2,009,500.00	-
Miscellaneous Revenue:					
Licenses:					
Alcoholic Beverages	SA-7	10,000.00		14,870.00	$ 4,870.00
Other	SA-7	35,000.00		50,169.00	15,169.00
Fees and Permits - Other	SA-7	50,000.00		109,620.00	59,620.00
Municipal Court - Fines and Costs	SA-7	75,000.00		88,517.43	13,517.43
Interest and Cost on Taxes	SA-2	75,000.00		153,327.53	78,327.53
Franchise Taxes--Cable TV	SA-7	60,000.00		61,975.03	1,975.03
Energy Receipts Tax	SA-7	1,303,204.00		1,303,203.76	(0.24)
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	SA-7	175,000.00		190,164.00	15,164.00
Special Items of General Revenue Anticipated with Prior Written Consent of Local Government Services:					
Public and Private Programs Off-Set with Appropriations:					
Clean Communities Program	SA-19	18,344.99	$ 18,194.81	36,539.80	
Local Food Drive	SA-19	390.00		390.00	
LEAP Grant	SA-19		80,000.00	80,000.00	
Camden County Recreation Enhancement Grant	SA-19		25,000.00	25,000.00	
Walmart Spark Good Grant	SA-19		2,000.00	2,000.00	
Body Armor Replacement Grant	SA-19	1,976.68		1,976.68	
Recycling Tonage Grant	SA-19	16,571.06	28,267.46	44,838.52	
NJDEP Grant - Trash Truck	SA-19	419,000.00	12,000.00	431,000.00	
Other Special Items:					
Berlin Township Board of Education - School Security	SA-7	111,940.00		166,025.00	54,085.00
Berlin Township Fire District - Payroll Services	SA-7	5,000.00		5,000.00	
Total Miscellaneous Revenues	A-1	2,356,426.73	165,462.27	2,764,616.75	242,727.75
Receipts From Delinquent Taxes	A-2	299,998.27	-	678,528.39	378,530.12
Amount to be Raised by Taxes for Support of Municipal Budget Including Reserve for Uncollected Taxes	A-2	8,342,975.00	-	8,629,549.88	286,574.88
Subtotal General Revenues		10,999,400.00	165,462.27	12,072,695.02	907,832.75
Budget Totals		13,008,900.00	165,462.27	14,082,195.02	907,832.75
Non-Budget Revenues	A-1	-	-	947,782.12	947,782.12
		$ 13,008,900.00	$ 165,462.27	$ 15,029,977.14	$ 1,855,614.87
	Ref.	A-3	A-3		

(Continued)

Exhibit A-2

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

Analysis of Realized Revenues

	Ref.		
Allocation of Current Tax Collections:			
Revenue from Collections	A-1, SA-6	$	25,674,892.56
Allocated to Local School, County, Fire District and Municipal Open Space Taxes	SA-6		18,101,350.95
Balance for Support of Municipal Budget Appropriations			7,573,541.61
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		1,056,008.27
Amount for Support of Municipal Budget Appropriations	A-2	$	8,629,549.88

	Ref.		
Receipts from Delinquent Taxes:			
Receipts:			
Delinquent Tax Collections	SA-6	$	675,454.03
Tax Title Lien Receivable Collections	SA-5		1,747.97
Overpayments Applied	SA-13		576.39
Due from State - Veteran and Senior Deductions	SA-4		750.00
		$	678,528.39

Fees and Permits--Other:		
Police	$	2,140.00
Municipal Clerk		95,460.00
Animal Control Permits		110.00
Planning Board		3,600.00
Continued Certificate of Occupancy		2,630.00
Zoning Board		5,610.00
Tax Search Fees		70.00
	$	109,620.00

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:				
Tax Collector:				
Property Maintenance Lien Principal			$	255.00
Treasurer:				
Police Outside Services	$	20,003.87		
Trash Can Fees		3,300.00		
Miscellaneous		84,700.41		
Payments In Lieu of Taxes - Taunton Run		25,694.08		
				133,698.36
Interest on Investments:				
Receipts:				
Current		813,458.14		
Court		370.62		
				813,828.76
			$	947,782.12

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, 2025

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
OPERATIONS--WITHIN "CAPS"						
General Government						
Mayor and Council						
Salaries and Wages	$ 114,240.00	$ 119,240.00	$ 115,916.34		$ 3,323.66	
Other Expenses	39,500.00	39,500.00	22,048.93	$ 79.81	17,371.26	
Township Clerk						
Salaries and Wages	130,720.00	140,720.00	137,348.59		3,371.41	
Other Expenses	46,900.00	46,900.00	27,580.78	1,400.35	17,918.87	
Financial Administration						
Salaries and Wages	43,940.00	43,940.00	36,130.69		7,809.31	
Other Expenses	61,000.00	66,000.00	63,745.46	266.82	1,987.72	
Audit Services						
Other Expenses	51,000.00	51,000.00	51,000.00			
Revenue Administration						
Salaries and Wages	97,230.00	100,230.00	100,218.85		11.15	
Other Expenses	15,250.00	15,250.00	13,955.26		1,294.74	
Tax Assessment Administration						
Salaries and Wages	24,510.00	24,510.00	24,509.68		0.32	
Other Expenses	10,000.00	10,000.00	5,239.74		4,760.26	
Legal Services and Costs						
Other Expenses	75,000.00	75,000.00	55,467.30		19,532.70	
Engineering Services and Costs						
Salaries and Wages	56,400.00	56,400.00	26,405.74		29,994.26	
Other Expenses	130,350.00	130,350.00	54,651.75		75,698.25	
Municipal Land Use Law (N.J.S.40:55D-1)						
Planning / Zoning Board						
Salaries and Wages	18,360.00	18,360.00	16,898.11		1,461.89	
Other Expenses	10,000.00	10,000.00	6,499.36		3,500.64	
Insurance						
Health Benefit Waiver -- Opt Out	65,000.00	65,000.00	52,344.79		12,655.21	
Liability Insurance	312,000.00	312,000.00	312,000.00			
Workers Compensation Insurance	183,000.00	163,000.00	157,264.00		5,736.00	
Group Insurance	1,980,000.00	1,859,000.00	1,848,500.98	3,945.00	6,554.02	
Unemployment Compensation Insurance	10,000.00	10,000.00	2,305.42		7,694.58	
Public Safety						
Municipal Court						
Salaries and Wages	143,130.00	143,130.00	138,839.79		4,290.21	
Other Expenses	32,220.00	32,220.00	10,943.26	432.04	20,844.70	
Public Defender						
Other Expenses	1,000.00	1,000.00			1,000.00	
Police						
Salaries and Wages	2,198,020.00	2,198,020.00	2,168,974.81		29,045.19	
Other Expenses	304,865.00	304,865.00	130,299.68	79,761.84	94,803.48	

(Continued)

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

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Public Safety (Cont'd)						
Office of Emergency Management						
Salaries and Wages	$ 3,010.00	$ 3,010.00	$ 3,009.76		$ 0.24	
Other Expenses	6,100.00	6,100.00	119.80		5,980.20	
Aid to Ambulance Association						
Other Expenses	60,000.00	60,000.00	38,050.00		21,950.00	
Municipal Prosecutor						
Salaries and Wages	16,380.00	16,380.00	16,377.66		2.34	
Other Expenses	500.00	500.00			500.00	
PUBLIC WORKS FUNCTIONS						
Streets and Roads Maintenance						
Salaries and Wages	119,830.00	119,830.00	83,999.69		35,830.31	
Other Expenses	81,650.00	81,650.00	44,377.13	$ 8,135.00	29,137.87	
Solid Waste Collection						
Salaries and Wages	428,950.00	428,950.00	331,054.07		97,895.93	
Other Expenses	15,150.00	15,150.00	4,696.34	620.00	9,833.66	
Buildings and Grounds						
Salaries and Wages	83,740.00	83,740.00	56,064.02		27,675.98	
Other Expenses	88,582.00	88,582.00	82,448.52	1,527.39	4,606.09	
Vehicle Maintenance						
Salaries and Wages	83,770.00	83,770.00	72,293.65		11,476.35	
Other Expenses	185,965.00	185,965.00	171,165.00	14,800.00		
Traffic Signal Monitoring System						
Other Expenses	40,000.00	40,000.00	20,819.92		19,180.08	
Health and Welfare						
Board of Health						
Salaries and Wages	6,120.00	6,120.00	5,632.68		487.32	
Other Expenses	500.00	500.00	81.87		418.13	
Recreation and Education						
Recreation Services and Programs						
Salaries and Wages	10,000.00	10,000.00			10,000.00	
Other Expenses	5,000.00	5,000.00	1,361.33		3,638.67	
Maintenance of Parks						
Salaries and Wages	10,000.00	10,000.00			10,000.00	
Other Expenses	35,875.00	35,875.00	32,530.14	145.00	3,199.86	
Education Functions						
Municipal Library						
Salaries and Wages	20,000.00	20,000.00	16,678.90		3,321.10	
Other Expenses	12,600.00	12,600.00	1,557.69		11,042.31	

(Continued)

Exhibit A-3

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

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Uniform Construction Code -						
Appropriations Offset by Dedicated						
Revenues (N.J.A.C. 5:23-4.17)						
Construction Office						
Salaries and Wages	$ 112,850.00	$ 112,850.00	$ 88,090.85		$ 24,759.15	
Other Expenses	5,000.00	5,000.00	1,006.80	$ 769.63	3,223.57	
Code Enforcement						
Salaries and Wages	29,360.00	29,360.00	24,845.60		4,514.40	
Other Expenses	21,200.00	21,200.00	1,050.85		20,149.15	
Unclassified						
Celebration of Public Events						
Other Expenses	25,000.00	25,000.00	20,466.84		4,533.16	
Utilities:						
Electricity	175,000.00	175,000.00	140,521.84	10,777.54	23,700.62	
Street Lighting	175,000.00	175,000.00	146,848.32		28,151.68	
Telephone	42,500.00	42,500.00	41,401.44		1,098.56	
Water	7,500.00	7,500.00	7,431.04		68.96	
Petroleum Products	150,000.00	150,000.00	77,077.63	3,523.17	69,399.20	
Sewer Treatment	7,000.00	7,000.00	5,157.00		1,843.00	
Telecommunications	5,000.00	5,000.00	504.56		4,495.44	
Landfill/Solid Waste Disposal	350,000.00	350,000.00	264,748.05		85,251.95	
Accumulated Sick leave Compensation	1.00	50,001.00	50,001.00			
Photocopying	10,000.00	10,000.00	8,349.20		1,650.80	
Postage	25,000.00	25,000.00	21,645.32		3,354.68	
Total Operations--Within "CAPS"	8,607,768.00	8,539,768.00	7,460,553.82	126,183.59	953,030.59	-
Detail:						
Salaries and Wages	3,805,561.00	3,873,561.00	3,565,635.27	-	307,925.73	-
Other Expenses	4,802,207.00	4,666,207.00	3,894,918.55	126,183.59	645,104.86	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES--MUNICIPAL--WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	257,045.00	257,045.00	257,045.00			
Social Security System (O.A.S.I.)	290,000.00	290,000.00	280,945.38		9,054.62	
Police and Fireman's Retirement System	551,005.00	551,005.00	551,005.00			
Defined Contribution Retirement Plan	13,000.00	13,000.00	8,097.51		4,902.49	
Total Deferred Charges and Statutory Expenditures--Municipal--Within "CAPS"	1,111,050.00	1,111,050.00	1,097,092.89	-	13,957.11	-

(Continued)

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

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
Total General Appropriations for Municipal Purposes--Within "CAPS"	$ 9,718,818.00	$ 9,650,818.00	$ 8,557,646.71	$ 126,183.59	$ 966,987.70	-
OPERATIONS EXCLUDED FROM "CAPS"						
Storm Water Management						
Salary and Wages	62,350.00	62,350.00	62,337.69		12.31	
Other Expenses	23,000.00	23,000.00	2,000.00		21,000.00	
Solid Waste Disposal						
Recycling Tax	15,000.00	15,000.00	6,414.81		8,585.19	
Tax Appeal Refunds	1.00	50,001.00	50,001.00			
Group Insurance	20,000.00	20,000.00	20,000.00			
Shared Municipal Service Agreements						
Voorhees Township - CFO Services	44,500.00	44,500.00	44,300.00		200.00	
Voorhees Township - Police Chief Services	108,000.00	126,000.00	126,000.00			
Berlin Township Fire District - Payroll	5,000.00	5,000.00	5,000.00			
Berlin Township Board of Education - School Security	111,940.00	111,940.00	111,940.00			
State and Federal Programs Off-set by Revenues						
Matching Funds for Grants	50,000.00	50,000.00	25,000.00		25,000.00	
Body Armor Replacement Grant	1,976.68	1,976.68	1,976.68			
LEAP Grant (40A:4-87 $16,151.39 $80,000.00)		80,000.00	80,000.00			
Clean Communities Program (40A:4-87 $18,194.81)	18,344.99	36,539.80	36,539.80			
Local Food Drive	390.00	390.00	390.00			
Local Recreation Grant (40A:4-87 $25,500.00)		25,000.00	25,000.00			
Walmart Spark Good Grant (40A:4-87 $2,000.00)		2,000.00	2,000.00			
Recycling Tonnage Grant (40A:4-87 $28,267.46)	16,571.06	44,838.52	44,838.52			
NJDEP Grant - Trash Truck (40A:4-87 $12,000.00)	419,000.00	431,000.00	431,000.00			
Total Operations--Excluded from "CAPS"	896,073.73	1,129,536.00	1,074,738.50	-	54,797.50	-
Detail:						
Salaries and Wages	214,850.00	232,850.00	232,637.69	-	212.31	-
Other Expenses	681,223.73	896,686.00	842,100.81	-	54,585.19	-

(Continued)

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

	Appropriations		Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"						
Capital Improvement Fund	$ 300,000.00	$ 300,000.00	$ 300,000.00			
Computer Equipment/Systems	10,000.00	10,000.00	835.90		$ 9,164.10	
Total Capital Improvements--Excluded from "CAPS"	310,000.00	310,000.00	300,835.90	-	9,164.10	-
MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"						
Payment of Bond Principal	755,000.00	755,000.00	755,000.00			
Interest on Bonds	273,000.00	273,000.00	272,062.51			$ 937.49
Total Municipal Debt Service--Excluded from "CAPS"	1,028,000.00	1,028,000.00	1,027,062.51	-	-	937.49
Total General Appropriations for Municipal Purposes--Excluded from "CAPS"	2,234,073.73	2,467,536.00	2,402,636.91	-	63,961.60	937.49
Subtotal General Appropriations	11,952,891.73	12,118,354.00	10,960,283.62	$ 126,183.59	1,030,949.30	937.49
Reserve for Uncollected Taxes	1,056,008.27	1,056,008.27	1,056,008.27	-	-	-
	$ 13,008,900.00	$ 13,174,362.27	$ 12,016,291.89	$ 126,183.59	$ 1,030,949.30	$ 937.49
Ref.	A-2			A	A	

	Ref.		
Appropriation by 40A:4-87	A-2	$ 165,462.27	
Budget as Adopted	A-2	13,008,900.00	
		$ 13,174,362.27	
Reserve for Uncollected Taxes	A-3		$ 1,056,008.27
Reserve for Federal and State Grant Funds -- Appropriated	SA-20		621,745.00
Reserve for Tax Appeals	A		50,001.00
Refunds	SA-1		(351,607.61)
Disbursed	SA-1		10,640,145.23
			$ 12,016,291.89

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

Exhibit B

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

	Ref.	2025	2024
ASSETS			
Animal Control Fund:			
Cash	SB-1	$ 688.98	$ 2,298.79
Other Funds:			
Cash--Treasurer	SB-1	2,191,130.56	2,226,384.87
Municipal Open Space Fund:			
Cash	SB-1	1,308,639.20	1,107,613.35
Due from Current Fund	SB-1		3,670.00
		1,308,639.20	1,111,283.35
		$ 3,500,458.74	$ 3,339,967.01
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	$ 688.98	$ 2,298.79
Other Funds:			
Due to Current Fund	SB-2	200,000.00	205,500.00
Reserve for Escrow Deposits	SB-5	1,239,059.53	1,191,426.70
Reserve for New Jersey Unemployment Compensation Insurance	SB-5	104,625.01	111,698.23
Reserve for Recycling Program	SB-5	26,046.89	45,518.51
Reserve for Payroll Deductions Payable	SB-5	43,722.65	65,926.46
Reserve for Accumulated Sick Leave	SB-5	188,856.07	221,857.02
Reserve for John J. McPeak Library	SB-5	565.16	565.16
Reserve for Redemption of Tax Sale Certificates	SB-5	21,382.01	24,965.07
Reserve for Parking Offenses Adjudication Act	SB-5	1,396.00	1,380.00
Reserve for Municipal Law Enforcement Program Expenditures	SB-5	14,135.50	13,664.13
Reserve for Berlin Township Police Department	SB-5	652.66	652.66
Reserve for Township Rehabilitation	SB-5	1,276.27	1,276.27
Reserve for Municipal Public Defender Fees	SB-5	2,575.18	1,892.68
Reserve for Storm Recovery	SB-5	105,358.03	105,358.03
Reserve for Premium on Tax Sale	SB-5	60,844.43	47,744.43
Reserve for Flexible Benefits Plan	SB-5		180.83
Reserve for Recreation	SB-5	4,249.46	4,249.46
Reserve for K9 Donations	SB-5	1,213.93	1,188.93
Reserve for Developer Contributions	SB-5	100,000.00	100,000.00
Reserve for Celebration of Public Events	SB-5	68.98	68.98
Reserve for Police Outside Employment	SB-5	63,144.98	73,202.94
Reserve for Affordable Housing	SB-5	7,306.88	7,306.88
Reserve for Encumbrances	SB-5	4,650.94	761.50
		2,191,130.56	2,226,384.87
Municipal Open Space Fund:			
Reserve for Encumbrances	B-3	10,950.00	
Reserve for Future Use	B-1	1,297,689.20	1,111,283.35
		1,308,639.20	1,111,283.35
		$ 3,500,458.74	$ 3,339,967.01

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

Exhibit B-1

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

	Ref.	2025	2024
Revenue and Other Income Realized			
Amount to be Raised by Taxation	B-2	$ 259,779.64	$ 258,846.85
Non-Budget Revenues	B-2	46,269.08	34,565.74
Total Income		306,048.72	293,412.59
Expenditures			
Operating	B-3	119,642.87	92,943.99
Debt Service			15,545.82
Total Expenditures		119,642.87	108,489.81
Statutory Excess to Reserve		186,405.85	184,922.78
Reserve for Future Use			
Balance Jan. 1	B	1,111,283.35	926,360.57
Balance Dec. 31	B	$ 1,297,689.20	$ 1,111,283.35

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

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

		Anticipated Budget	Realized	Excess or (Deficit)
Amount to be Raised by Taxation		$ 259,062.00	$ 259,779.64	$ 717.64
Non-Budget Revenues			46,269.08	46,269.08
		$ 259,062.00	$ 306,048.72	$ 46,986.72
Analysis of Realized Revenues	Ref.	B-3		
Analysis of Current Tax Collections:				
Receipts:				
Open Space Tax Levy			$ 259,062.00	
Added / Omitted Taxes			717.64	
	SB-1		$ 259,779.64	
Analysis of Non-Budget Revenue				
Treasurer:				
Interest on Deposits	SB-1		$ 46,269.08	

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

Exhibit B-3

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

	Appropriations Original Budget	Appropriations Budget After Modification	Disbursed	Encumbered	Unexpended Balance Canceled
Operating:					
Salaries and Wages	$ 114,280.00	$ 114,280.00	$ 91,161.76		$ 23,118.24
Other Expenses	55,000.00	55,000.00	17,531.11	$ 10,950.00	37,468.89
Total Operating	169,280.00	169,280.00	108,692.87	10,950.00	60,587.13
Reserve for Future Use	89,782.00	89,782.00	-	-	89,782.00
	$ 259,062.00	$ 259,062.00	$ 108,692.87	$ 10,950.00	$ 150,369.13
Reference	B-2		SB-1	B	

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

Exhibit C

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

ASSETS	Ref.	2025	2024
Cash	SC-1	$ 2,005,881.45	$ 2,550,908.84
Investments	SC-1	3,399,569.65	3,268,196.92
Deferred Charges to Future Taxation:			
Funded	SC-4	7,110,000.00	7,865,000.00
		$ 12,515,451.10	$ 13,684,105.76
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	SC-7	$ 7,110,000.00	$ 7,865,000.00
Reserve for Encumbrances	SC-6	469,633.90	462,808.62
Improvement Authorizations:			
Funded	SC-6	536,346.20	1,256,826.14
Capital Improvement Fund	SC-5	4,370,500.00	4,070,500.00
Reserve for Performance Bond Call	C	28,971.00	28,971.00
		$ 12,515,451.10	$ 13,684,105.76
Bonds & Notes Authorized but not Issued	N/A	-	-

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

Exhibit D

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

	Ref.	2025	2024
ASSETS			
Operating Fund:			
Cash	SD-1	$ 3,107,799.31	$ 2,963,153.94
Rents Receivable	SD-4	54,188.20	64,152.33
Total Operating Fund		3,161,987.51	3,027,306.27
Capital Fund:			
Cash	SD-1	375,728.81	388,498.81
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		13,767,072.91	13,779,842.91
		$ 16,929,060.42	$ 16,807,149.18
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3, SD-10	$ 98,443.06	$ 37,089.43
Reserve for Encumbrances	D-3, SD-10	13,488.49	15,006.89
Prepaid Sewer Rents	SD-7	274,315.57	278,210.19
Sewer Rent Overpayments	SD-8	2,662.09	4,290.85
Accrued Interest on Bonds and Notes	SD-9	17,893.13	27,610.63
		406,802.34	362,207.99
Reserve for Receivables	D	54,188.20	64,152.33
Fund Balance	D-1	2,700,996.97	2,600,945.95
Total Operating Fund		3,161,987.51	3,027,306.27
Capital Fund:			
Serial Bonds	SD-13	1,310,000.00	1,865,000.00
Improvement Authorizations Funded	SD-11	375,728.81	388,498.81
Reserve for Amortization	SD-12	12,081,344.10	11,526,344.10
Total Capital Fund		13,767,072.91	13,779,842.91
		$ 16,929,060.42	$ 16,807,149.18
Bonds & Notes Authorized but not Issued	N/A	-	-

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

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

Revenue and Other Income Realized	Ref.	2025	2024
Fund Balance	D-2	$ 201,850.00	$ 95,815.00
Rents	D-2	1,166,478.14	1,164,885.10
Miscellaneous	D-2	13,279.07	16,674.28
Non-Budget Revenue	D-2	159,112.79	134,888.30
Other Credits to Income:			
Unexpended Balances of Appropriation Reserves	SD-10	16,082.29	156,047.81
Total Income		1,556,802.29	1,568,310.49
Expenditures			
Operating	D-3	626,350.00	497,815.00
Debt Service	D-3	598,051.27	598,826.27
Deferred Charges and Statutory Expenditures	D-3	30,500.00	33,000.00
Total Expenditures		1,254,901.27	1,129,641.27
Statutory Excess to Fund Balance		301,901.02	438,669.22
Fund Balance			
Balance January 1	D	2,600,945.95	2,258,091.73
		2,902,846.97	2,696,760.95
Decreased by:			
Utilized as Revenue:			
Sewer Utility Fund Budget	D-1	201,850.00	95,815.00
Balance December 31	D	$ 2,700,996.97	$ 2,600,945.95

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

Exhibit D-2

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

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Appropriated	D-1	$ 201,850.00	$ 201,850.00	
Rents		1,050,000.00	1,166,478.14	$ 116,478.14
Miscellaneous		10,000.00	13,279.07	3,279.07
Budget Totals		1,261,850.00	1,381,607.21	119,757.21
Non-Budget Revenues		-	159,112.79	159,112.79
		$ 1,261,850.00	$ 1,540,720.00	$ 278,870.00

Analysis of Realized Revenues:	Ref.	D-3	
Rents:			
Consumer Accounts Receivable:			
Sewer Rents:			
Collections	SD-4		$ 884,302.10
Overpayments Applied	SD-4, SD-8		3,965.85
Prepaid Rents Applied	SD-4, SD-7		278,210.19
			$ 1,166,478.14
Miscellaneous:			
Interest on Delinquent Accounts:			
Collector Receipts	SD-3		$ 13,279.07
Non-Budget Revenue			
Treasurer:			
Interest on Investments:			
Due from Sewer Utility Capital Fund	SD-1		$ 15,250.35
Collector:			
Connection Fees	SD-3	$ 28,000.00	
Interest on Investments	SD-3	115,862.44	
			143,862.44
			$ 159,112.79

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, 2025

	Appropriations		Expended			Unexpended
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
Operating:						
Salaries and Wages	$ 189,750.00	$ 189,750.00	$ 167,009.11		$ 22,740.89	
Other Expenses	436,600.00	436,600.00	351,450.80	$ 13,488.49	71,660.71	
Total Operating	626,350.00	626,350.00	518,459.91	13,488.49	94,401.60	-
Debt Service:						
Payment of Bond Principal	555,000.00	555,000.00	555,000.00			
Interest on Bonds	50,000.00	50,000.00	43,051.27			$ 6,948.73
Total Debt Service	605,000.00	605,000.00	598,051.27	-	-	6,948.73
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	15,000.00	15,000.00	15,000.00			
Social Security System (O.A.S.I.)	15,000.00	15,000.00	11,458.54		3,541.46	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	500.00	500.00			500.00	
Total Statutory Expenditures	30,500.00	30,500.00	26,458.54	-	4,041.46	-
	$ 1,261,850.00	$ 1,261,850.00	$ 1,142,969.72	$ 13,488.49	$ 98,443.06	$ 6,948.73
Reference	D-2			D	D	

	Ref.	
Disbursed	SD-1	$ 1,099,918.45
Accrued Interest on Bonds	SD-9	43,051.27
		$ 1,142,969.72

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

Exhibit E

TOWNSHIP OF BERLIN
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Assets Account Group -- Regulatory Basis
For the Year Ended December 31, 2025

	Balance Dec 31, 2024	Additions	Deletions	Balance Dec 31, 2025
General Fixed Assets:				
Land and Improvements	$ 2,629,083.90			$ 2,629,083.90
Buildings	6,952,763.51	$ 146,118.00		7,098,881.51
Furnishings	94,348.30			94,348.30
Equipment	1,724,961.80	70,098.10		1,795,059.90
Vehicles	4,585,738.19	135,022.16	$ 30,799.53	4,689,960.82
Total General Fixed Assets	$ 15,986,895.70	$ 351,238.26	$ 30,799.53	$ 16,307,334.43
Total Investments in General Fixed Assets	$ 15,986,895.70	$ 351,238.26	$ 30,799.53	$ 16,307,334.43

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. According to the 2020 census, the population was 5,867.

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.

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

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

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

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

Budgets are adopted on the same basis of accounting utilized for the preparation of the 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; therefore, unrealized gains or losses on investments have not been recorded.

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

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

The cash management plan adopted by the 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* (2 CFR Part 225), 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 Uniform Guidance. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The 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 asset group of accounts, 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 include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

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

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

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

Fund Balance - Fund balances included in the current fund 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 to 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 immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for “other expenses,” an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

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

Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve financial reporting requirements for subsequent events. The purposes of the improvements are to (a) clarify the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (b) specifying the information items that are required to be disclosed about subsequent events. The Statement will become effective for the Township in the year ending December 31, 2027. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the 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)

As of December 31, 2025, the Township's bank balances of $19,953,314.73 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 19,794,051.12
Uninsured and Uncollateralized	159,263.61
Total	$ 19,953,314.73

Note 3: INVESTMENTS

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units.

These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; government money market mutual funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress; bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; local government investment pools; deposits with the State of New Jersey Cash Management Fund; and agreements for the purchase of fully collateralized securities with certain provisions. The Township has no investment policy that would further limit its investment choices.

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit its exposure to custodial credit risk.

As of December 31, 2025, the Township's investments were exposed to custodial credit risk as follows:

Uninsured and unregistered, with securities held by the the counterparty's trust department or agent in the Township's name	$ 6,672,356.56

Note 3: INVESTMENTS (CONT'D)

As of December 31, 2025, the Township had the following investments:

Investment	Maturities		Cost	Fair Value Hierarchy Level *	Fair Value
U.S. Government Agencies	256	day average	$ 6,672,356.56	Level 1	$ 6,678,344.18

* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

* Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.

* Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

The weighted average maturity of the Township's investment portfolio was 256 days as of December 31, 2025.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in Note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy that would further limit its exposure to credit risk. As of December 31, 2025, the Township's investments had the following ratings:

Investment	Standard & Poor's	Moody's
U.S. Government Agencies	AAA	Aaa

Note 4: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	Year Ended				
	2025	2024	2023	2022	2021
Tax Rate	$ 4.081	$ 4.018	$ 3.967	$ 3.853	$ 3.775
Apportionment of Tax Rate:					
Municipal	$ 1.288	$ 1.275	$ 1.266	$ 1.237	$ 1.237
Municipal Open Space	.040	.040	.040	.040	.040
County	.929	0.909	.891	.885	.904
Local School	1.685	1.658	1.638	1.561	1.479
Fire District	.139	0.136	.132	.130	.115

Assessed Valuation

Year	Amount
2025	$ 647,655,684.00
2024	645,332,100.00
2023	640,896,380.00
2022	638,198,835.00
2021	636,156,573.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2025	$ 26,497,675.16	$ 25,674,892.56	96.89%
2024	25,998,795.51	25,361,576.48	97.55%
2023	25,551,983.87	25,042,486.40	98.01%
2022	24,678,425.17	24,245,994.86	98.25%
2021	24,116,501.83	23,759,061.19	98.52%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2025	$ 197,183.66	$ 810,078.29	$ 1,007,261.95	3.80%
2024	163,779.58	697,855.22	861,634.80	3.31%
2023	145,584.91	556,462.78	702,047.69	2.75%
2022	129,074.21	421,294.27	550,368.48	2.23%
2021	108,909.87	344,300.52	453,210.39	1.88%

Note 4: PROPERTY TAXES (CONT'D)

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

Year	Number
2025	24
2024	13
2023	12
2022	12
2021	13

Note 5: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

Year	Amount
2025	$ 1,744,300.00
2024	1,744,300.00
2023	2,078,900.00
2022	2,078,900.00
2021	2,078,900.00

Note 6: SEWER UTILITY SERVICE CHARGES

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

	Balance Beginning of Year				Cash
Year	Receivable	Liens	Levy	Total	Collections
2025	$ 64,152.33	$ -	$ 1,158,464.01	$ 1,222,616.34	$ 1,166,478.14
2024	64,072.66	-	1,165,284.98	1,229,357.64	1,164,885.10
2023	94,872.50	-	1,154,452.51	1,249,325.01	1,183,099.23
2022	53,201.37	-	1,179,587.50	1,232,788.87	1,130,832.34
2021	49,262.20	-	1,189,225.49	1,238,487.69	1,183,223.75

Note 7: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2025	$ 11,718,822.35	$ 5,000,000.00	42.67%
2024	11,001,073.93	2,009,500.00	18.27%
2023	9,767,390.55	1,631,270.00	16.70%
2022	8,386,200.88	1,432,820.88	17.09%
2021	7,268,201.34	1,169,000.00	16.08%

Sewer Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2025	$ 2,700,996.97	$ 801,700.00	29.68%
2024	2,600,945.95	201,850.00	7.76%
2023	2,258,091.73	95,815.00	4.24%
2022	1,920,172.03	119,145.00	6.20%
2021	1,796,434.78	119,035.00	6.63%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 200,000.00	
Trust - Other		$ 200,000.00

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2026, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: 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, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Township is referred to as "Employer" throughout this Note. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

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

General Information about the Pension Plans

Plan Descriptions

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

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

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

The following represents the membership tiers for PFRS:

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

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

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

Contributions

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

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

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - *Special Funding Situation Component (Cont'd)* - The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2025 was 15.25% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025 is $210,868.00, and is payable by April 1, 2026. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 was $265,377.00, which was paid on April 1, 2025.

Employee contributions to the Plan for the year ended December 31, 2025 were $103,725.59.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2025 was .47% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2025, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2025 was $6,520.00. For the prior year measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $8,543.00.

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

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

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

The Employer's contractually required contribution rate for the year ended December 31, 2025 was 32.19% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025 is $538,766.00, and is payable by April 1, 2026. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 was $551,005.00, which was paid on April 1, 2025.

Employee contributions to the Plan for the year ended December 31, 2025 were $168,682.80.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2025 was 5.44% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2025, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2025 was $90,993.00, and is payable by April 1, 2026. For the prior year measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $93,296.00, which was paid on April 1, 2025.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Employer contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2025, employee contributions totaled $6,571.76, and the Employer's contributions were $4,425.03. There were no forfeitures during the year.

Note 9: PENSION PLANS (CONT'D)

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

Public Employees' Retirement System

Pension Liability - As of December 31, 2025, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was $1,897,595.00. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2025. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2025 measurement date, the Employer's proportion was .0154292985%, which was a decrease of .0040893764% from its proportion measured as of June 30, 2024.

Pension (Benefit) Expense - For the year ended December 31, 2025, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2025 measurement date was ($72,198.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2025, the Employer's contribution to PERS was $265,377.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2025 measurement date, was $6,520.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2025, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Employer's Proportionate Share of Net Pension Liability	$ 3,781,749.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	767,685.00
	$ 4,549,434.00

Note 9: PENSION PLANS (CONT'D)

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

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

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2025. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2025 measurement date, the Employer's proportion was .0377080100%, which was a decrease of .0021263800% from its proportion measured as of June 30, 2024. Likewise, at June 30, 2025, the State of New Jersey's proportion, on-behalf of the Employer, was .0377079300%, which was a decrease of .0021264100% from its proportion, on-behalf of the Employer, measured as of June 30, 2024.

Pension (Benefit) Expense - For the year ended December 31, 2025, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2025 measurement date was $83,079.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2025, the Employer's contribution to PFRS was $551,005.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2025 measurement date, was $90,993.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2025, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 54,104.00	$ 309,826.00	$ 363,930.00	$ 2,028.00	$ 71,875.00	$ 73,903.00
Changes of Assumptions	300.00	189,162.00	189,462.00	21,862.00	47,809.00	69,671.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	158,235.00	185,258.00	343,493.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	80,094.00	292,012.00	372,106.00	474,310.00	547,737.00	1,022,047.00
Employer's Contributions Subsequent to the Measurement Date	105,434.00	269,383.00	374,817.00	-	-	-
	$ 239,932.00	$ 1,060,383.00	$ 1,300,315.00	$ 656,435.00	$ 852,679.00	$ 1,509,114.00

Note 9: PENSION PLANS (CONT'D)

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amounts of $105,434.00 and $269,383.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2026. These amounts were based on an estimated April 1, 2027 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2025 to the Employer's year end of December 31, 2025.

The Employer will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
June 30, 2024	5.08	-	6.09	-
June 30, 2025	5.15	-	5.86	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
June 30, 2025	-	5.15	5.86	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
June 30, 2025	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16
June 30, 2024	5.08	5.08	6.09	6.09
June 30, 2025	5.15	5.15	5.86	5.86

Note 9: PENSION PLANS (CONT'D)

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

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

Year Ending Dec 31,	PERS	PFRS	Total
2026	$ (29,798.00)	$ 127,987.00	$ 98,189.00
2027	(165,698.00)	(144,589.00)	(310,287.00)
2028	(164,850.00)	(109,287.00)	(274,137.00)
2029	(145,012.00)	32,481.00	(112,531.00)
2030	(16,579.00)	31,729.00	15,150.00
	$ (521,937.00)	$ (61,679.00)	$ (583,616.00)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2025. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation Rate:		
Price	2.75%	2.50%
Wage	3.25%	3.00%
Salary Increases:	3.25% - 7.75% Based on Years of Service	4.00% - 17.50% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2021 - June 30, 2024	July 1, 2021 - June 30, 2024

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System

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

Police and Firemen's Retirement System

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

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

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

PERS Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.55%
Non-U.S. Developed Markets Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Markets Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%
	100.00%	

PFRS Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%
	100.00%	

Discount Rate -

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2025 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	$ 2,597,695.00	$ 1,897,595.00	$ 1,300,925.00

Note 9: PENSION PLANS (CONT'D)

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2025 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	$ 5,501,482.00	$ 3,781,749.00	$ 2,346,949.00
State of New Jersey's Proportionate Share of Net Pension Liability	1,116,786.00	767,685.00	476,424.00
	$ 6,618,268.00	$ 4,549,434.00	$ 2,823,373.00

Pension Plan Fiduciary Net Position

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

N.J.A.C. 5:30-6.1(c) allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2025 was not available; therefore, the information from the measurement period June 30, 2024 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

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

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

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

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

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

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

General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)

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

The Employer was billed monthly by the Plan and paid $913,338.92, for the year ended December 31, 2024, representing 32.14% of the Employer's covered payroll. During the year ended December 31, 2024, retirees were not required to contribute to the Plan.

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

OPEB Liability - At December 31, 2024, the Employer's proportionate share of the net OPEB liability was $14,509,141.00.

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

The Employer's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024. For the June 30, 2024 measurement date, the Employer's proportion was .081032%, which was a decrease of .004473% from its proportion measured as of the June 30, 2023 measurement date.

OPEB (Benefit) Expense - At December 31, 2024, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date, is $99,183.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer made contributions to the Plan totaling $913,338.92.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2024, the Employer had deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 734,785.00	$ 2,458,347.00
Changes of Assumptions	2,425,654.00	2,408,426.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	6,568.00
Changes in Proportion	2,931,584.00	901,184.00
Contributions Subsequent to the Measurement Date	458,685.30	-
	$ 6,550,708.30	$ 5,774,525.00

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of $458,685.30 will be included as a reduction of the Employer's net OPEB liability during the year ending December 31, 2025. The Employer will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	-	7.82
June 30, 2022	7.82	-
June 30, 2023	-	7.89
June 30, 2024	7.89	-
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	7.82	-
June 30, 2022	-	7.82
June 30, 2023	7.89	-
June 30, 2024	7.89	-

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	-	5.00
June 30, 2023	-	5.00
June 30, 2024	-	5.00
Changes in Proportion		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05
June 30, 2020	7.87	7.87
June 30, 2021	7.82	7.82
June 30, 2022	7.82	7.82
June 30, 2023	7.89	7.89
June 30, 2024	7.89	7.89

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,	
2025	$ (492,670.00)
2026	(34,549.00)
2027	319,049.00
2028	16,399.00
2029	98,630.00
Thereafter	410,639.00
	$ 317,498.00

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

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

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *	
PERS – Rates for all future years	2.75% to 6.55% based on years of service
PFRS – Rates for all future years	3.25% to 16.25% based on years of service
Mortality	
Pre-Retirement Healthy – PERS Post-Retirement Healthy – Other Retirees Disabled Retiree – PERS Future Retirees Disabled Retiree – Other Current Retirees	PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Pre-Retirement Healthy – PFRS Post-Retirement Healthy – Chapter 330 Retirees Disabled Retiree – PFRS Future Retirees Disabled Retiree – Chapter 330 Retirees	PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021

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

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

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

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

Actuarial Assumptions (Cont'd)

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

	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
Fiscal Year Ending	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2025	7.50%	2.42%	2.25%	12.75%	12.25%	21.78%
2026	7.00%	19.38%	20.15%	12.25%	11.75%	10.92%
2027	6.50%	22.62%	23.58%	11.25%	10.75%	8.19%
2028	6.00%	14.93%	15.47%	10.00%	9.75%	9.79%
2029	5.50%	12.87%	13.31%	9.00%	9.00%	8.92%
2030	5.25%	11.35%	11.71%	8.00%	8.00%	5.74%
2031	5.00%	10.16%	10.46%	7.00%	7.00%	4.87%
2032	4.75%	9.18%	9.44%	6.00%	6.00%	6.00%
2023	4.50%	6.54%	6.65%	5.00%	5.00%	5.00%
2034 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability, calculated using a discount rate of 3.93%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Proportionate Share of the Net OPEB Liability	$ 16,901,586.00	$ 14,509,141.00	$ 12,593,006.00

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Proportionate Share of the Net OPEB Liability	$ 12,271,772.00	$ 14,509,141.00	$ 17,385,769.00

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

B. BERLIN TOWNSHIP POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided – The Township provides postemployment health care benefits through a health plan for retirees, which provides postemployment dental insurance benefits, at its cost, to certain police officers hired prior to January 1, 2010. The Township's provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees from the Fraternal Order of Police who retire from active employment with the Township who have at least twenty five (25) years of service 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 plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Additionally, Medicare Part B reimbursement is provided to all employees who retire with at least twenty five (25) years as a Berlin Township employee.

Employees Covered by Benefit Terms - As of January 1, 2025, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	35
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	40
	75

Total OPEB Liability

The Employer's total OPEB liability of $4,951,698.00 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025.

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

Inflation	3.00% Annually
Salary Increases	3.00% Annually
Discount Rate	4.43%
Healthcare Cost Trend Rates	7.00% Decreasing to 4.50% Ultimate
Retirees' Share of Benefit-Related Costs	NA

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

Mortality rates were based on the RP-2014 Mortality Table with MP-2016 Projection.

An experience study was not performed on the actuarial assumptions used in the January 1, 2025 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates, and retirement rates were based on standard tables issued by Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

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

B. BERLIN TOWNSHIP POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

Changes in Total OPEB Liability

Balance at December 31, 2024		$ 4,651,697.00
Changes for the Year:		
Service Cost	$ 72,660.00	
Interest Cost	200,805.00	
Benefit Payments	(65,316.00)	
Changes in Assumptions	(126,896.00)	
Difference between Expected and Actual Experience	218,748.00	
Net Changes		300,001.00
Balance at December 31, 2025		$ 4,951,698.00

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

Changes of assumptions and other inputs reflect a change in the discount rate from 4.28% at December 31, 2024 to 4.43% at December 31, 2025.

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

	December 31, 2025		
	1.00% Decrease (3.43%)	Current Discount Rate (4.43%)	1.00% Increase (5.43%)
Total OPEB Liability	$ 6,020,715.00	$ 4,951,698.00	$ 4,125,978.00

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

	December 31, 2025		
	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	$ 4,105,614.00	$ 4,951,698.00	$ 6,052,339.00

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

B. BERLIN TOWNSHIP POSTEMPLOYMENT BENEFIT PLAN (CONT'D)

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2025, the Employer recognized OPEB (benefit) expense of $161,909.00. As of December 31, 2025, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 163,499.00	$ 1,326,252.00
Difference Between Expected and Actual Experience	604,213.00	27,191.00
	$ 767,712.00	$ 1,353,443.00

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

Year Ending Dec 31,	
2026	$ (244,327.00)
2027	(285,121.00)
2028	2,277.00
2029	(73,867.00)
2030	15,307.00
Thereafter	-
	$ (585,731.00)

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 up to 12 hours per year at one hundred percent (100%) of their prevailing salary rate.

Only police personnel hired prior to January 1, 2020 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, 2025, accrued benefits for compensated absences are valued at $575,232.25. A reserve in the Trust Fund has been created to fund a portion of these accrued benefits which amounts to $188,856.07. Additional amounts required will be provided in the year's budget in which any required payments are to be made.

Note 12: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 13: CAPITAL DEBT

General Improvement Bonds

Sewer Improvement Refunding Bonds, Series 2012 - On May 17, 2012, the Township issued $4,885,000.00 of sewer improvement refunding bonds with interest rates ranging from 2.00% to 4.00%. These bonds have a final maturity of January 1, 2028.

General & Sewer Improvement Bonds, Series 2016 - On October 27, 2016, the Township issued $2,410,000.00 of general improvement bonds and $750,000.00 of sewer improvement bonds, with interest rates ranging from 1.50% to 3.00%. The purpose of the bonds is to fund various capital ordinances, specifically 2011-26, 2013-12 and 2016-05. The final maturity of the bonds is November 15, 2029.

General & Sewer Improvement Refunding Bonds, Series 2017 - On January 19, 2017 the Township issued $8,520,000.00 of general improvement refunding bonds and $1,020,000.00 of sewer improvement refunding bonds, with interest rates ranging from 2.00% to 5.00% to refund outstanding 2008 sewer improvement bonds with interest rates ranging from 4.75% to 5.00% and outstanding 2010 general improvement bonds with interest rates ranging from 4.50% and 5.00%. The final maturities of the bonds are January 1, 2035 and January 1, 2025 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
2026	$ 765,000.00	$ 238,287.50	$ 400,000.00	$ 35,956.26	$ 1,439,243.76
2027	775,000.00	204,112.50	415,000.00	22,943.76	1,417,056.26
2028	775,000.00	175,337.50	430,000.00	9,603.13	1,389,940.63
2029	865,000.00	150,737.50	65,000.00	1,950.00	1,082,687.50
2030	635,000.00	124,540.63			759,540.63
2031-2035	3,295,000.00	302,659.40			3,597,659.40
	$ 7,110,000.00	$ 1,195,675.03	$ 1,310,000.00	$ 70,453.15	$ 9,686,128.18

Note 13: CAPITAL DEBT (CONT'D)

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

	2025	2024	2023
Issued			
General:			
Bonds, Loans and Notes	$ 7,110,000.00	$ 7,865,000.00	$ 8,625,315.68
Sewer Utility:			
Notes	1,310,000.00	1,865,000.00	2,400,000.00
Total Issued	8,420,000.00	9,730,000.00	11,025,315.68
Deductions			
Open Space Debt			15,315.68
Self-Liquidating	1,310,000.00	1,865,000.00	2,400,000.00
Total Deductions	1,310,000.00	1,865,000.00	2,415,315.68
Net Debt	$ 7,110,000.00	$ 7,865,000.00	$ 8,610,000.00

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 .712%.

	Gross Debt	Deductions	Net Debt
Local School District	$ 1,325,000.00	$ 1,325,000.00	
Sewer Utility	1,310,000.00	1,310,000.00	
General	7,110,000.00		$ 7,110,000.00
	$ 9,745,000.00	$ 2,635,000.00	$ 7,110,000.00

Net debt $7,110,000.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $998,056,897, equals .712%.

Note 13: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

3 1/2% of Equalized Valuation Basis (Municipal)	$	34,931,991.40
Less: Net Debt		7,110,000.00
Remaining Borrowing Power	$	27,821,991.40

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			$	1,540,720.00
Deductions:				
Operating and Maintenance Costs	$	656,850.00		
Debt Service		598,051.27		
Total Deductions				1,254,901.27
Deficit in Revenue			$	285,818.73

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

Note 14: 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.

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 the activity and the ending balance of the Township's trust fund for the current and previous two years:

Year	Township Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2025	-	$ 5,610.72	$ 4,008.55	$ 16,692.49	$ 104,625.01
2024	-	8,962.61	1,324.96	544.63	111,698.23
2023	-	6,926.45	2,485.97	6,059.46	101,955.29

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2025.

Note 14: RISK MANAGEMENT (CONT'D)

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

Workers' Compensation including Employer's Liability
General Liability including Police Professional and Employee Benefit Liability
Automobile Liability
Blanket Crime including Public Employee Dishonesty
Property Including Boiler and Machinery
Public Officials and Employment Practices Liability
Volunteer Directors and Officers Liability
Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
Excess General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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 Banking and 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 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, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

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

Note 15: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 2, 1999, and November 4, 2003 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 four cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied, and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Township of Berlin Open Space, Recreation and Farmland Preservation Trust Funds.

Note 16: 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 17: TAX ABATEMENTS

The Township entered into several property tax abatement agreements with local businesses under the state Economic Development Opportunity Act of 2013. Under the Act, municipalities may grant property tax abatements of up to fifty percent (50%) of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Township.

For the year ended December 31, 2025, the Township abated property taxes totaling $50,647.33 under this program.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

Exhibit SA-1

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, 2025

	Current Fund		Federal and State Grant Fund	
Balance Dec. 31, 2024		$ 9,782,943.45		$ 263,364.44
Increased by Receipts:				
Miscellaneous Revenue Not Anticipated	$ 133,698.36			
Taxes Collector Receipts	26,527,800.64			
Due from State of New Jersey:				
Senior Citizen and Veteran Deductions	44,145.22			
State Training Fees--Due State of New Jersey	14,381.00			
Marriage License Fees-- Due State of New Jersey	700.00			
Revenue Accounts Receivable	2,803,372.98			
Due Trust Other Funds	5,500.00			
Due Current Fund			$ 25,000.00	
Petty Cash	100.00			
Due from Township of Berlin Fire District No. 1	250,096.53			
2025 Appropriation Refunds	351,607.61			
Reserve for Sale of Assets	751.00			
Federal and State Grants Receivable			711,413.37	
Contra	809,566.07			
		30,941,719.41		736,413.37
		40,724,662.86		999,777.81
Decreased by Disbursements:				
2025 Appropriations	10,640,145.23			
2024 Appropriation Reserves	217,357.82			
State Training Fees--Due State of New Jersey	14,381.00			
Marriage License Fees--Due State of New Jersey	700.00			
Fire District Taxes Payable	896,601.00			
County Taxes Payable	6,018,385.08			
County Added Omitted Taxes	16,235.41			
Local District School Taxes Payable	10,909,923.00			
Municipal Open Space Taxes Payable	263,449.64			
Petty Cash	100.00			
Due from Township of Berlin Fire District No. 1	250,096.53			
Refund of Tax Overpayments	7,222.69			
Reserve for Federal and State Grant Funds--Appropriated			669,735.77	
Investments	137,458.01			
Contra	809,566.07			
		30,181,621.48		669,735.77
Balance Dec. 31, 2025		$ 10,543,041.38		$ 330,042.04

Exhibit SA-2

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, 2025

Receipts:		
Interest and Cost on Taxes	$ 153,327.53	
Tax Overpayments	12,691.34	
Taxes Receivable	26,011,291.51	
Tax Title Liens Receivable	1,747.97	
Miscellaneous Revenue Not Anticipated:		
Property Maintenance Liens Receivable	255.00	
Prepaid Taxes	348,487.29	
		$ 26,527,800.64
Decreased by:		
Turnovers to Treasurer		$ 26,527,800.64

Exhibit SA-3

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

Office	Amount
Tax Collector	$ 100.00
Clerk of Municipal Court	100.00
Township Clerk	50.00
Utility Collector	100.00
Library	25.00
	$ 375.00

Exhibit SA-4

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Due to State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 2,414.87
Increased by:		
Cash Received	$ 44,145.22	
Deductions Disallowed by Tax Collector:		
Current Year Taxes	1,699.30	
		45,844.52
		48,259.39
Decreased by:		
Deductions per Tax Billings	43,750.00	
Deductions Allowed by Tax Collector - Current Year Taxes	250.00	
Deductions Allowed by Tax Collector - Prior Year Taxes	750.00	
		44,750.00
Balance Dec. 31, 2025		$ 3,509.39

Exhibit SA-5

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

Balance Dec. 31, 2024		$ 163,779.58
Increased by:		
Transfers from Taxes Receivable	$ 33,254.14	
Interests and Costs from Tax Sale	2,205.28	
		35,459.42
		199,239.00
Decreased by:		
Collections	1,747.97	
Cancelled	307.37	
		2,055.34
Balance Dec. 31, 2025		$ 197,183.66

Exhibit SA-6

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

Year	Balance Dec. 31, 2024	Levy	Additional	Collections 2024	Collections 2025	Due from State of New Jersey	Appeals	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2025
2021	$ 14,338.19				$ 14,338.19						
2022	39,297.46				39,297.46						
2023	47,276.17				40,496.56						$ 6,779.61
2024	596,943.40		$ 250.00		581,321.82	$ 750.00		$ 576.39		$ 7,678.43	6,866.76
	697,855.22	-	250.00	-	675,454.03	750.00	-	576.39	-	7,678.43	13,646.37
2025		$ 26,497,675.16	29,110.15	$ 293,232.37	25,335,837.48	42,300.70	$ 8,386.46	3,522.01	$ 21,498.66	25,575.71	796,431.92
	$ 697,855.22	$ 26,497,675.16	$ 29,360.15	$ 293,232.37	$ 26,011,291.51	$ 43,050.70	$ 8,386.46	$ 4,098.40	$ 21,498.66	$ 33,254.14	$ 810,078.29

Analysis of 2025 Property Tax Levy

Tax Yield		
General Purpose Tax		$ 26,426,966.25
Added and Omitted Taxes		70,708.91
		$ 26,497,675.16
Tax Levy		
Local District School Tax		$ 10,909,923.00
Municipal Open Space Tax:		
General Tax	$ 259,062.00	
Added and Omitted Tax	717.64	
Total Municipal Open Space Taxes		259,779.64
County Taxes:		
County Taxes	5,471,325.40	
County Library Tax	346,542.40	
County Open Space Tax	200,517.28	
	6,018,385.08	
Due County for Added and Omitted Taxes	16,662.23	
Total County Taxes		6,035,047.31
Special District Taxes:		
Fire		896,601.00
Local Tax for Municipal Purposes	8,342,975.00	
Add: Added and Omitted Tax	53,329.04	
Add: Additional Tax Levied	20.17	
Local Tax for Municipal Purposes Levied		8,396,324.21
		$ 26,497,675.16

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

	Balance Dec. 31, 2024	Accrued	Collections	Balance Dec. 31, 2025
Anticipated Revenues:				
Licenses - Municipal Clerk:				
Alcoholic Beverages		$ 14,870.00	$ 14,870.00	
Other		50,169.00	50,169.00	
Fees and Permits:				
Police		2,140.00	2,140.00	
Municipal Clerk		95,460.00	95,460.00	
Animal Control Permits		110.00	110.00	
Planning Board		3,600.00	3,600.00	
Continued Certificate of Occupancy		2,630.00	2,630.00	
Zoning Board		5,610.00	5,610.00	
Tax Search Fees		70.00	70.00	
Construction Code Fees and Permits		190,164.00	190,164.00	
Municipal Court Fines and Costs	$ 7,293.31	88,627.92	88,517.43	$ 7,403.80
Cable TV Franchise Fee		61,975.03	61,975.03	
Energy Receipts Tax		1,303,203.76	1,303,203.76	
Berlin Township Board of Education - School Security		166,025.00	166,025.00	
Berlin Township Fire District - Payroll		5,000.00	5,000.00	
Miscellaneous Revenue Not Anticipated:				
Interest on Investments:				
Current Fund		813,458.14	813,458.14	
Municipal Court		370.62	370.62	
	$ 7,293.31	$ 2,803,483.47	$ 2,803,372.98	$ 7,403.80

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

	Balance Dec. 31, 2024 Encumbered	Balance Dec. 31, 2024 Reserved	Balance After Transfers	Disbursed	Balance Lapsed
Operations Within CAPs					
General Government					
Mayor and Council					
Salaries and Wages		$ 1,389.15	$ 1,389.15		$ 1,389.15
Other Expenses	$ 695.22	11,764.98	12,460.20	$ 1,088.12	11,372.08
Township Clerk					
Salaries and Wages		1,521.42	1,521.42		1,521.42
Other Expenses	8,725.60	6,945.87	15,671.47	5,933.44	9,738.03
Financial Administration					
Salaries and Wages		2,066.26	2,066.26		2,066.26
Other Expenses	1,408.79	8,094.86	9,503.65	2,117.99	7,385.66
Revenue Administration					
Salaries and Wages		479.44	479.44		479.44
Other Expenses	1,373.44	1,298.65	2,672.09	1,373.44	1,298.65
Tax Assessment Administration					
Salaries and Wages		8.06	8.06		8.06
Other Expenses		3,959.78	3,959.78		3,959.78
Legal Services and Costs					
Other Expenses		33,839.21	33,839.21	5,459.40	28,379.81
Engineering Services and Costs					
Salaries and Wages		25,106.20	25,106.20		25,106.20
Other Expenses		23,904.36	23,904.36	68.34	23,836.02
Municipal Land Use Law (N.J.S.40:55D-1)					
Planning Board					
Salaries and Wages		1,471.69	1,471.69		1,471.69
Other Expenses		3,499.98	3,499.98		3,499.98
Insurance					
Health Benefit Waiver -- Opt Out		1,221.88	1,221.88		1,221.88
Liability Insurance		971.00	971.00		971.00
Workers Compensation Insurance		7,000.00	7,000.00		7,000.00
Group Insurance		21,855.72	21,855.72	21,855.72	
Unemployment Compensation Insurance		7,822.26	7,822.26		7,822.26
Public Safety					
Municipal Court					
Salaries and Wages		3,893.66	3,893.66		3,893.66
Other Expenses	297.96	14,219.22	14,517.18	239.31	14,277.87
Public Defender					
Other Expenses		1,000.00	1,000.00		1,000.00
Police					
Salaries and Wages		132,515.22	132,515.22		132,515.22
Other Expenses	63,918.87	22,645.52	86,564.39	63,818.87	22,745.52
Office of Emergency Management					
Salaries and Wages		1.08	1.08		1.08
Other Expenses		2,922.09	2,922.09		2,922.09
Ambulance Association					
Other Expenses		30,282.42	30,282.42		30,282.42
Municipal Prosecutor					
Salaries and Wages		1.70	1.70		1.70
Other Expenses		500.00	500.00		500.00
Streets and Roads					
Road Repairs and Maintenance					
Salaries and Wages		32,023.83	32,023.83		32,023.83
Other Expenses	6,675.46	7,497.99	14,173.45	10,292.70	3,880.75
Solid Waste Collection					
Salaries and Wages		135,912.36	135,912.36		135,912.36
Other Expenses		10,569.67	10,569.67		10,569.67
Public Buildings and Grounds					
Salaries and Wages		6,596.64	6,596.64		6,596.64
Other Expenses	11,613.57	4,255.56	15,869.13	14,115.70	1,753.43
Vehicle Maintenance					
Salaries and Wages		4,366.17	4,366.17		4,366.17
Other Expenses	129.24	17,025.32	17,154.56	17,154.56	
Traffic Signal Monitoring System					
Other Expenses		3,332.92	3,332.92		3,332.92

(Continued)

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

	Balance Dec. 31, 2024				
	Encumbered	Reserved	Balance After Transfers	Disbursed	Balance Lapsed
Operations Within CAPs (Cont'd)					
Health and Welfare					
Board of Health					
Salaries and Wages		$ 830.52	$ 830.52		$ 830.52
Other Expenses		121.93	121.93		121.93
Recreation and Education					
Recreation Service and Programs					
Salaries and Wages		9,000.00	9,000.00		9,000.00
Other Expenses		5,000.00	5,000.00		5,000.00
Maintenance of Parks					
Salaries and Wages		10,000.00	10,000.00		10,000.00
Other Expenses	$ 145.00	21,068.83	21,213.83	$ 727.13	20,486.70
Expense of Participation in Free Municipal Library					
Salaries and Wages		3,935.02	3,935.02		3,935.02
Other Expenses		11,216.18	11,216.18		11,216.18
Uniform Construction Code - Appropriation Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Office					
Salaries and Wages		1,527.53	1,527.53		1,527.53
Other Expenses		4,002.83	4,002.83		4,002.83
Code Enforcement					
Salaries and Wages		6,680.81	6,680.81		6,680.81
Other Expenses		22,152.65	22,152.65		22,152.65
Unclassified					
Celebration of Public Events, Anniversary or Holiday					
Other Expenses		16,641.29	16,641.29	2,283.99	14,357.30
Utilities:					
Electricity and Natural Gas	12,040.09	6,537.42	18,577.51	12,040.09	6,537.42
Street Lighting	4,389.92	2,092.43	6,482.35	4,389.92	2,092.43
Telephone	2,283.19	931.55	3,214.74	2,283.19	931.55
Petroleum Products		66,167.61	66,167.61	13,530.97	52,636.64
Sewerage		1,903.00	1,903.00		1,903.00
Telecommunications		4,232.07	4,232.07		4,232.07
Landfill/Solid Waste Disposal		57,945.13	57,945.13	22,110.32	35,834.81
Photocopying		2,919.26	2,919.26		2,919.26
Postage		4,437.90	4,437.90		4,437.90
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		6,315.10	6,315.10		6,315.10
Social Security System (O.A.S.I.)		40,508.78	40,508.78	15,879.48	24,629.30
Defined Contribution Retirement Plan		5,313.09	5,313.09		5,313.09
Operations Excluded from CAPs					
Storm Water Management					
Salaries and Wages		1,927.30	1,927.30		1,927.30
Other Expenses		21,000.00	21,000.00		21,000.00
Recycling Tax		8,893.68	8,893.68	595.14	8,298.54
Shared Municipal Service Agreements					
Voorhees Township - CFO Services		0.08	0.08		0.08
Public and Private Programs Off-Set by Revenues					
Matching Funds for Grants		25,000.00	25,000.00		25,000.00
Capital Improvements Excluded From CAPs					
Computer Equipment/Systems		5,263.68	5,263.68		5,263.68
	$ 113,696.35	$ 968,857.53	$ 1,082,553.88	$ 217,357.82	$ 865,196.06

Exhibit SA-9

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

Balance Dec. 31, 2024	$	293,232.37
Increased by:		
Receipts - Collector		348,487.29
		641,719.66
Decreased by:		
Application to 2024 Taxes Receivable		293,232.37
Balance Dec. 31, 2025	$	348,487.29

Exhibit SA-10

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

Increased by:		
Collections	$	14,381.00
Decreased by:		
Payments	$	14,381.00

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, 2025

Increased by:		
Collections	$	700.00
Decreased by:		
Payments	$	700.00

Exhibit SA-12

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

Balance Dec. 31, 2024	$	16,235.41
Increased by:		
County Share of Added / Omitted Taxes		16,662.23
		32,897.64
Decreased by:		
Payments		16,235.41
Balance Dec. 31, 2025	$	16,662.23

Exhibit SA-13

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

Balance Dec. 31, 2024			$	576.39
Increased by:				
Overpayments Collected				12,691.34
				13,267.73
Decreased by:				
Overpayments Applied	$	4,098.40		
Overpayments Refunded		7,222.69		
				11,321.09
Balance Dec. 31, 2025			$	1,946.64

Exhibit SA-14

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Fire District Taxes Payable
For the Year Ended December 31, 2025

Increased by:		
Levy -- 2025	$	896,601.00
Decreased by:		
Payments	$	896,601.00

Exhibit SA-15

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

Increased by:		
Levy -- 2025:		
County Tax	$ 5,471,325.40	
County Library Tax	346,542.40	
County Open Space Tax	200,517.28	
		$ 6,018,385.08
Decreased by:		
Payments		$ 6,018,385.08

Exhibit SA-16

TOWNSHIP OF BERLIN
CURRENT FUND
Statement of Local District School Taxes Payable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	$ 2.50
Increased by:	
Levy -- 2025	10,909,923.00
	10,909,925.50
Decreased by:	
Payments	10,909,923.00
Balance Dec. 31, 2025	$ 2.50

Exhibit SA-17

CURRENT FUND
Statement of Municipal Open Space Taxes Payable
For the Year Ended December 31, 2025

Balance Dec. 31, 2024		$ 3,670.00
Increased by:		
Levy -- 2025	$ 259,062.00	
Added / Omitted	717.64	
		259,779.64
		263,449.64
Decreased by:		
Payments		$ 263,449.64

TOWNSHIP OF BERLIN
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2025

Program	Balance Dec. 31, 2024	Accrued	Received	Balance Dec. 31, 2025
Federal:				
Bulletproof Vest Partnership Grant	$ 2,022.10	$ 1,219.50	$ 3,241.60	
State:				
Clean Communities Grant		18,194.81	18,194.81	
LEAP Grant		80,000.00		$ 80,000.00
Drunk Driving Enforcement Grant	3,500.00			3,500.00
Recycling Tonnage Grant		28,267.46	28,267.46	
DCA Local Improvement Grant	33,500.00		33,500.00	
Neighbor Preservation Program	137,500.00			137,500.00
NJDEP Grant - Trash Truck		431,000.00		431,000.00
NJDOT Grant - Krumm Ave	68,750.00		68,750.00	
NJDOT Grant - Myrtle Ave	375,000.00		281,250.00	93,750.00
NJDOT Grant - Taunton Phase I	47,105.00			47,105.00
NJDOT Grant - Taunton Phase II	268,146.00		201,109.50	67,036.50
Total State	933,501.00	557,462.27	631,071.77	859,891.50
Local:				
Recreation Enhancement Grant - Rd 21 - Luke Ave	25,000.00		25,000.00	
Recreation Enhancement Grant - Rd 22 - Luke Ave	25,000.00		25,000.00	
Recreation Enhancement Grant - Rd 24 - Luke Ave		25,000.00	25,000.00	
Walmart Spark Good		2,000.00	2,000.00	
Local Food Drive		100.00	100.00	
Total Local	50,000.00	27,100.00	77,100.00	-
Total Grants	$ 985,523.10	$ 585,781.77	$ 711,413.37	$ 859,891.50

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

Program	Balance Dec. 31, 2024	Grants Receivable	Realized as Miscellaneous Revenue	Balance Dec. 31, 2025
Federal:				
Bulletproof Vest Partnership Grant	-	$ 1,219.50		$ 1,219.50
State:				
Clean Communities Grant	$ 18,344.99	18,194.81	$ 36,539.80	
LEAP Grant		80,000.00	80,000.00	
Body Armor Replacement Grant	1,976.68		1,976.68	
Recycling Tonnage Grant	16,571.06	28,267.46	44,838.52	
NJDEP Grant - Trash Truck		431,000.00	431,000.00	
Total State	36,892.73	557,462.27	594,355.00	-
Local:				
Recreation Enhancement Grant - Rd 24 - Luke Ave		25,000.00	25,000.00	
Walmart Spark Good		2,000.00	2,000.00	
Local Food Drive	390.00	100.00	390.00	100.00
Total Local	390.00	27,100.00	27,390.00	100.00
Total Grants	$ 37,282.73	$ 585,781.77	$ 621,745.00	$ 1,319.50

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

Program	Balance Dec. 31, 2024	Transferred from 2025 Budget Appropriation	Reserve for Encumbrances Reappropriated	Decreased	Balance Dec. 31, 2025
Federal:					
Bulletproof Vest Partnership Grant	$ 1,486.10				$ 1,486.10
Distracted Driving Enforcement Grant	3,714.35				3,714.35
Total Federal	5,200.45	-	-	-	5,200.45
State:					
Clean Communities Grant	82,760.99	$ 36,539.80		$ 1,258.00	118,042.79
LEAP Grant		80,000.00		7,000.00	73,000.00
Body Armor Replacement Grant	2,351.59	1,976.68		2,292.76	2,035.51
Recycling Tonnage Grant	69,639.39	44,838.52			114,477.91
DCA Local Improvement Grant			$ 33,500.00	33,500.00	
Neighborhood Preservation Program	118,471.39			103,988.00	14,483.39
NJDEP Grant - Trash Truck		431,000.00		431,000.00	
NJDOT Grant - Myrtle Ave	375,000.00			375,000.00	
NJDOT Grant - Taunton Phase I			188,420.00	188,420.00	
NJDOT Grant - Taunton Phase II	268,146.00			268,146.00	
Stormwater Assistance Grant	15,000.00				15,000.00
Total State	931,369.36	594,355.00	221,920.00	1,410,604.76	337,039.60
Local:					
Recreation Enhancement Grant - Rd 21 - Luke Ave			25,000.00	25,000.00	
Recreation Enhancement Grant - Rd 22 - Luke Ave			25,000.00	25,000.00	
Recreation Enhancement Grant - Rd 24 - Luke Ave		25,000.00			25,000.00
Walmart Spark Good		2,000.00			2,000.00
Local Food Drive	3,115.00	390.00			3,505.00
Total Local	3,115.00	27,390.00	50,000.00	50,000.00	30,505.00
Total Grants	$ 939,684.81	$ 621,745.00	$ 271,920.00	$ 1,460,604.76	$ 372,745.05

Disbursed	$ 669,735.77
Reserve for Encumbrances	815,868.99
Reimbursed	(25,000.00)
	$ 1,460,604.76

SUPPLEMENTAL EXHIBITS

TRUST FUND

Exhibit SB-1

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, 2025

	Animal Control		Other		Municipal Open Space	
Balance Dec. 31, 2024		$ 2,298.79		$ 2,226,384.87		$ 1,107,613.35
Increased by Receipts:						
Reserve for Dog Fund Expenditures	$ 15,391.49					
Due to State Department of Health	662.40					
Due Current Fund	161.22		$ 56,019.63		$ 3,670.00	
2025 Budget Revenue					259,779.64	
2025 Non-Budget Revenue					46,269.08	
Contra						
Various Trust Reserves			6,162,945.39			
		16,215.11		6,218,965.02		309,718.72
		18,513.90		8,445,349.89		1,417,332.07
Decreased by Disbursements:						
Due State Department of Health	662.40					
Expenditures Under R.S. 4:19-15.11	17,001.30					
Due Current Fund	161.22		61,519.63			
2025 Budget Appropriations					108,692.87	
Contra						
Various Trust Reserves			6,192,699.70			
		17,824.92		6,254,219.33		108,692.87
Balance Dec. 31, 2025		$ 688.98		$ 2,191,130.56		$ 1,308,639.20

Exhibit SB-2

TOWNSHIP OF BERLIN
TRUST--OTHER FUNDS
Statement of Due To Current Fund
For the Year Ended December 31, 2025

	Total	Trust Other	Flex Spending	Tax Title Lien Redemption	Payroll	Tax Collector Utility	Planning Board Escrow	Police Off Duty
Balance December 31, 2024	$ 205,500.00		$ 5,500.00		$ 200,000.00			
Increased by:								
Interest Earned on Deposits	56,019.63	$ 18,364.99	18.37	$ 1,875.14	12,759.05	$ 205.59	$ 20,197.97	$ 2,598.52
	261,519.63	18,364.99	5,518.37	1,875.14	212,759.05	205.59	20,197.97	2,598.52
Decreased by:								
Disbursements:								
Interest Disbursed to Current	61,519.63	18,364.99	5,518.37	1,875.14	12,759.05	205.59	20,197.97	2,598.52
Balance December 31, 2025	$ 200,000.00	-	-	-	$ 200,000.00	-	-	-

Exhibit SB-3

TOWNSHIP OF BERLIN
TRUST--ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 2,298.79
Increased by:		
Collections		
Dog License Fees	$ 7,797.49	
Cat License Fees	2,594.00	
Current Fund Budget Appropriation	5,000.00	
		15,391.49
		17,690.28
Decreased by:		
Expenditures Under R.S.4:19-15.11--Cash		17,001.30
Balance December 31, 2025		$ 688.98

License Fees Collected

Year	Amount
2024	$ 11,526.20
2023	14,085.20
	$ 25,611.40

Exhibit SB-4

TRUST--ANIMAL CONTROL FUND
Statement of Due to State Department of Health
For the Year Ended December 31, 2025

Increased by:	
Dog Registration Fees Collected	$ 662.40
Decreased by:	
Payments	$ 662.40

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

Reserve	Balance Dec 31, 2024	Increased: Receipts	Increased: Reserve for Encumbrances	Decreased: Disbursements	Decreased: Reserve for Encumbrances	Balance Dec 31, 2025
Reserve for Escrow Deposits	$ 1,191,426.70	$ 116,096.80		$ 68,463.97		$ 1,239,059.53
Reserve for New Jersey Unemployment Compensation Insurance	111,698.23	9,619.27		16,692.49		104,625.01
Reserve for Recycling Program	45,518.51			14,820.68	$ 4,650.94	26,046.89
Reserve for Payroll Deductions Payable	65,926.46	2,787,265.82		2,809,469.63		43,722.65
Reserve for Net Payroll		2,741,044.18		2,741,044.18		
Reserve for Accumulated Sick Leave	221,857.02	50,001.00		83,001.95		188,856.07
Reserve for John J. McPeak Library	565.16					565.16
Reserve for Redemption of Tax Sale Certificates	24,965.07	161,598.09		165,181.15		21,382.01
Reserve for Parking Offenses Adjudication Act	1,380.00	16.00				1,396.00
Reserve for Municipal Law Enforcement Program Expenditures	13,664.13	471.37				14,135.50
Reserve for Berlin Township Police Department Donations	652.66					652.66
Reserve for Township Rehabilitation	1,276.27					1,276.27
Reserve for Municipal Public Defender Fees	1,892.68	5,057.50		4,375.00		2,575.18
Reserve for Storm Recovery	105,358.03					105,358.03
Reserve for Tax Collector Utility		78,166.07		78,166.07		
Reserve for Premium on Tax Sale	47,744.43	122,900.00		109,800.00		60,844.43
Reserve for Flexible Benefits Plan	180.83			180.83		
Reserve for Recreation	4,249.46					4,249.46
Reserve for K9 Donations	1,188.93	25.00	$ 761.50	761.50		1,213.93
Reserve for Developer Contributions	100,000.00					100,000.00
Reserve for Celebration of Public Events	68.98					68.98
Reserve for Police Outside Employment	73,202.94	90,684.29		100,742.25		63,144.98
Reserve for Affordable Housing	7,306.88					7,306.88
Reserve for Encumbrances	761.50		(761.50)		(4,650.94)	4,650.94
	$ 2,020,884.87	$ 6,162,945.39	-	$ 6,192,699.70	-	$ 1,991,130.56

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, 2025

Balance Dec. 31, 2024		$ 2,550,908.84
Increased by Receipts:		
Due Current Fund	$ 223,948.04	
Budget Appropriation:		
Capital Improvement Fund	300,000.00	
		523,948.04
		3,074,856.88
Decreased by Disbursements:		
Due Current Fund	223,948.04	
Improvement Authorizations	713,654.66	
Investments	131,372.73	
		1,068,975.43
Balance Dec. 31, 2025		$ 2,005,881.45

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

			Receipts		Disbursements		Transfers		
		Balance (Deficit) Dec. 31, 2024	Budget Appropriations	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Balance (Deficit) Dec. 31, 2025
Capital Improvement Fund		$ 4,070,500.00	$ 300,000.00						$ 4,370,500.00
Improvement Authorizations:									
06-01	Various Capital Improvements and the Acquisition of Various Pieces of Capital Equipment	803.31			$ 803.31				
11-26	Completion of Various Capital Improvements and the Acquisition of Various Equipment	46,766.78			444.30		$ 24,274.35		22,048.13
16-04.3	Acquisition of Vehicles for Public Works	2,701.00			2,701.00				
16-04.4	Various Improvements to Municipal Buildings and Land	40,126.02			32,601.69				7,524.33
16-05.2	Drainage Improvements to Various Locations	302,435.16			1,087.30		63,411.00		237,936.86
16-05.3	Acquisition of Trash Collection Equipment								
16-05.4	Acquisition of Public Works Equipment	22,868.76			22,868.76				
16-05.5	Improvements to Recreational Facilities	25,991.66			25,830.00				161.66
16-05.6	Acquisition of Ambulance	11,619.28			11,619.28				
19-06.2	Various Recreation Improvements				70,623.65			$ 70,623.65	
19-06.4	Improvements to Various Municipal Streets and Roads	5,924.00			27,969.00			22,045.00	
21-07.2	Acquisition of Various Public Works Vehicles	134,609.39			71,278.72				63,330.67
22-01.1	Acquisition of Police Vehicles and Equipment	4,853.77			4,853.77				
22-01.2	Acquisition of Public Works Equipment	497,585.84			1,852.69		320,183.60		175,549.55
22-01.3	Improvement to Public Buildings and Grounds	89,833.43			326,348.43		38,942.45	305,250.66	29,793.21
24-06.1	Acquisition of Police Equipment	70,707.74			112,772.76		22,822.50	64,889.31	1.79
Due Current Fund				$ 223,948.04		$ 223,948.04			
Investments		(3,268,196.92)				131,372.73			(3,399,569.65)
Reserve for Performance Bond Call		28,971.00							28,971.00
Reserve for Encumbrances		462,808.62					462,808.62	469,633.90	469,633.90
Accounts Payable									
		$ 2,550,908.84	$ 300,000.00	$ 223,948.04	$ 713,654.66	$ 355,320.77	$ 932,442.52	$ 932,442.52	$ 2,005,881.45

Exhibit SC-3

TOWNSHIP OF BERLIN
GENERAL CAPITAL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2025

Increased by:		
Receipts:		
Interest Earned on Investments	$	223,948.04
Decreased by:		
Disbursements:		
Interfunds Liquidated	$	223,948.04

Exhibit SC-4

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

Balance Dec. 31, 2024	$	7,865,000.00
Decreased by:		
Budget Appropriation:		
Payment of Bond Principal		755,000.00
Balance Dec. 31, 2025	$	7,110,000.00

Exhibit SC-5

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

Balance Dec. 31, 2024.	$	4,070,500.00
Increased by Receipts:		
Receipts -- Budget Appropriation		300,000.00
Balance Dec. 31, 2025	$	4,370,500.00

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

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2024 Funded	Reserve for Encumbrances Reappropriated	Disbursed	Reserve for Encumbrances	Balance Dec. 31, 2025 Funded	Balance Dec. 31, 2025 Unfunded
06-01	Various Capital Improvements and the Acquisition of Various Pieces of Capital Equipment	02-13-06	$ 595,000.00	$ 803.31		$ 803.31			
11-26	Completion of Various Capital Improvements and the Acquisition of Various Equipment	12-12-11	650,000.00	46,766.78		444.30	$ 24,274.35	$ 22,048.13	
16-04.3	Acquisition of Vehicles for Public Works	03-14-16	150,000.00	2,701.00		2,701.00			
16-04.4	Various Improvements to Municipal Buildings and Land	03-14-16	69,500.00	40,126.02		32,601.69		7,524.33	
16-05.2	Drainage Improvements to Various Locations	03-14-16	342,825.00	302,435.16		1,087.30	63,411.00	237,936.86	
16-05.4	Acquisition of Public Works Equipment	03-14-16	420,000.00	22,868.76		22,868.76			
16-05.5	Improvements to Recreational Facilities	03-14-16	44,100.00	25,991.66		25,830.00		161.66	
16-05.6	Acquisition of Ambulance	03-14-16	181,675.00	11,619.28		11,619.28			
19-06.2	Various Recreation Improvements	06-10-19	122,000.00		$ 70,623.65	70,623.65			
19-06.4	Improvements to Various Municipal Streets and Roads	06-10-19	70,000.00	5,924.00	22,045.00	27,969.00			
21-07.2	Acquisition of Various Public Works Vehicles	09-13-21	400,000.00	134,609.39		71,278.72		63,330.67	
22-01.1	Acquisition of Police Vehicles and Equipment	03-14-22	150,000.00	4,853.77		4,853.77			
22-01.2	Acquisition of Public Works Equipment	03-14-22	750,000.00	497,585.84		1,852.69	320,183.60	175,549.55	
22-01.3	Improvement to Public Buildings and Grounds	03-14-22	500,000.00	89,833.43	305,250.66	326,348.43	38,942.45	29,793.21	
24-06.1	Acquisition of Police Equipment	05-13-24	200,000.00	70,707.74	64,889.31	112,772.76	22,822.50	1.79	
				$ 1,256,826.14	$ 462,808.62	$ 713,654.66	$ 469,633.90	$ 536,346.20	-

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstnading Dec. 31, 2025 Date	Maturities of Bonds Outstnading Dec. 31, 2025 Amount	Interest Rate	Balance Dec. 31, 2024	Paid by Budget Appropriation	Balance Dec. 31, 2025
General Bonds--Series 2016	10-27-16	$ 2,410,000.00	11-15-26	$ 210,000.00	3.000%			
			11-15-27	215,000.00	3.000%			
			11-15-28	220,000.00	3.000%			
			11-15-29	220,000.00	3.000%	$ 1,070,000.00	$ 205,000.00	$ 865,000.00
Refunding Bonds--Series 2017	1-19-17	8,520,000.00	1-1-26	555,000.00	5.000%			
			1-1-27	560,000.00	5.000%			
			1-1-28	555,000.00	3.000%			
			1-1-29	645,000.00	3.000%			
			1-1-30	635,000.00	3.125%			
			1-1-31	625,000.00	3.250%			
			1-1-32	615,000.00	3.250%			
			1-1-33	705,000.00	3.375%			
			1-1-34	695,000.00	3.500%			
			1-1-35	655,000.00	4.000%	6,795,000.00	550,000.00	6,245,000.00
						$ 7,865,000.00	$ 755,000.00	$ 7,110,000.00

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

Exhibit SD-1

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, 2025

	Operating		Capital	
Balance Dec. 31, 2024		$ 2,963,153.94		$ 388,498.81
Increased by Receipts:				
Utility Collector	$ 1,318,421.27			
Due Sewer Utility Operating Fund			$ 15,250.35	
Due Sewer Utility Capital Fund	15,250.35			
		1,333,671.62		15,250.35
		4,296,825.56		403,749.16
Decreased by Disbursements:				
2025 Budget Appropriations	1,099,918.45			
Accrued Interest on Bonds and Notes	52,768.77			
2024 Appropriation Reserves	36,014.03			
Due Sewer Utility Operating Fund			15,250.35	
Refund of Sewer Rent Overpayments	325.00			
Improvement Authorizations			12,770.00	
		1,189,026.25		28,020.35
Balance Dec. 31, 2025		$ 3,107,799.31		$ 375,728.81

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

	Balance (Deficit) Dec. 31, 2024	Receipts Miscellaneous	Disbursements Miscellaneous	Transfers From	Transfers To	Balance (Deficit) Dec. 31, 2025
Improvement Authorizations:						
Ordinance Number						
13-12 Various Improvements to the Sewerage Collection System	$ 388,498.81		$ 12,770.00			$ 375,728.81
Due Sewer Utility Operating Fund		$ 15,250.35	15,250.35			
	$ 388,498.81	$ 15,250.35	$ 28,020.35	-	-	$ 375,728.81

Exhibit SD-3

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, 2025

Receipts:	
Rents Receivable	$ 884,302.10
Sewer Overpayments	2,662.09
Prepaid Sewer Rents	274,315.57
Non-Budget Revenue:	
Connection Fees	28,000.00
Miscellaneous	115,862.44
Interest on Delinquent Rents	13,279.07
	1,318,421.27
Decreased by:	
Turnovers to Treasurer	$ 1,318,421.27

Exhibit SD-4

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

Balance Dec. 31, 2024		$ 64,152.33
Increased by:		
Net Billings		1,158,464.01
		1,222,616.34
Decreased by:		
Collections	$ 884,302.10	
Cancellations	1,950.00	
Overpayments Applied	3,965.85	
Prepayments Applied	278,210.19	
		1,168,428.14
Balance Dec. 31, 2025		$ 54,188.20

Exhibit SD-5

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

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2024	Improvement Authorizations	Balance Dec. 31, 2025
13-12	Various Improvements to the Sewerage Collection System	10-28-13	$ 750,000.00	$ 750,000.00	-	$ 750,000.00

Exhibit SD-6

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

Description	Balance Dec. 31, 2024	Additions	Balance Dec. 31, 2025
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, 2025

Balance Dec. 31, 2024 (2025 Rents)	$ 278,210.19
Increased by:	
Collections	274,315.57
	552,525.76
Decreased by:	
Application to Sewer Rents Receivable	278,210.19
Balance Dec. 31, 2025 (2026 Rents)	$ 274,315.57

Exhibit SD-8

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

Balance December 31, 2024		$ 4,290.85
Increased by:		
Overpayments Received - Collector		2,662.09
		6,952.94
Decreased by:		
Overpayments Applied	$ 3,965.85	
Refunded	325.00	
		4,290.85
Balance December 31, 2025		$ 2,662.09

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes
For the Year Ended December 31, 2025

Balance Dec. 31, 2024	$ 27,610.63
Increased by:	
Charges to Utility Operating Budget	43,051.27
	70,661.90
Decreased by:	
Interest Paid by Utility Operating Fund	52,768.77
Balance Dec. 31, 2025	$ 17,893.13

Analysis of Accrued Interest Dec. 31, 2025

Principal Outstanding Dec. 31, 2025	Interest Rate	From	To	Period	Amount
Serial Bonds:					
$ 1,055,000.00	Variable	07-01-25	12-31-25	180 Days	$ 16,915.63
255,000.00	Variable	11-15-25	12-31-25	46 Days	977.50
					$ 17,893.13

TOWNSHIP OF BERLIN
SEWER UTILITY OPERATING FUND
Statement of 2024 Appropriation Reserves
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024 Encumbered	Balance Dec. 31, 2024 Reserves	Disbursed	Balance Lapsed
Operating:				
Salaries and Wages		$ 8,976.59		$ 8,976.59
Other Expenses	$ 15,006.89	21,551.14	$ 36,014.03	544.00
	15,006.89	30,527.73	36,014.03	9,520.59
Deferred Charges and Statutory Expenditures				
Statutory Expenditures:				
Contribution to:				
Social Security System		6,061.70		6,061.70
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		500.00		500.00
	-	6,561.70	-	6,561.70
	$ 15,006.89	$ 37,089.43	$ 36,014.03	$ 16,082.29

Exhibit SD-11

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

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded	Disbursed	Balance Dec. 31, 2025 Funded	Balance Dec. 31, 2025 Unfunded
13-12	Various Improvements to the Sewerage Collection System	10-28-13	$ 750,000.00	$ 388,498.81	-	$ 12,770.00	$ 375,728.81	-

Exhibit SD-12

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

Balance Dec. 31, 2024	$ 11,526,344.10
Increased by:	
Long Term Bonded Debt Paid by Operating Budget	555,000.00
Balance Dec. 31, 2025	$ 12,081,344.10

Exhibit SD-13

TOWNSHIP OF BERLIN
SEWER UTILITY CAPITAL FUND
Statement of Long Term Bonded Debt
For the Year Ended December 31, 2025

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2025 Date	Maturities of Bonds Outstanding December 31, 2025 Amount	Interest Rate	Balance Dec. 31, 2024	Paid by Budget Appropriation	Balance Dec. 31, 2025
Refunding Bonds of 2012	5-17-12	$ 4,885,000.00	1-01-26	$ 340,000.00	3.250%			
			1-01-27	350,000.00	3.250%			
			1-01-28	365,000.00	3.125%	$ 1,385,000.00	$ 330,000.00	$ 1,055,000.00
General Bonds of 2016	10-27-16	750,000.00	11-15-26	60,000.00	3.000%			
			11-15-27/29	65,000.00	3.000%	315,000.00	60,000.00	255,000.00
Refunding Bonds of 2017	1-19-17	1,020,000.00				165,000.00	165,000.00	
						$ 1,865,000.00	$ 555,000.00	$ 1,310,000.00

TOWNSHIP OF BERLIN

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule of Financial Statement Findings

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

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)
Marion Bodanza	Council President	1,000,000.00	(A)
Frank McHenry	Councilmember	1,000,000.00	(A)
Frank Epifanio	Councilmember, Council president	1,000,000.00	(A)
Michael Lydic	Councilmember	1,000,000.00	(A)
Mark Reid	Councilmember	1,000,000.00	(A)
Alexander Davidson	Chief Financial Officer / Treasurer	1,000,000.00	(A)
Cathy Underwood	Township Clerk, Improvement Search Clerk, Registrar of Vital Statistics	1,000,000.00	(A)
Kelly Shendock	Deputy Registrar of Vital Statistics, Secretary to the Building Inspector, Planning Board, and Zoning Board	1,000,000.00	(A)
Nichlolas R Trabosh Esq.	Judge of Municipal Court	1,000,000.00	(A)
Maria Reed	Court Administrator and Violations Clerk	1,000,000.00	(A)
Taylor Sirolli	Deputy Court Administrator and Violations Clerk	1,000,000.00	(A)
Andrew Simone	Acting 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)
Dana O'Hara	Tax and Sewer Clerk Tax and Sewer Utility Collector and Tax Search Clerk	1,000,000.00	(A)
Deborah Bastelica	Tax and Sewer Clerk	1,000,000.00	(A)
Michael DePalma	Building Subcode Official / Inspector and Construction Code Officer / Plumbing Inspector / Fire Subcode Official/Inspector	1,000,000.00	(A)
Sal Cantania	Electrical Inspector	1,000,000.00	(A)
Dan Gatti	Tax Assessor	1,000,000.00	(A)
Louis Bordi	Police Chief	1,000,000.00	(A)
Christopher Orlando	Solicitor		

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

APPRECIATION

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

PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP

Daniel M DiGangi

Daniel M. DiGangi
Certified Public Accountant
Registered Municipal Accountant